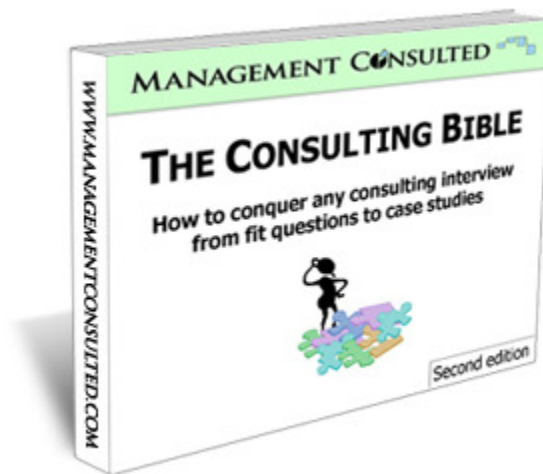


THE CONSULTING BIBLE

How to conquer any
consulting interview from fit
questions to case studies

Second edition



MANAGEMENT CONSULTED

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Preface

If you've searched for good consulting resources on the internet, you probably didn't have much success. The ones that do exist (see: Vault or Wetfeet) are simply unhelpful because:

1. They don't focus on the consulting industry, instead providing generic recruiting advice
2. Case study guides are too theoretical. As interesting as Porter's 5 Forces is, the threat of substitutes won't be very helpful if you don't understand when and how to apply the concept
3. Much of the information is out-of-date. Company profiles feature outdated quotes; salary levels are from several years ago
4. No example answers are provided, which makes it tough to structure and craft an appropriate response
5. The information is composed by industry outsiders, who quote insider sources or conduct surveys to gather the information

This guide addresses all of those problems. **In here, you'll find:**

1. More than 60 in-depth fit and personality questions that **came directly from interviews**. Some are as fresh as this year's fulltime recruiting cycle. I fully believe that mastering these 50 **will give you the content, preparation, and flexibility to answer any fit question**
2. 5 sizing questions (what I call "mini-cases") with multiple solutions, including secrets on how you can conquer any sizing question regardless of complexity or ambiguity
3. 4 extensive case studies - created from scratch to test you on the 5 case study principles that all top candidates instinctively master

I will be adding to this list on a monthly basis. And if you've bought the guide now, you'll receive **free updates for life**. Imagine *The Consulting Bible* with 500 fit/experiential questions, 50 sizing questions, and 50 cases.

Once you've absorbed the lessons from below, you'll know how to answer **any question in any interview**. That's my guarantee.

How to get the most out of this guide

1. **Quickly read** through the fit questions and suggested answers. This will give you a sense for what consulting fit interviews are like, and how good answers are structured
2. **Tackle the case studies.** Case studies are typically 75% of interviews, and can break an otherwise strong interviewer. Being good at cases is necessary to receive an offer, but **not sufficient** by itself.
3. Then read through the other content, such as “What they’re looking for”
4. Each interview question should have 3 components:
 - a. **What they’re looking for** -the interviewer’s intended purpose
 - b. **What you should do** - tips and suggested guidelines for answering
 - c. An **“example” answer** - answers I would feel comfortable giving
5. For the most common and critical questions, I've added a **“what you shouldn't do”** section as well
6. My example answers should **not be quoted word for word**. Read them for structure and answer flow

General interview tips

**some of the following tips were taken from www.managementconsulted.com*

Before the interview...

1. **Rehearsal is key.** In front of the mirror, with friends and colleagues, any chance that you get...
2. ...but make it sound natural. It's a bit ironic, but you need to have answers that are prepared but are **delivered in an engaging, conversational manner** and not as if you were reading from a script
3. **Dress nicely.** Wrinkled shirts = do not think ahead = unable to plan workstreams = poor team member. Misshapen tie-knot = lack of friends able to do you a favor = poor social skills = poor team member
4. **Scan the news in the morning.** Consultants and most successful businesspeople (read: your target audience) are very well informed. For example, you'll look out of touch if you go into an interview today without being able to talk about the subprime and financial crisis for a minute or two
5. **Prepare and ask smart follow-up questions.** 99% of the time, you'll be allowed 5-10 minutes to ask questions of the interviewers. Have 2-3 good questions ready, and *"Why did you choose management consulting?"* does not count as one

During the interview...

6. **Alignment is everything.** Talk about past experiences (academic, extracurricular, work) and future goals and how these skills **make you a great consultant**. The more you can demonstrate that you have a consultant's toolbox and share personality traits, the stronger your candidacy will be
7. Keep responses to open-ended questions short - **one minute, max**. Have pauses that will allow the interviewer to interject if they wish
8. **Avoid discussing personal issues** such as your family and your financial situation unless specifically asked
9. Never say *"I don't know, let me get back to you."* Even on tough technical questions, it's your job to **always attempt an answer**. If you must, preface with *"I'm no expert on this topic, but this is what I understand..."*
10. Discuss lessons learned and takeaways, particularly when you discuss errors, mistakes, failures, etc

11. Always use anecdotes. People **love a good story**
12. In every answer, you should strive for no more than 3-4 points maximum. 2 well-developed ones are usually enough. Never have just one point to make - particularly when you're **asked for your opinion** (eg, "*What makes a good consultant?*")
13. **Have good energy.** Some call it passion - whatever you want to call it, it's just important to look like you're interested

After the interview...

14. Ask for a business card, ask if you can email them with follow-up questions, and then **actually follow-up**
15. Ask your interviewer to give you **detailed feedback**. This feedback - both the pros/cons, strengths/weaknesses - will influence the style and content of your future interviews. If your first interviewer mentions that you struggled with the market sizing calculations, you can bet that the second interviewer will test your quantitative chops
16. Build rapport with your interviewers. Your success is about the content of your answers **and** the ability to connect with interviewers

Fit and Experiential Interview Questions

An introduction

Consulting interviews are about two things - case studies, and fit/experiential questions. These questions are challenging because:

1. There is no right answer
2. The types of questions and variations in the questions are limitless

My approach is to focus on the most **frequently asked questions**. There are tens of questions that you will encounter in future interviews that this guide does not cover. But **the ones most central to determining your interview success are included**.

“A great pitcher may only have a few pitches mastered, but he can vary them effectively to face any batter.” - Anon

Keep in mind the following:

1. **Structure is everything.** *“There are two points I’d like to discuss”. “Three areas come to mind”*. It help you avoid rambling, makes you look like a structured thinker, and puts the interviewer at ease
2. **Draw on personal stories and anecdotes.** Avoid generic statements such as “I am a very good problem-solver”. Talk about when you solved a tough problem!
3. **Always incorporate alignment in your answers**
4. Discuss lessons learned. When asked questions such as *“Tell me about a leadership challenge”*, end your answer with *“From this experience, I learned that...”*. This shows that you can **synthesize**, another critical consulting skill

On to the questions!

Education and school questions

These questions are for the interviewer to get a handle on your background. They want to know you challenged yourself in school, paid attention to what you learned, and are comfortable communicating those insights.

They also want to know that you're a careful decision maker. This will be a consistent theme across multiple question categories, but you must give the impression that for important decisions in life, you thought **clearly and analytically** about them (eg, pros vs. cons, costs vs. benefits)

A tricky area here - similar to the “*Experienced hires and career changer questions*” - is when they ask why you want to be in consulting if your background indicates a different path taken. Focus on where those experiences and consulting overlap (eg, the analytical foundations, the teamwork culture). Show that you've done your background work on the job, the firm, and the industry and **you know what you're getting into**.

In general, this category is about showing your strengths. If you have a high GPA, bring that up. If you have multiple majors, emphasize the difficulty of your coursework.

1. Explain a concept or topic you learned in one of your classes in a minute

They're looking for: strong ad-hoc presentation skills and an ability to describe something complicated in simple terms. Showing passion for academic content is a plus (after all, consultants are nerds).

You should: have a few of these answers prepared. Aim for broadly interesting topics (read: not particle physics) and the answer should have the following components:

1. Context - what class
2. Three point structure in communicating the content
3. What you found interesting about this concept/lesson

Example response:

*I took a class the fall semester of my junior year on the Rise and Fall of Ancient Empires. It was loosely based on the book by Jared Diamond. I was fascinated with the content and learned a few things about how empires succeed: **[Explain your three points here]**. I've realized since then that many of the lessons are applicable to businesses as well. **[You can even insert a current event discussion here]***

2. Tell me about your favorite college class and share a few things that you learned

They're looking for: your academic interests, an ability to communicate key insights effectively and concisely

You should: similar to the previous question, prepare a few answers. Discuss a broadly interesting class and communicate the 2-3 highlights of that class. **Anecdotes are extremely helpful.** Describing how you followed up the class (eg, doing research with that professor, taking the grad student level course in the same topic) is a plus.

Example response:

My favorite college class was definitely a class I took on Money and Banking. It was a great 101 to business, and finance in particular. I learned [PUT YOUR TWO OR THREE POINTS HERE]. Since taking the class, I've kept in touch with the professor and recently started to help him do research on several of the topics related to derivatives and futures.

3. I see you have a liberal arts background in school. Why are you interested in management consulting?

They're looking for: demonstrated interest in consulting as shown by how much you've learned about the job and evidence that you have **the analytical skills** to succeed.

You should: a good answer has two components - one part that explains what a management consultant does and why you enjoy those responsibilities and would be good at them, and a second part that explains where you've undertaken analytically challenging classes, jobs, etc

Example response:

I've talked to a lot of people in the industry that inspired me to apply. Consulting seems to be an intellectual and challenging profession that really gives you a broad business education, two things that really interest me. I know I'm a Sociology major, but during the past 2 years I did several research projects that required a lot of statistical analysis. In addition, I spent a summer working for a local accounting firm which was a better education than any Accounting 101 class. Not only was it analytically challenging, but I now understand financial statements inside and out.

4. I see you were an engineering undergraduate (or graduate student) with a lot of technical experience. Why are you interested in management

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consulting and what have you done to prepare for it?

They're looking for: demonstrated interest in the profession as shown by how much you've learned about the job as well as evidence that you have the "soft skills" to succeed.

You should: like the previous question, a good answer also has two components - one part that explains what a management consultant does and why you would be good at it, and a second part that explains where you've undertaken experiences such as people leadership, public presentation, client development (sales experience is a huge plus)

Example response:

While I have an engineering background, I've always been very interested in business - particular technology-driven sectors and companies such as Google or even DuPont. As such, I'm eager to apply the analytical skills I've learned in Civil Engineering to solve complex business problems. I've talked to many people in the industry and they've given me the impression that consulting is a very demanding job, but one that is people and team-oriented. Much of my work experience - from my time as the head TA of the Civil Engineering 101 class to my 2 years at Dow Chemicals - has been in leading teams to accomplish tough goals, so I feel that I'm prepared for the challenge.

5. Why did you major in [DEGREE]?

They're looking for: a level of maturity in describing how you chose the major. After all, consultants need to be careful decision makers.

You should: explain how your personal and professional interests aligned with the major. Explain the challenging aspects of the major that attracted you (for instance, the complexity or global-scope of the content, and so forth)

Example response:

I initially chose Biology because I was attracted to the order and logic of science. However, I've always been too interested in current events and real-world issues, which is why I ultimately decided on Economics. Economics provides the best of both worlds - a quantitative, analytical backbone along with an understanding of psychology and societal impact. While it's not an MBA, it has given me the fundamentals to be successful in business - both in terms of how I think, and a knowledge of macro and microeconomics that is central to any business education.

6. You attended [UNIVERSITY OR MBA]. Explain to me your thought process

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in deciding to attend [UNIVERSITY OR MBA]

They're looking for: similar to above, a level of maturity in describing how you choose the institution.

You should: explain how your personal and professional interests aligned with that institution. Focus on "serious issues" such as the quality of the student body and the breadth of curriculum offered. Avoid discussing financial aid (because at best that's a neutral answer and won't help your candidacy one)

Example response:

My parents were alumnus of Wharton before I decided to attend, so that was a natural draw as I've always admired the success of their friends and the Wharton alumni network. I did a campus visit and came away really impressed with how friendly and accomplished the student body was. Finally, they really put an emphasis on preparing you for a variety of business careers. Business has been my interest from an early age, so it just made sense to me.

MBA-specific education and school questions

When applying for an associate position (consultant, associate, junior associate, senior analyst) out of business school, you can expect a higher bar when it comes to your business acumen and career planning. As such, interviewers will expect more with respect to your understanding of the industry, the job, and your future goals.

You need to have clear preferences but **don't limit yourself to just one area** - for instance, you may be interested in both consumer goods and petroleum/natural gas. You won't be pigeonholed - just don't have a 5-year background in marketing and spend your entire time discussing your interest in marketing.

1. Which functions (such as organization, operations) are particularly interesting to you and why?

They're looking for: that you've thought carefully about a consulting career and have developed interests in certain areas (as reinforced by your work experiences, MBA classwork, etc). You may even be applying to a specific practice (eg, Strategy, Operations)

You should: not say "*all functions are equally interesting*". It's OK to state preferences here, but make sure you mention that the attraction of consulting is the ability to "develop broad expertise and receive exposure to different areas". Pick 2 functions that are interesting to you and describe 1 or 2 reasons you find them interesting. Highlight prior work, classes taken, and future goals to reinforce.

Example response:

I'm really interested in marketing and operations. Most of my background is in product marketing and management, so I've learned a lot about those functions but only in one industry. Here at [BUSINESS SCHOOL], I've taken marketing and operations classes that have really deepened my theoretical understanding, and the marketing and operational issues are just so interesting and yet so important to a company's success. I'm hoping to really help firms solve those problems, but this time in a broad variety of industries.

2. Which industries are interesting to you and why?

They're looking for: very similar to above, that you've thought carefully about the process and are interested enough to have developed interests in specific industries or sectors. This will often be influenced by your prior work

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experience.

You should: discuss one or two industries that you find interesting, but do not give the impression that **you're only** interested in those areas. Strengthen your claims by referring to past work experiences, classwork, or future goals

Example:

The oil and natural gas industries are interesting to me because they're so vital to the global economy. I also think that within these sectors, there's a lot of areas where there could be significant improvement - innovation is slow, people aren't managed well, you don't get the best talent - and so that opportunity is interesting to me. I want more experience there, having only taken some Civil Engineering classes in undergrad.

3. Why did you choose to do business school? Can you share some of the lessons you've learned?

They're looking for: confirmation that you're a careful decision maker and that your decision to attend business school aligns with your interest in consulting (for instance, "I went to business school to build a broad set of business skills and knowledge")

You should: don't say "because I didn't know what else to do". Explain the 2 or 3 things that attracted you most to an MBA. Avoid personal lessons or overly sappy ones (eg, "I learned how to work really hard"). Focus on the business lessons that will sound good to a consultant.

Example response:

I'd come to a fork in my career and didn't want to continue down the IT/technology path forever. An MBA was a great chance to reset, to get a business education that I didn't have in undergrad, and to meet inspiring people. Probably the most important thing I've learned is where the benchmark is - being among such accomplished and hard-working people has made me realize exactly what your personal standards need to be to consider yourself among the best.

4. Why did you pick [SCHOOL] for your MBA?

Exact same answer as the undergraduate question (*in the "Education and school questions" section*)

Resume questions

Resume questions are like free-throws. They're a relatively known-quantity. Interviewers ask them as a litmus test for your preparation level and the following things: communication skills, the ability to synthesize, and more detail on specific experiences.

This is one area where **practice makes a difference**. Be ready to talk about anything you decide to put on your resume - from work experience to your major to your passion for cooking.

Take the opportunity to "advertise yourself" - by discussing your strongest work experiences (both the quality of the brand and where you had the greatest impact), your strongest leadership positions, and other qualities that make you a good consultant (such as a high GPA, entrepreneurial experiences, etc).

Keep answers concise but informative. And don't go overboard - with any open-ended question, have no more than 3-4 points **at a maximum**. My preference is 2 well-developed ones.

1. Take a few minutes and run me through the key things I should know from your resume

They're looking for: this question is usually asked for several reasons:

- The interviewer didn't have time to review your resume
- The interviewer wants to see what you think are your most important experiences and accomplishments
- The interviewer wants to test your ability to give an effective soundbite

I guarantee this question will be asked of you multiple times in your interviewing life. It's something that the **successful candidates nail**.

You should:

- Briefly highlight your educational background
- Highlight 2 work experiences (it's ok if you have one that just dominates the resume)
- Focus on results and not process (eg, *"I automated a process that saved each employee 30 minutes/day"* and not *"I worked on creating a new process for how employees would document how they spent their time"*)

You shouldn't:

- Speak quickly and rush
- Spend the entire time discussing your educational background
- Focus on only one work experience - unless it's of enormous importance

Example response:

No problem. Let's start with the education portion of my resume: I graduated Yale in 2007, majoring in Computer Science and English. During my time there, I was actively involved with both the Yale Finance Club - serving as its president while tripling the size of the group, and the school newspaper, where I worked for 3 years before rising to editor-in-chief in my last year. In terms of work experience, the one job I'd highlight is my summer as an investment analyst with Prudential. I spent 3 months with the firm analyzing stocks, providing buy/sell recommendations, and doing fundamental and technical research on a large portfolio. In fact, one of my recommendations ended up being their "stock pick of the month". It taught me a lot about financial markets and how to value companies and their equity.

2. If I could only know one experience from your resume, what would it be?

They're looking for: the interviewer wants to know what you think is your most meaningful experience. Whatever the answer, they will assuredly **ask you follow-up questions**. Make sure it's something you're comfortable discussing in-depth, and not just something that works well as a 15 second soundbite. It's also a way for the interviewer to really nail down **one story** of you as a candidate, so **prepare your answer in advance**

You should:

- Practice your answer until you can look natural reciting it from memory
- Prepare answers for anticipated follow-up questions to a much deeper level than your resume states
- Give an answer preferably on a **work experience** where you had quantifiable impact

You shouldn't:

- Give an answer **only** because that company is the best-known name on your resume
- Use extracurricular activities/hobbies as your one example. They are rarely meaty enough to make a good lasting impression (unless you were student body president or something of that caliber)
- Discuss more than one job - interviewers will pick-up on that; at best it

will slightly irritate them, at worst it will make them feel like you were trying to give them the 'ol run-around

Example response:

The most important experience for me has been my summer internship at Proctor & Gamble. This was my first business internship so I was really nervous and excited about the opportunity. It turned out to be the best 12 weeks I've had, and really taught me a lot about business and marketing. I spent the summer there working as an analyst within the product marketing group, and from day one I had more work and more responsibility than I could manage. It took a few weeks for me to get settled and really understand how things worked there, but once I got comfortable I really excelled at the job. In fact, I was voted one of the top 3 interns across the entire firm that summer - in large part because I noticed a problem in the way they processed incoming customer service data and built a few macros in Excel that resulted in a 50% decrease in the amount of time that the analytics group was spending in crunching those numbers.

3. I see you had internship experience XYZ, did you receive a return offer?

They're looking for: success in your internship. After all, if you can't receive a return offer after spending a summer with the company, that doesn't inspire confidence in your day-to-day work abilities.

You should: say yes! If you didn't, tell the truth but please spin it in a realistic way. For instance, saying "my boss hated me from day one and there was nothing I could do" is not a good answer. A good "no" response is below

Example response:

I spent a challenging summer with Ernst & Young, and learned a lot in my time. Unfortunately I didn't receive an offer to return, but a big reason for that was because through the latter half of the summer, I began to express to them my concerns that the job wasn't for me. It was a little too focused on number-crunching and basic accounting, without solving any real strategy and business issues. I think by talking about this frustration with my mentors and managers it made them realize that I'd probably be happier in a different industry. That experience and the lessons I learned are what brought me to consulting today - because given my background, I'm much more interested in and feel like I can excel at answering the more complex, higher-level questions.

4. Why didn't you accept your return offer after your summer internship?

They're looking for: your thought process and how turning down your return offer led to an interest in consulting

NOTE - this question applies to career changes as well. It's not just for summer interns.

You should: don't go 100% negative on your summer job. After all, you were interested enough to apply and work there in the first place! Instead, mention 1-2 things that you liked about it and 2-3 things that you disliked and how those mattered more. Ideally those 2-3 things that you disliked are corresponding strengths of the consulting industry (eg, industry and functional variety with clients, need to learn many things quickly, etc)

Example response:

I had a great time that summer - definitely learned a lot about pharmaceutical sales and met some role models that I still stay in touch with. But there were a few things that didn't make me happy. For one, the job was purely sales-based and didn't require a lot of upfront thinking or research. I like to learn new things all the time and see how they relate to the broader business world, and this job just didn't provide it. Second, our clients were primarily doctors, those in the healthcare world. Healthcare's really interesting to me, a really complex industry, but I'm interested in other industries. Retail. Technology. And pharma sales just wouldn't be able to provide that.

Post-consulting and your future questions

Interviewers want to know if your career goals align (again, this theme of alignment) with what you'll learn and experience as a consultant. If your career goal is to be a senior accountant at a Fortune 500, there's not much alignment. If your career goal is to be a 9-to-5 insurance salesman in Central Ohio, there's not much alignment.

Consultants admire the following: ambitious goals, passion for business, interest in positions of leadership and prestige, intellectual curiosity, thirst for personal development

Those are just some of the areas you can reference when you discuss career goals. Remember alignment and show that **you think about your future a lot**. Because the last thing you want is to leave the impression that you're careless and unmotivated about your career and future. Why would they want that sort of person at their firm?

1. Where do you see yourself in 5 years? 10 years?

They're looking for: maturity in thinking through your interests and future career progression. Confidence that there's a good chance you'll stay in the role for a long-time

You should: the answer differs for 5 vs. 10 years. At 5 years, I'd recommend saying that you see yourself in consulting or a related field (eg, strategy, Fortune 500 management). At 10 years, it's ok to talk in broader themes but discuss themes that overlap with consulting (for instance, a career as a Broadway entertainer would not overlap). As an undergraduate, it's ok to express a degree of uncertainty. If you're an MBA graduate or experienced hire, you'll need concrete answers.

Example response:

I've thought about this a lot. For me, in these next couple years I definitely want to be challenged - intellectually, professionally, in business. I want to get as broad an experience as possible. And if I enjoy what I'm doing, and feel like each year brings new responsibilities, I would continue down that road. In 10 years, I'd like to be at the top of my field, preferably still in business, and still excited to be going to work and being inspired by my job every day.

2. What do you plan to do after management consulting?

They're looking for: this is not a trick question! Similar to above, they're looking

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to understand your desired career progression to 1) see if that fits with consulting and 2) understand your personality better

You should: the best answer is the least concrete one. Don't say, "*I plan to spend 3 years in consulting and then move to a macro hedge fund*". Discuss themes - a solid example answer is below.

Example response:

I'm not sure. The reason I want to get into consulting is because I feel like I'll learn so much from it, and really see how different industries operate and how you can influence large organizations. I've always been interested in business, because I think it has the most talented people who are working the hardest to succeed, and I know I want to stay in it. I love technology too. Ultimately, if I can make a career where technology and the ability to have impact in large organizations intersect, that'd be ideal.

Personality and curve-ball questions

These questions are meant to be more light-hearted. A wise consultant once told me:

"If I can't see myself spending all day with the applicant in a conference room the size of a broom closet, I don't recommend hiring them."

Personality questions are meant to get beneath the composed façade and the business formal dress. Consultants ask these questions to **build rapport**. In addition, the insights gleaned from questions such as "Greatest failure" say a lot about how you'll deal with challenges and frustrations in the job.

In answering these questions, be frank but not too personal. **Use anecdotes** to illustrate specific points. Show passion when you give answers to personal topics (such as hobbies). **Humor helps but don't force it.**

1. Imagine that tomorrow, you picked up the New York Times and there was an article about you on the frontpage. What would the title say?

They're looking for: it's an out-of-the-box question that consultants like to ask to see if you can think creatively and/or have a sense of humor. This is another question where preparation (delivered naturally) can go a long way towards clinching your offer. Have an answer that is most reflective of your "positive personality" (ie, the best part of you)

You should:

- Say something funny - test it with friends/colleagues/firm insiders
- **Keep it short** - nothing ruins a "fun question" like a long, windy answer

You shouldn't:

- Focus on something personal, unless that personal issue is indirectly related to positive professional traits (for instance, "*A hiking newcomer named Kevin Gao just climbed Mt. Everest in under 24 hours!*" is personal, but shows that I am ambitious and hard-working)
- **Try to be too funny** - you don't know these people well enough. And 90% of the time, the person asking will be significantly older than you and you won't have established rapport. Better serious than funny if you don't know how to pull it off

Example response:

Funny example: *Gates. Jobs. Zuckerberg. And now...Vince Gonzales!*

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Introducing the web world's new titan.

Serious example: *An illustrious career in global business and politics: introducing the New York Time's person of the decade, Brian Nguyen.*

2. What would your friends say about you? Variants include: What 3 words would your friends use to describe you? What would your friends say is your greatest flaw?

They're looking for: it's an indirect question, an interview tactic to get interesting responses about your personality, strengths, and weaknesses without asking directly. It's also a way for them to see how self-perceptive you are (but too much of this is a BAD THING for a candidate). They're looking for answers that are insightful about your personality and show flaws (come on, your friends clearly know the worst about you) but also clear strengths.

You should:

- Mention only one weakness - treat this question similar to the following question about your greatest weakness. Be prepared for this question - it's critical to strike the right balance between being believable and being positive
- Clearly identify two strengths - after all, your friends should be your biggest fans

You shouldn't:

- Be too casual or attempt humor in your response - things like "they'd say I was the guy who always wanted a Chipotle burrito" might be funny to some, but not worth the risk
- Be too frank in admitting shortcomings. You may feel the urge to give the interviewer as "sincere and self-aware" a response as possible, but let's face it - frank criticisms of yourself will hurt your chances much more than being too boastful (particularly since it's "coming from friends")

Example response:

My friends would probably say I'm one of the hardest working people they know. They make me fun of me constantly for how much time I spend on classes, business projects...I'm surprised they're still my friends! They'd say that I'm someone who they know will succeed in the future because of that ethic and determination. At the same time, it wouldn't be all roses. They'd say that I'm someone who can be too focused, maybe fixated - occasionally missing the right answer because I was too sure or too confident of myself.

3. Tell me about your hobbies/personal interests.

They're looking for: insight about your personality and an ability to connect with you on a personal level. Consulting is a team-intensive job. If interviewers can't see you on their team, they won't hire you.

You should: mention several hobbies and **briefly** describe how you got into them and what you've accomplished. Try not to focus on one area (eg, sports) as this will limit the chance that you'll have overlapping interests with your interviewers. But if you only have one interviewer and that person loves racquetball as much as you, it's ok to your entire time talking about the sport.

Example response:

I've always enjoyed playing tennis. I used to play competitively from as young as I can remember, and was very serious about it - enough so that I was going to national tournaments as a 13, 14 year old. Unfortunately I injured my shoulder practicing too much, and since then haven't been the same. But I still really keep up with all the tournaments, players, and try to get onto a court at least once or twice a week. Aside from tennis, I like reading non-fiction. It can be tough to find the time to read a book, but I think non-fiction's a good investment. I read just about anything - psychology, global affairs related - such as Jared Diamond, Malcolm Gladwell.

4. Greatest failure and lessons learned

They're looking for: humility and an "improvement ethic"

You should: discuss a reasonable failure - avoid overly personal ones (anything to do with family). Describe the 2-3 insights that you took away, and how you've applied that in your life today. Anecdotes are particularly powerful here.

Example response:

I failed my first class freshman year of college. It's on my transcript and has always embarrassed me. But the experience really taught me a couple of things. For one, I need to be proactive when I don't understand something. Two, I can't just rely on just sheer intellect, if I want to succeed I need to put time into it. After that, pretty much every class I've aced because success truly is 99% perspiration.

4. If you didn't do consulting, what else would you do?

They're looking for: that you're not in consulting just for the prestige, but want to do it because it fits with your personality and career goals

You should: talk about jobs/careers that are similar to consulting and in particular, the **characteristics** of those jobs that would be similar

Example response:

If management consulting doesn't work out right now, I could see a few options. One would be to work at a startup, in a operating or business development role. The other would be to work at a global company that's a leader in whatever they're doing, in a role where I can manage products and people. I think what's similar is that with both, I'd be always challenged to learn new things, to be a great leader and work in teams that I respect, and have major responsibilities that would push me to become a better business person.

Strengths and weaknesses

Similar to the Resume Questions, these questions are a known quantity. The interviewer is looking for insight into whether you're self-perceptive and aware of your developmental needs. Everyone has weaknesses - but do you realize what they are, and are you working to improve them?

To answer these questions, preparation is key. The more scripted and prepared your response, the lower your risk of sounding arrogant or unsuited for the job.

1. Greatest strength?

What they're looking for: an idea of how self-perceptive you are, and with the answer itself, some insight as to whether that will make you a good consultant (for instance, saying that you're very good at taking orders from others may be a strength, but not one that would make you a good consultant). As long as you have a well-rehearsed answer, you'll be fine.

You should: have several rehearsed answers that are revealing and are attributes that would make you a good consultant (eg, very detail-oriented, able to get a lot of stuff done quickly)

You shouldn't (*reproduced from "What would your friends say about you" on page 22*):

- Be too casual or attempt humor in your response
- Be too boastful in strengths or frank in shortcomings

Example response:

My greatest strength is probably my ability to see 4 or 5 steps ahead. I don't play chess, but I always plan out everything and see it in my mind far ahead of its present situation. This helps me a lot in preparing for what's to come, and I think really gives me an advantage over people who are too focused on the here-and-now, without realizing that early investments in things far in the future can really pay off.

2. Greatest weakness?

Ditto to "Greatest strength?" above

Example response:

The one area where I've received feedback is that I can lose focus quickly. I tend to become very interested in certain things, certain areas, and will work extremely hard for a long time on them. But then

if the pace stalls, or the progress stalls, or it becomes too repetitive, I start to lose interest and find myself focusing on other projects, areas of work, etc. It's something I've been trying to work on by trying to improve my discipline, ability to stay focused for a long time, and just trying to find interesting aspects of projects that may be somewhat dull

3. What types of constructive feedback have you received from prior jobs?

They're looking for: that you take professional development seriously, and have shortcomings but recognize and are working to improve on them

You should: if you haven't received explicit feedback, that's ok. You can describe what your perceived work shortcomings (not unlike the "Greatest weakness" question). It's also OK to discuss positive feedback, but don't do this too much. If you have received developmental/critical feedback, highlight only the sensible ones (if your boss wanted to fire you because you were late everyday, please don't bring this up). Discuss how you've improved in the interim.

Example response:

The one time I've received formal feedback was at my part-time job at an asset management company. My manager really seemed to care about my development and that I had a good experience, and I learned a lot over those months about how wealth management and even broader finance worked. We had a lot of conversations, but at the end of my time there the one area he said he really noticed that I needed to work on was my follow-up skills - so not just finishing an assignment or project, but checking in on the people I delivered it to, to get their feedback, reactions, etc and really making sure that their needs were met. It's something that I've carried with me in pretty much everything I do now - the need to routinely see my assignments through to the end, and to follow-up with those that rely on me regularly.

Teamwork, leadership, and people-management questions

These questions are the bread and butter of companies like Bain, BCG, McKinsey, and other industry leaders. Teamwork and leadership are two highly valued traits in management consulting, and an interviewer wants to know that you have experience in both areas.

You have to dig deep and create some good stories. You may find it hard to craft the right answer, but look extensively through your background - from work to school to extracurriculars to hobbies - to find experiences that illustrate your ability to work effectively in teams, lead people, and overcome obstacles.

With the people management questions (eg, tough boss, tough colleagues), you must show that you have strong interpersonal skills - the ability to initiate tough conversations and propose compromises to defuse stress and tension.

Anecdotes and story telling are the key differentiators here. Avoid generic, high-level answers as the interviewers have heard it all before. As mentioned before, wrap up your answers with “From this experience, I learned two things...”. **Summarize and synthesize!**

1. Tell me about a time when you were leading a team that faced a significant challenge, and how you led your team to overcome that challenge

They're looking for: insight on your ability to cope with obstacles/challenges, which is a natural part of any demanding job and in particular a management consultant's; they want to see that you've had experience being a **leader in a crisis**; it's important to prepare a great answer - everyone's faced this challenge before, so it's critical to identify your own story and develop it into a convincing answer

You should:

- Focus on professional experiences (eg business, school, extracurricular) unless there is a particularly poignant/relatable personal experience
- Rehearse your answer so the structure is clear - a good answer should discuss #1 the context, #2 the obstacle, #3 how you became the leader or asserted leadership, #4 the resolution

You shouldn't:

- Discuss personal experiences (again, unless they're particularly poignant and far removed from potentially squeamish topics such as family)
- Discuss only your role - make sure you mention your team and their

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- contributions. After all, consultants value teamwork far more than individual accomplishments
- Skip or under-develop exactly how you arrived at the solution. Just saying that you "took the lead and helped the team resolve the situation" without a clear description of how the solution emerged is not good story-telling

Example response:

We had a final class project during business school where we needed to deconstruct a business case scenario and make a formal presentation. I was elected my team leader to make sure things stayed on track and to take the lead in the presentation. Everyone got along fine at first, and we were making good progress on understanding the key issues the business faced, but as we neared the deadline we couldn't agree on what the solutions were for the issues the business faced. People simply disagreed, and given that everyone was tired and stressed it led to a lot of fighting and tempers really flared. The problem was that the team had essentially two opposing views of the solution. I tried to wait it out a bit but it seemed like we were getting nowhere, so eventually I took the lead and simply said, hey, look, you guys appointed me as your team lead. So this is what I propose. And then I laid out a compromise solution that actually had parts of each side's thoughts. I then pointedly asked each person, one at a time, if they were ok with this solution, and if they weren't, what their concerns were. By doing this I really isolated the problems and made sure to get buy-in. We were able to finish the project on time. What I took from this experience is two things - one, that as a leader your job is to make sure teams stick to deadlines and deliverables, and that two, group and individual buy-in are necessary to move forward and reduce friction

2. Tell me about your most challenging leadership experience. This can be from work, from school, etc.

Very similar to the previous question. Have a well-rehearsed story; make sure your answers include the 4 points listed above (eg, context, conflict, leadership, resolution); don't ignore the team's role and use **"we"** often!

Example response:

My toughest leadership experience was in the second year of my job at a D.C.-based non-profit. I was promoted to a position that was in charge of 3 full-timers and a summer internship class of 4 interns. It was my first time managing people, and particularly challenging because my goal was to initiate an international fundraising campaign with my team of 7. It was tough getting everyone to come together and be passionate

about the goal, and I wasn't sure how to do it. Finally, my mentor at the company suggested I take them on a weekend "team-bonding" retreat. I spent 3 straight days planning a retreat. That retreat, in which I facilitated team bonding activities, really communicated my visions as their team leader, and also spent a lot of one-on-one time with each teammate to get to know them better, really helped us bond. One thing we agreed upon was a list of 3 overarching goals that we would review as a team daily - that would remind each of us everyday of our mission and purpose. It was a successful campaign - we ended up raising more money for the non-profit that year than any of the last 5.

3. Tell me about a time when you manifested leadership - in the sense that you didn't have a formal leadership role, but you recognized an opportunity and stepped up to lead the team?

They're looking for: "emergent leadership" - the ability to recognize when leadership is needed and the courage/skills to accept that responsibility. These opportunities arise in projects and the most successful consultants know how to seize them

You should: think long and hard about when you've had this experience. Your initial reaction may be, "I've never done anything like this before", but scour your academic, extracurricular, and work history. You've never accepted additional responsibilities when a coworker was slacking? Took the lead in finishing a group project when no one else wanted to? Describe the setting, the problem that emerged, and how you assumed leadership to address the problem. Then talk **briefly** about the lessons you learned. Another question where **preparation is vital**.

Example response:

I was part of a team at a leadership conference where our project was to analyze and make recommendations to a hypothetical client on certain treatments for AIDS in Sub Saharan Africa. There was no clear leader initially. We were presented with a lot of data, and several people came in and gave us small presentations that helped us better understand the situation. We then got to work trying to formulate our strategy and recommendations. Right away, there was a lot of disagreement - not only could we not agree on how to move forward, we couldn't even agree on the facts! It was then that I realized we weren't going to get anywhere, so I stepped up and walked over the chalkboard. I then proceeded to ask each person to tell me their 3 most important facts about the case, and 1 recommendation from each person. By taking this step, it helped us immediately synthesize a bunch of the information available, and allowed us to see where we were all in agreement and where we weren't. After doing that, the team started

to look at me kind of as the leader, and I was able to direct the flow of conversation so that we reached several effective recommendations which we later presented successfully to the client. The experience taught me that when people have different viewpoints, you need to make them explicit and find areas of common ground. And you'll be surprised at how much common ground there is once you establish it.

4. Tell me about your leadership style

They're looking for: insight on your personality and if you have what it takes to be a good consultant

You should: discuss several strengths of your leadership style, but also **one shortcoming** that you're working to improve. Provide specific examples from past experiences. You can mention role models and what you admire about their style

Example response:

The experience that I draw the most from to learn about my leadership style is when I was managing the part-time employees at a web startup. 3 months of doing that really gave me a good understanding of my strengths and areas where frankly I think I could be a better boss. I'm good at sharing my vision of what needs to get done - letting them see the big picture and getting them excited about achieving it. I'm also not a micromanager but I know when to get involved, so I feel like I let them get their things done without me looking over their shoulder but I'm also quick to manage them if anyone's not performing well enough. The one thing I don't feel like I'm good at is really pushing people above and beyond their expectations. I think really great leaders are able to do that, but I sometimes feel bad when I push them too hard. I want to be inspiring and strong enough that I can really draw the most from each person - even more than that person thought possible, and really draw on their strengths. It's something that I'd like to work more on in the future.

5. How would you deal with a difficult boss?

They're looking for: insight on how you'll deal with sticky management and coworker issues if you're hired. If you have one specific story that you can share (that ended well), definitely do that. Otherwise, it's perfectly ok to assess a hypothetical. The key to a great answer is to look like you're both proactive and diplomatic - that you will proactively fix issues to help the team's and your own productivity, but do so in a diplomatic manner that saves an important relationship

You should:

- Make sure you have a prepared answer for this one. It can be a sensitive topic (since most interviewers are managers/team leaders and could be your "boss" should you choose to work at that firm) so how you handle a real or hypothetical situation says a lot about your ability to do well at the firm
- Focus on both the cause of the problems/tensions with your boss and how it was resolved - ignoring the cause means you won't be able to prevent a similar situation from occurring in the future
- Show/describe the benefits that arose from resolving the issue (eg, more team productivity, more personal productivity, how your manager has now consistently changed his/her behavior for the better, etc)

You shouldn't:

- Use emotionally charged words like "confrontation", "angry", "fought", "hate"
- Discuss only your personal role in the solution (eg, *"my boss would always yell at me on Monday mornings, so I made sure to stay out of sight on Monday mornings. Problem resolved"*). Make sure its something that both parties had to work out together

Example response:

My manager in my last job, where I worked for 2 years, was tough. Really tough. And I think what made me struggle the first few months I worked with him - was that you had no idea what he wanted from you. So I finally decided I couldn't take it anymore, and just scheduled a lunch with him to address the issue. At lunch, I basically told him, look, I've been having a really challenging time working under you. And then I gave him 3 examples of where I'd spent an enormous amount of time working on a specific assignment, only to have him change what he wanted at the last minute. I then talked about how with the time wasted, I could've done these 5 other things for him and helped the company. He was a little taken aback, but since I was so specific in how the time freed up by having him be more direct and consistent would be used in other projects, he really took to it. After that, I think he just respected me a whole lot more. And there wasn't any more of the changing directions 180 degrees. I took away from that experience the need to be facts-based when having sensitive conversations, and to show how resolving a conflict can benefit both parties by really trying to see priorities and concerns in someone else's shoes.

6. How would you deal with difficult coworkers/colleagues/teammates?

Same as above. Have several well-rehearsed personal examples or hypothetical situations prepared. Focus on how you were proactive yet non-confrontational,

and how both parties worked together to resolve the situation. Talk about the benefits/positives that arose from the solution.

Example response:

I was part of the campus newspaper, and was on the sports coverage team. It was just 4 of us, including one section leader, and we spent all of our time together going to events, covering them, discussing and then writing our stories, etc. There was one guy that just didn't agree with me. Every story I proposed, he had some sarcastic comment. And he always pointed out the little things about my story that were inaccurate or not written well. It was tough working with him. I finally sat down with him one day when everyone else had left the office and was really direct with him about what he was doing. He was really defensive, but then I started to give examples of what he was doing. And I also started to show him how his style could be applied to his own work, looking at some of the mistakes in his articles that I didn't mention. I think what really got across was my general message of, "Look, we both want to write great articles and give people good coverage about the teams. I'm happy if you criticize my writing to help me make it better. But in the future, why don't we sit together and try to help improve each other's stuff as opposed to trying to embarrass the other person in front of a group?" The lesson here was that sometimes things can get personal, but I needn't react personally - but rather, to show where our goals overlap and propose actual things we can do - not just discuss feelings.

7. Tell me about a time when you were forced to make an unpopular decision

They're looking for: how you handle adversity and your ability to do the right thing even if it may cost you friends/allies

You should: discuss a real (or explain a hypothetical) situation where you made a tough decision that was ultimately the right thing to do and what you learned from that experience

Example response:

In my fifth year at SAP, I was tasked with managing 10 junior IT analysts in charge of enterprise software integration. One of the IT analysts was a very outgoing, friendly, and popular guy with the rest of his class. Unfortunately, his work was bad - he consistently showed up late, he made simple mistakes repeatedly, and he often slacked off during the middle of the day by taking long breaks and long lunches. After many individual and group conversations, his behavior still did not change. I

had no choice but to recommend him for dismissal from the company. Word leaked out that I was planning to do that, and all 9 of the other junior analysts came up to me and said that they didn't see why he had to be fired, that they were extremely upset, and that they would all quit if he was let go. It was hard because they clearly enjoyed having him around, and the analyst class had bonded closely in the previous months. But I had to do the right thing - and I wanted them to understand why. I calmly explained every incident I could remember of his poor performance, I showed them examples of work where he had seriously erred, and slowly they came to understand my position. Ultimately, he was let go - and none of the other analysts quit. In fact, I think it's made them respect me much more today that I can make tough decisions but that I'm also fair.

Industry/firm interest and knowledge questions

These questions are particularly important for those from a non-business/non-economics background (liberal arts, engineering, medicine, law). Interviewers want to know that you're interested enough in the job to have done your due diligence - whether that's talking to industry people, reading guides and online resources, etc

They want to know that you're prepared for the job, and know what skills are required for success. They also want to know that you have a clear idea of why you're getting into the industry and what you plan to accomplish in your time as a consultant (this applies more for MBA and graduate level than for undergraduate).

Good answers to questions in this category include a few traits:

1. They show you've done your homework
2. They include anecdotes and highlights from your prior experiences to reinforce your strengths and skillset
3. They present a clear vision of your career goals and a comfort with what the job entails

1. Why are you interested in management consulting?

They're looking for:

- A solid understanding of the job and industry
- An appreciation for the skills/personality traits needed to be successful in management consulting
- A "subtle sell" of your strengths - as opposed to "direct sell" (an example of a subtle sell would be: I've always been a very curious person with a passion for learning. My understanding of management consulting is that learning is an integral part of the job.)

You should:

- Include components of the 3 items above
- Keep the answer to a minute or less
- Mention the people - it's a very reliable response to mention the talent/intelligence/ambition/hard-work of management consultants. Not only does it compliment the interviewer indirectly, it tells the interviewer what personality traits you respect and emulate

You shouldn't:

- Discuss the particular company you're interviewing with unless

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- specifically asked - their question is not why you want to work for them, but why you're interested in their **line of work**
- Discuss superficial characteristics such as pay and perks. Travel is ok

Example response:

I've talked to many former and current consultants, and have done a lot of research on the industry. From what I see, management consulting is an intellectually challenging profession. I've been impressed with the people far more than in any other job - they're not just great talkers and presenters, but they have a curiosity that I haven't seen from anyone else. I mean, I think consulting is a very demanding job - there are long hours, lots of travel, tough challenging work - but all of that excites me because I feel like I'll learn a lot, be able to help some of world's most impactful businesses solve their problems, and work closely with people that I'd actually consider role models.

2. What do you think makes a good management consultant?

What they're looking for: similar to the previous question, they're looking for an indirect understanding of the job and industry and an appreciation for the skills/personality traits needed.

You should: good things to mention include hard-work, analytical capabilities, communication skills (both in small and large groups), understanding of and interest in business, etc.

You shouldn't: sell yourself too much - after all, the question is about what makes a good management consultant, not what makes YOU a good management consultant (unless that is the question asked). An indirect mention of your strengths ("*a good management consultant should be very detail-oriented, which is actually what attracts me to the job*") signals that you're detail-oriented without directly saying so.

Example response:

I think it's two things: one is an interest and passion for solving problems. Learning enough to understand those problems, and then working hard to come up with sensible but also creative solutions. And I think number two, it's about communicating with people and helping them be the best possible. Because in consulting what you do is no good if the client doesn't believe you, or isn't inspired to take what you recommend and then implement it into their jobs daily.

3. What have you done to prepare yourself for the job?

What they're looking for: due diligence on your part. That you know enough and are excited enough that you've done your homework.

You should: talk about people, books and online resources, personal homework, past work experiences, anything that gives you the skills to be a good consultant

Example response:

First, I've learned the most talking to people at information sessions and mixers. I've kept in touch with several of these people, and have done practice interviews, and asked them a lot of questions. Second, there's also this really great blog called Management Consulted that I read everyday, which talks about recruiting and what it's like to be a consultant. Finally, I have a lot of experience in my student groups leading people, and through jobs and projects I've really gotten comfortable with tools of the consulting trade, such as Excel and Powerpoint.

4. Why are you interested in [INSERT FIRM NAME HERE]?

They're looking for: someone who has done their research. It's tough to give a great answer here (most applicants apply for every firm) and the most common response is: *"because you guys have the smartest and most interesting people"*. Gather insight from friends and contacts at the firms about its culture, its people, its history, etc. As long as you talk about positive characteristics, even if they're somewhat generic, you'll be ok

You should:

- Talk about the people, the culture, the type of work, etc
- Mention if you talked to specific employees or recruiters - this is great because it shows you've done your homework

You shouldn't:

- Say "I don't know much about your company yet"
- Say "Because you're the best"
- Mention salary, perks, etc

Example response:

I'm interested in Badass Consulting Firm because of all the companies I've talked to, I really respected and got along with a few at your

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company the most. They seemed really well rounded and happy at their jobs and that's what I aspire to be. It's clear that yours is one of most well-known firms in the industry. I know that working here, I'll be challenged and learn a lot about business through the job.

5. Any particular areas of management consulting that you find really interesting (for instance, a particular industry, or a particular function such as operations)?

They're looking for: don't get worried here if you weren't born with a passion for growth strategy in the retail industry. And don't feel like you need a response of that specificity. Interviewers are looking for further insight on your interests (especially if you can tie it with your background and prior experiences). This is a question where it's ok to say you don't know - but the answer should not JUST be "I don't know", rather "the one thing I find most interesting about consulting is the broad exposure across industries and functions. I'm really looking forward to solving challenging, complex business problems". You get the picture.

You should:

- Be honest if you have a particular interest (eg, nonprofit, sports leagues and teams, etc)
- Relate interests to your background and prior experiences
- Say you're unsure if you really are, and that you're looking forward to learning about multiple industries and functions

You shouldn't:

- Get too specific or you'll look like a phony
- Mention a random industry or function unless you have a valid demonstrated interest
- Give the impression that you only like one industry or function, or you may not show enough intellectual width/breadth/curiosity to merit an offer

Example response:

I don't know enough to have a specific preference. I find strategy really interesting because I feel like it answers the most important questions for how a company is going to succeed in the future, but I'm attracted to consulting because I'll get to learn about and work in all these different areas - in operations, helping sales teams, discussing company culture, etc. I'm looking forward to the diverse challenges, because through them I'll build a broad set of business skills.

6. Why do you want to work at a global management consulting firm?

They're looking for: this shouldn't be a common question. But if you're asked, they're interested partially in understanding how much you know about the way consulting firms operate, and partially in understanding if you have the skills to do well in a large, complex organization.

You should: discuss what you know about the benefits of international consulting firms (global clients, international travel, more resources to leverage, etc). If you have work experience in large corporations, discuss how that experience has benefited you

Example response:

I went to a small liberal arts school and have worked mostly at startups. I'm attracted to a global company because of a few things. One is the opportunities it presents - you work with more clients in more industries, which is a great experience for me. Second, it's more international in scale and I love to travel and understand and work in new cultures. I spent 6 months working for an electronics firm in Japan and took away a lot from the experience. Finally, my time at startups has really taught me how to work effectively with small groups of people and you still get to do that at big consulting companies.

7. Why do you want to work at a boutique consulting firm?

They're looking for: an understanding of the pros and cons of working at a boutique versus a global firm. This is relative, since many boutiques will have multinational clients

You should: discuss the benefits of working at a smaller consulting firm (eg, more collegial environment, closer relationships with senior partners, etc). Explain that you know the differences between boutiques and GMCs but point to prior experiences or future goals that align with a boutique consulting experience.

Example response:

My experience has been mostly working for large, Fortune 500 companies. Plus, I went to a large public school. But from the minute I attended your company's mixer, I really became interested. There was a collegial feel to the event and to the people I met, everyone seemed like they knew each other and really respected each other. And from what I've learned talking to [WHOMEVER YOU MET], at a boutique like yours you get really close exposure to the client and work closely with senior management, both of which are great experiences and attractive

qualities.

8. Why are you interested in [INSERT PRACTICE/DEPARTMENT HERE] practice?

They're looking for: this question only pertains to those that are applying for a specific functional or industry practice (for instance, McKinsey Corporate Finance). They want to know that you've done your homework on the differences between practice-specific and generalist positions, and that you have what it takes to succeed

You should: explain briefly what you know about the practice and the perceived strengths. Then discuss your prior experiences and/or future goals that align with a focus in that area.

Example response:

I'm interested in the Operations Practice because I think it'll really let me work closely with companies in solving day to day problems. In addition, it'll give me the formal training and theoretical education that will help me understand it on a higher level. I've always enjoyed managing a company's operations - whether that was managing my family's restaurant to spending 6 months helping a startup expand to offices in Asia and Europe.

International offices and overseas applicants

I've included this category to address applicants that are either:

- From a foreign country applying to a U.S. office
- From the U.S. and applying to an overseas office

Interviewers may ask these questions to get a sense for your motivations. The last thing you want to say is *"The Sao Paulo office sounded like fun, and I've always wanted to live in Brazil"*.

Come across as prepared, with a substantive reason for your interest in that country/city/office - substantive is typically a combination of your future goals (*"I would like to gain experience in Asia because it's ground zero for much of the innovation going on in the business world"*) plus your prior experiences (*"I spent several years in Germany studying the language and working for a local bank"*)

Understand and express what you can of the target region's culture and idiosyncrasies. The best way to teach yourself is by talking to people that you know - and sometimes in applying to international offices, they will match you with analysts/associates/consultants in those offices as a mentor. Take advantage.

1. I see much of your educational and work background is from [XYZ country]. Why did you choose to apply to a U.S. office?

They're looking for: confirmation that this is not a move based on a "whim" and that you have ambitious career goals that align closely with working in the U.S.

You should: describe how your prior experiences have culminated in an interest in working in the U.S. Discuss medium to long-term professional goals and how these are well-served by working in the U.S. management consulting industry

Example response:

I've spent most of my career in Spain. I've always found enough opportunities to challenge me and push me and where I was adding a lot of value. But it just makes sense to move to the U.S. I've always seen America as the country where business is at its peak, where the smartest, most capable people are. Particularly in management consulting - the industry is well respected in America, and you work closely with the best companies on the toughest problems. I want to work with them, because ultimately I'd like to be at the top of my field in business and the only way to get there is to work with and learn from the best.

2. What preparation work have you undertaken to learn more about the U.S. management consulting industry and its business culture?

They're looking for: that you're serious about the transition and have taken initiative to learn more, and that you understand the potential challenges but are prepared to address them

You should: discuss the preparation work you've done. Highlight unique characteristics of U.S. business culture

Example response:

I've read every book I could get my hands on, from The McKinsey Way to management books by Peter Drucker. Even Marvin Bower's biography. And through my outsourcing work, I've been in touch with a lot of people in the U.S. and have made a lot of friends in business there. We talk a lot about the differences - for instance, how U.S. managers are often hands-off while Indian ones are typically micromanagers - and I've learned a lot through this network of people. What I've learned has made me comfortable with the change that will happen, and I feel in many ways I am more suited to how business operates in the U.S. than it does in India.

3. What are some differences between the U.S. business culture and the culture of your home country? How do you plan to address these?

They're looking for: same as above

You should: highlight your strengths! The fact that you have exposure to another business culture is a strong experience-set that will allow you to provide fresh perspectives to teamwork, problem-solving, and client relations.

Example response:

There are a few differences that come to mind. One is that China is very hierarchy focused, while the U.S. is more flat. My experience in China has taught me how to manage up and manage my bosses well, but I would enjoy being able to really have equal conversations with senior partners. Another is that China is very relationships focused when it comes to generating clients, while the U.S. can be more on merit and skill. This has really shown me how to build good people relations which are mutually helpful, but sometimes its frustrating if you feel like you are the best person for the job but the decision isn't based on ability.

Experienced hires and career changers

These questions can be expected if you're transitioning from another industry into consulting. Interviewers want to know that you're serious about the change, have done your research, and have clear reasons for being attracted to a consulting job.

In answering these questions, you should accomplish the following:

- Demonstrate that you've done your research to learn about the industry and the company
- Demonstrate that your prior work experience has trained you well for consulting (eg, people leadership, high-pressure environments)
- Demonstrate that you've thought long and hard about the change and have clear reasons for the transition

In addition, for some people it will mean a step back - whether that's pay, title, seniority, and so forth. You should be ready to explain that these sacrifices are anticipated, but the benefits of the career change outweigh the costs.

1. What motivated you to change now?

They're looking for: a convincing reason for your intended switch. They want to make sure this isn't a whim and that you're committed to consulting

You should: show that you've thought long and hard by describing what you've done to learn more about the industry and job. Explain what you've disliked about your current job and how consulting rectifies those concerns. Explain the challenges that you see to consulting and why you're well-positioned to address them.

Example response:

I've learned a lot in my time at Gap Corporate. But a life in retail doesn't appeal to me, and moving up is slow even when your work is good. Solving business problems has always interested me, but I wanted to do it more broadly and at a higher level. I talked to a lot of colleagues in consulting, and really admire their daily jobs. It sounds challenging but impactful, and my experience at Gap has given me a strong skillset that now I'd like to apply to many companies, not just one.

2. You've been promoted several times in your current job and are making far more and working far less than you would as a 1st year consultant. Why switch?

They're looking for: same as above, a convincing reason for your intended switch.

You should: same as above, highlight your thought process, your preparation work, your dislikes of your current job. In particular, address the "more work and less pay" issue with consulting and why that doesn't matter given the skills you'll develop and higher job satisfaction

Example response:

The pay is nice, and the promotion has taught me people leadership skills. But those don't matter when you feel like the work you're doing has little impact on the company itself, much less the industry. We had consultants come in here previously, and I was just so impressed by their influence and their ability to come up with such meaningful recommendations quickly. I was like, I want to do that! And the more I learn about the job, the more confident I am in the decision.

3. What skills did you develop in your previous jobs that would make you a strong consultant?

They're looking for: an understanding of what makes a good consultant, and proof that you have what it takes

You should: discuss the following, hopefully several pertain to you -

- Ability to lead people, particularly in teams
- Ability to work well in intense team environments
- Ability to understand and analyze complicated concepts quickly
- Ability to develop and manage client relationships
- Ability to communicate well

Example response:

Strong teamwork and team leadership experience is probably my #1 skill - I led teams throughout school and now here at work I'm in charge of 5 people. But it's not just about telling them what to do - it's inspiring them, working closely with them. I think my #2 skill is the ability to absorb a lot of information quickly, and remember only the key things you need to know. In law, you have to understand complicated concepts quickly - but you can't remember every single fact or it'll overwhelm you. You really need to drill down on only the important facts.

4. I see you're currently a doctor/lawyer/PHD student. What interests you in consulting and what have you done to learn more about it?

They're looking for: similar to previous answers for those from liberal arts or engineering backgrounds, they want to know that you are interested in and qualified for the job.

You should: prepare an answer that explains what you've done to learn more about management consulting; why you are qualified for the role; and most importantly, **how you realized consulting was a better career path** than the one you're currently in

Example response:

I've spent a lot of time researching and reading books, guides, etc - as well as talking to many people in the industry, a few from [INTERVIEWER'S FIRM] as well. I think my background as a lawyer really makes me appreciate concise, effective communication and analytical thinking - which seems like a huge part of a consultant's daily job. What I disliked about law was that you rarely have client interaction, and rarely work closely with senior partners at your firm. But from what I've been hearing about consulting, you get that exposure in spades and that's really attractive to me.

5. Given your engineering/technical background, why are you interested in management consulting and not IT or technology consulting?

They're looking for: that you're serious about applying for a management consulting job and confirmation that you have the skills to succeed!

You should: describe what you know about management consulting and how that differs from IT/technology consulting. Describe your strengths/prior experiences/career interest and how these align more closely with management consulting

Example response:

IT/technology consulting doesn't come close to providing the variety of problems that you see in management consulting. In addition, my engineering background at a Fortune 500 has enabled me to see how business leaders influence the direction of a company, and made me realize that I'd like to essentially have their job. I've always been deeply interested in business and my 3 years with Oracle allowed me to work closely with clients and senior decision makers and made me want to be in their shoes. I believe consulting is a great introduction.

General business and current events questions

These questions are among the less common of the fit/experiential questions asked. The reason is that business knowledge is generally tested in sizing questions and case studies. However, it's important to be prepared because if these questions are asked and you don't have a good response, it's a huge negative. After all, consultants live and breathe business issues on a daily basis and if you don't understand and aren't up-to-speed on basic business issues, that doesn't bode well.

My advice is to read broadly and extensively - my recommendations include the Wall Street Journal, Economist, and Fortune. Have a few developed thoughts on specific companies and leading business issues of the day.

When answering these questions, it's important to be 80/20. If asked about a company you admire, discuss 2 or 3 well-developed topics maximum. It's easy to ramble and incorporate many different reasons in an attempt to cover your bases, but it will make you sound unstructured, unorganized, and ultimately, unknowledgeable.

Disclaimer - none of the example responses below are rooted in fact, but complete hypotheticals. Read them for their structure and flow, but not for content!

1. Spend a minute and tell me what you think is the most interesting business issue in the news today

They're looking for: that you understand and are interested in current business news, and that you're able to discuss business issues effectively. Since recruiting is typically a concentrated cycle, just read up on a few issues well and have a solid enough understanding that you can riff on a topic for a minute. However - do not take that suggestion as proof that you don't need to read business news broadly - it's good to be prepared.

You should: have several of these prepared. At the very least it will provide you some cocktail party conversation starters. The suggested structure is:

- Introduce the context of the issue (eg, which company or industry, what was the lead-up)
- Discuss 2 highlights of the issue
- Close by stating why the issue is important (eg, it will revolutionize the XYZ industry in 2-3 years)

Example response:

The bailout of the auto industry has been really interesting. The auto

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industry's been in trouble for many years now, in large part because of those legacy healthcare costs but also because they just haven't innovated while foreign firms have. So today, they're running out of cash, people aren't buying their cars, and they don't have fleets that will be competitive in the future. No wonder they need a bailout. It's important because they employ so many people - whole towns are often built around a single car plant. And they're also representative of the U.S. manufacturing economy, which is struggling.

2. What company do you think is having a tough time right now, and what would you recommend they do to improve their current situation?

They're looking for: similar to above, an informed business perspective but this time with an emphasis on wearing a consultant's shoes

You should: Fortune is a great place to start for this as it does great profiles on "businesses of the moment". I would have 3 recommendations max on how to improve their situation, but the key to a great answer is to not make it sound too canned. In the answer, try to place yourself in the CEO's shoes and discuss what changes you would recommend and how you would implement those changes.

This question can be tough because you'll most likely get pushback/additional questions from the interviewer to test your business mettle. Preparation is key.

Example response:

Microsoft definitely. Their stock has been going nowhere and public perception is that they're like a dying dinosaur. If I were Steve Ballmer, I'd do a couple of things: one, I'd do a really thorough performance review and lay off 10-20% of the employees. That's tough to do, but it seems like the company is just too big and too complacent. Then, use the money saved and start providing huge bonuses to the best employees to motivate them to work harder. Finally, I'd really turn the company into a bunch of small startups, almost like an incubator. Teams can propose ideas, get funding, and run with them. There will always be Windows, but it'll now be Windows + hundreds of startups.

3. Tell me about a company you admire and why

They're looking for: additional info on your business thinking

You should: have at least 3 reasons why you admire the company. Discussing a few shortcomings that would make the company even stronger/more admired is a plus.

Example response:

Zappos is an impressive company. They've done really well in a very competitive, low margin market, that of online shoes. The CEO is this amazing serial entrepreneur. And my friends who work there, as well as people who I know buy shoes from Zappos, rave about it. Something like 75% of their customers are repeat! They have this incredibly creative culture where people are always experimenting, but with the specific goal of customer satisfaction in mind. The only area where I see them improving is by really moving into footwear education, and not just sales. Teach people about shoes, customize the experience, show them what the best footwear is.

4. What book/periodical do you read that has taught you the most about business? Why?

They're looking for: indication that you're well-read

You should: go with the Economist or any number of Jim Collins-type books. Have several solid reasons. Anecdotes are your friend - perhaps there was one article in the Economist that really made a lightbulb go off in your head. Talk about it!

Example response:

The Economist. Sometimes the articles are really dense, but they do the best job of anyone of talking about complicated, cutting edge issues in a way that makes sense. And they have a variety of articles - from industry level to biographical - that make reading it entertaining. They had one article about Ray Ozzie, this internet visionary, that was so interesting that I cut it out and keep it above my desk to inspire me to work harder and smarter.

5. How do you think the recent economic crisis is going to affect the consulting business?

They're looking for: a tough question and one that really separates the wheat from the chaff.

You should: don't stress if you're asked something of this difficulty, particularly given your lack of knowledge about the consulting industry. Simply discuss the basic ramifications to corporate America, assess how those would be magnified/reduced in consulting, and take a stab.

Example response:

It's been tough on corporate America, particularly finance. In some ways, I think consulting is anti-cyclical, because when companies are not doing well, they need as much help as they can get. At the same time, consulting is kinda a luxury expense and so many companies will be reducing. I think net-net, consulting companies will see a slowdown in business, particularly from small to midsized companies. But the large ones like yours will continue seeing sufficient work to prevent dramatic layoffs. There will be a brief hiring slowdown, but things should pick-up in a year to two, max.

6. Give me an example of a tough quantitative/analytical work assignment or class that you've taken.

They're looking for: evidence of your analytical skills

You should: have this answer prepared. Describe the work assignment or class and highlight the key challenges. It's good to discuss what that experience taught you as well.

Example response:

In my summer internship at [FINANCE FIRM], I was asked to build a functioning CDO model in Excel. At that point, I wasn't even sure what CDOs were, and had never built an Excel model. But I took the next few weeks, learned as much as possible about CDOs, sought the advice of people who'd done it before, and took several Excel classes to learn how to model. My final model was good enough that my boss used it as an example for our internship class. And now, I can do Excel offset functions in my sleep.

Recruiting and process-related questions

These questions are asked simply to get a better understanding of your current recruiting situation - which firms you're applying to, where you've received offers, etc

Interviewers want to know how desirable you are - which is a plus if you've already received offers at other firms. This can play a factor in the decision-making process.

My advice here is to be honest, but don't make yourself look bad and don't give too many details (such as *"I'm in the first round with Bain and final rounds with Monitor"*).

If you've been turned down at some firms, it's not necessary to bring that up. You can say *"I'm still in the process with a few other firms"* and leave it there.

1. What other firms are you applying for?

They're looking for: not a trick question, just additional color on where you stand in the recruiting process and where your head is at. For instance, if that's the only consulting firm you're applying to, interviewers may think you're not serious about a career in the industry

You should: hopefully you're applying to more than one consulting firm, so mention those firms. It's ok to also mention a few non-consulting firms (eg, finance). There's no need to give a comprehensive list, however. And don't voluntarily tell them where you are in the recruiting process unless they ask (eg, I have an interview with Bain but was rejected from BCG, etc)

Example response:

I'm also applying to Bain and BCG, and a few investment banks..

2. Can you tell me where you are in the process with [INSERT FIRM NAME HERE]?

They're looking for: this is **rarely asked**, but it means that either a) they're very interested in you as a candidate and want to see how aggressively they need to court you, or b) they're interested but unsure and want to be validated by seeing what other companies think of your prospects

You should: if you've been very successful, by all means let them know! No need to give them a detailed run-down, but it's OK to mention which offers or final round interviews you have at other consulting firms. If you haven't been

successful, simply say that you're applying to XYZ firms but would prefer not to share details.

Example response:

I actually received an offer from Bain yesterday, but am still in the middle of the process with McKinsey. In addition, I have one offer from an investment bank and am still in the recruiting process for a few others.

3. Are you only interested in consulting? Are you applying for finance as well?

They're looking for: additional color on where you stand in the recruiting process and where your head is at.

You should: if you're only interested in consulting, it's OK to say so but do not say they're the only company you're applying to. It's perfectly OK to mention other companies and industries.

Example response:

I'm interested in both areas. Consulting is definitely my #1 preference, but I'm applying to some investment banks as well.

Ethics and integrity questions

These questions are increasingly common in interviews - due in part to the recent spate of high-visibility corruption and fraud cases at leading corporations around the world.

The key is to have relatable answers that reflect real experiences. If you don't have a relevant experience, it's ok to discuss a hypothetical. Just don't make yourself sound perfect - showing small flaws is recommended or else you'll look fake.

1. Can you tell me about a situation where ethics played an important role?

They're looking for: a confirmation that ethical behavior is important to you and an understanding of how you think when confronted with a tough ethical question dilemma.

You should: tell a real story, or describe a hypothetical but believable one. Clearly explain the dilemma and your mental framework for determining the right course of action

Example response:

At my previous job, I discovered that a coworker was clearly fabricating results for several of her lab experiments. I realized this as I was double-checking some of her procedures - my findings came nowhere close to what she claimed, and when I initially asked her why this was happening, her reaction clearly indicated that something fishy was going on. I didn't want to take it directly to the lab manager, because I felt that I'd be overreacting without understanding exactly what was going on. So I had a private discussion with her, where I laid out exactly how my suspicions arose and how the findings from my own experiments were so different from hers. She eventually confessed to me, and I suggested that to come clean - especially since some of the data had been used in publications - she needed to tell the truth to the lab manager. Ultimately she wasn't fired, and our lab was saved from a potentially huge hit to our reputation because the problem was addressed early.

2. Have you cheated or knew someone who cheated? How did you react in this situation?

They're looking for: similar to above, confidence that you've been confronted with tough ethical situations in the past and came out on the right side

You should: describe a real situation (and if none come to mind, play out a hypothetical scenario) where you made the "right decision". Explain how you arrived at that decision and the implications/lessons learned.

Example response:

In a first year MBA class on accounting, we had a "pop quiz" of sorts midway through the term. One of my classmates sitting to my right was clearly not up to speed on everything covered, and I could see that he was starting to panic. Midway through the quiz, he excused himself to use the restroom. On his way out of the classroom, I saw that he had brought a textbook with him. He was basically going to study in the bathroom and come back and ace the quiz! I decided not to interrupt the rest of the class at that point, but to bring up the issue with the professor after class was over. At the end of class, I told the professor what I had seen, but I didn't mention a name at first. We agreed that it'd be best for the cheater to come out himself. So the professor basically sent an email to the entire class explaining that he knew what had occurred, and eventually my classmate turned himself in privately. I realized from this situation - and I've been lucky thus far to have avoided many sticky issues like this - that you should always tell the truth and monitor not only yourself but others, but you shouldn't do so in a way that accuses someone without evidence or embarrasses them needlessly.

Sizing Questions (aka Mini-Case Studies)

An introduction

Sizing questions are tough. They can be ambiguous, complex, and you're expected to present a sound solution with minimal data.

Sizing questions are meant to test the following:

- Your facility with calculations
- Your analytical horsepower
- Your “business judgment” in making assumptions
- Your communication skills - both in describing a process and summarizing results

The best advice I can give is my “**10 steps to solving any sizing question**” post on the Management Consulted site. A condensed version is below:

1. Ask for 30 seconds to 1 minute upfront to gather your thoughts
2. Round your answers to calculation-friendly numbers
3. When making assumptions, use calculation-friendly numbers/percentages
4. Clearly label units
5. Avoid numerical ranges as they complicate the solution
6. Use a “sniff test” or “sanity-check” the validity of each calculation
7. It's ok to communicate doubts and mistakes with the interviewer
8. Interpret interviewer body language
9. Communicate each step clearly and concisely
10. Don't overcomplicate the solution - simple is super

Be careful because with sizing questions, **it's the little things that kill you**. With cases, there are more qualitative components and fewer calculations that are dependent on previous calculations, so there is less risk for **small mistakes building into a big one**.

Sizing Question 1:

How many personal computers are used in the U.S. today?

Start by clarifying the question to precisely define the problem.

Example questions would include:

1. By computers, do you strictly mean retail computers (eg, laptops, PCs) or are computing devices also included (eg, smart phones, computing devices like the Amazon Kindle)?
2. Would you only include those that are used on a regular basis, or also the discarded/decommissioned computers stored in warehouses or recycling yards that are still functioning?

Let's assume that the interviewer is just asking about retail computers in households.

Example approach #1: "Top-down"

Step 1. Start by estimating the size of the PC industry in annual sales

\$25 billion

Step 2. Calculate an annual number of computers sold from the annual sales number

Assume an average of \$1000/computer.

\$25 billion divided by \$1000/computer = 25 million computers sold annually

Does this pass the smell test? 25 million computers sold in the US annually sounds a little high, but does not seem off by an order of magnitude (your standard for smell tests)

We now know that 25 million computers are sold annually. If we multiply that by the number of years that computers have existed, we'll have the total number of computers ever produced. But that won't tell us how many computers there are in the U.S. at that particular moment. We need to determine a computer's average lifespan.

Step 3. Use common sense to determine a computer's average lifespan

Assume 4 years.

Now that we know how far back to go to determine the number of computers outstanding, we can easily calculate the total number of computers in the U.S.

Step 4. Multiply the number of computers sold annually by the computer's average lifespan

4 x 25 million = 100 million computers

Does this pass the smell test? There are ~300 million people in the U.S. 100 million computers would mean 1 computer for every 3 persons, or roughly 1 per nuclear family. Sounds a little low but again, does not seem wrong by an order of magnitude.

To earn bonus points, there are many additional things you can do here, including:

- Increase the answer given that it seems slightly low (eg, raise the computer's average lifespan; increase the estimated size of the PC industry in annual sales, etc)
- Refine the answer to account for tremendous growth in the PC industry in the last few years (the market size can't be \$25 billion every year)

To get this answer right, you need to have a good sense for the size of the PC industry - if you had guessed \$25 million as opposed to \$25 billion, not only would the interviewer raise an eyebrow, but you'd quickly encounter an absurd answer that wouldn't pass the smell test. Yet another reason why the **smell test is critical** in sizing questions.

Example approach #2: "Bottoms-up"

Step 1. Start by estimating the size of the U.S. population

~300 million

Step 2. Make an assumption about average household size to calculate the number of U.S. households

3 persons per household, totaling ~100 million households

(Note - the shortcut here would be to say, "well, there are probably 0.5 computers per person, so at 300 million, we'd have roughly 150 million computers. However, that'd make the answer too easy and wouldn't impress the interviewer with your level of analytical sophistication)

Step 3. Make an assumption about the average computers per household with rationale

"I'd guess there are 2 computers per household. Most nuclear families have a

'home computer; that the entire family uses, and often the working parent has an additional office computer, or if the child is a teenager, he or she will have a computer"

(Note - the shortcut here would be to just give a number; however, this is a clear opportunity to demonstrate a nuanced understanding of the subject)

Step 4. Multiply total households by computers per household

~100 million households X 2 computers per household = ~200 million computers

Similar answer to approach #1.

Sizing Question 2:

How many rounds of golf are played annually in the U.S.?

In this question, you need to determine the number of times that golf is played in one year in the U.S. This question requires several assumptions, so sanity-check often and **don't over-complicate your assumptions**.

Example approach #1: "U.S. population"

Step 1. Look at the number of serious golfers in the U.S.

You can assume 15 million serious golfers - 5% of the total U.S. population.
Seems reasonable

Step 2. Determine how frequently they play golf. Separate summer and winter months

Assume that in summer months (6/12 months), they play once every two weeks. This equals 12 rounds of golf.

Assume that in the winter months (6/12 months), they play once a month.

This equals 18 rounds per year per serious golfer

Step 3. Determine the number of casual golfers

I'd say another 15 million people that casually play.

Define the difference between casual and serious - casual golfers only play during the summer, and only once a month

This equals 6 rounds per year per casual golfer

Step 4. Find the total

15 million serious golfers X 18 rounds per year = 270 million rounds per year

15 million casual golfers X 6 rounds per year = 90 million rounds per year

Total = 360 million rounds of golf played in the U.S. annually

To earn bonus points, you could incorporate data about tourists/travelers to the U.S. who play golf - surely a sizeable percentage of the answer

Example approach: "Golf Course utilization rates"

Step 1. Estimate the number of golf courses in the U.S. I would focus on the big cities since those will have the greatest concentration, and then add a generic number per state for the rest

Let's assume there are 100 big cities in the U.S., and an average of 20 golf courses in the areas surrounding each city: $100 \text{ cities} \times 20 \text{ courses} = 2000 \text{ courses}$

Then, let's assume another 200 golf courses per state (highly variable, of course) for all 50 states: $200 \text{ courses} \times 50 \text{ states} = 10000 \text{ courses}$

This gives us 12,000 golf courses in the U.S. Do a quick sanity-test. It feels high but doesn't seem radically off.

Step 2. Now we need to find a constant utilization rate on weekends to apply to all golf courses

Let's assume that in one weekend day, a typical golf course will see 100 groups of people. Sanity-test. If golf courses are open for 8 hours, this means 12 groups per hour, which means a new group teeing off every 5 minutes. Seems reasonable because people can tee-off from different holes on the green.

Let's assume that each group averages 4 persons.

$4 \text{ persons} \times 100 \text{ groups per course} \times 2 \text{ weekend days per weekend} \times 12,000 \text{ golf courses} = 9.6\text{M rounds of golf on the weekends}$

Step 3. Now let's calculate for the weekdays

Let's assume much lower utilization rates on the weekdays and go with 10 groups of people instead.

$3 \text{ persons} \times 50 \text{ groups per course} \times 5 \text{ weekdays per week} \times 12,000 \text{ golf courses} = 9\text{M rounds of golf on the weekdays}$

Step 4. The final answer

$9.6\text{M} + 9\text{M} = 18.6\text{M rounds of golf}$. This answer is too high for me to judge by the smell test, but that would mean 5% of the U.S. population playing one round of golf per year. Very low. So clearly the answer needs to be higher - sanity-checking is your best friend in cases like these. Seems like the first example approach was more accurate.

Sizing Question 3: How many basketballs would fit into the Empire State building?

This question would be straightforward until you realize the Empire State building is not a rectangular skyscraper, but rather a pyramidal one. You'll need to divide the analysis into two parts - one for the rectangular bottom, and another for the pyramidal top.

Example approach: "Splitting into two sections"

Step 1. Let's find the volume of the rectangular bottom section.

It's tough to judge the length and width, but let's assume it's roughly 2 city blocks by 2 city blocks. I know that a standard NY city block is 1/10 of a mile, so that would make 2 city blocks be 2/10 of a mile, or roughly 1000 feet. The length and width are both 1000 feet. Now let's find the height.

Don't just guess the height. Use numbers/measurements/concepts that are public knowledge and easy to communicate. We can guess that the Empire State building is easily 100 stories tall. Let's assume each story is approximately 20 feet (this is a skyscraper, not an apartment). That gives us a height of 2000 feet. Smell test? About 7 football fields. Maybe a little high but enough to move on.

The trick here is to not forget that we're only doing a portion of that. If we assume the pyramidal section starts about 4/5 of the way to the top, **discount your answer by 20%.**

Now let's calculate the volume: 1000 feet width X 1000 feet length X 2000 feet height = 2 billion cubic feet. **MAKE SURE TO CHECK YOUR UNITS.**

2 billion cubic feet X 80% = 1.6 billion cubic feet

Step 2. Now let's find the volume of the pyramidal top section

The easy thing to do - as opposed to going through those calculations over again - is to see that we discounted the 2 billion cubic feet by 400 million cubic feet. Since a pyramid is 1/3 the volume of a rectangular solid (I hope you remember your geometry), we can quickly calculate the volume of the pyramid.

400 million cubic feet X 1/3 = 133 million cubic feet

Added to the 1.6 billion cubic feet rectangular solid, that gives us a total volume for the Empire State Building of 1.733 billion cubic feet

Step 3. Now we need to find the volume of an average basketball to find out how many can fit into 1.733 billion cubic feet

The volume of a sphere is $\frac{4}{3} \times \pi \times r^3$. If you don't remember that, you should ask first and if it's not given, just use $\frac{2}{3}$ the basketball cube's volume as an approximation.

Let's assume the radius of a basketball is 6 inches. That would give us a volume of: $\frac{4}{3} \times 3 \times 6 \times 6 \times 6 = \sim 800$ cubic inches

The conversions can get tough, but for the sake of simplicity let's convert the volume of a basketball to cubic feet. Since there are roughly 1500 cubic inches in a cubic foot, the volume of a basketball is roughly 0.5 cubic feet.

Step 4. Calculate the number of basketballs in the Empire State Building

1.733 billion cubic feet divided by 0.5 cubic feet per basketball = ~ 3.4 billion basketballs

You're not done! Remember that basketballs aren't stacked perfectly like cubes, so you'll be able to fit less than 3.4 billion into the building because there will be empty space between the basketballs. Assume a discount (let's say 20%) because a precise calculation for something like that is too complicated and not needed.

$3.4 \text{ billion} \times 80\% = 2.7 \text{ billion basketballs}$

And you have your answer.

Sizing Question 4: How many liters of house paint are sold in the UK annually?

This question is pretty simple - except it requires you to make 2 big assumptions with very little to back you up. In these situations:

- Make assumptions that are easy to work with (eg, 100 and not 101.74)
- Use reasoning to back you up - either anecdotal or preferably logical/quantitative
- Make clear that you're making an educated guess and don't act like you know the real number when you don't

Example approach: "Demand side"

Step 1. Estimate the number of UK houses

First, estimate the UK population - **approximately 60 million**

Note: you won't be required to know this if you're not a UK resident - it's OK to ask your interviewer, don't be scared of looking stupid. You'll look a lot more stupid by guessing a number like 10 million.

Second, determine what percentage live in self-owned houses versus every other form of housing (eg, apartments, college dorms, etc) - **let's assume 75%**

$75\% \times 60 \text{ million} = 45 \text{ million}$

Third, determine average household size to find the number of houses - let's assume 3.5 people

Note: it's OK to use decimal numbers in assumptions - here, it's reasonable because 3 is a bit small but 4 is probably too large a universal household size

Fourth, determine total number of houses.

$45 \text{ million} / 3.5 \text{ people per house} = \text{approximately } \mathbf{13 \text{ million UK houses}}$ that require house paint

Step 2. Now let's determine how frequently houses need to be painted

There's not much we can work with here - you'll just have to make an assumption and back it up with anecdotal observations.

Sample answer: Let's assume that every house needs to be painted every 10 years on average. Most houses turnover on average every 10 years, and it makes sense that new owners will want a new coat of paint.

Step 3. Now let's figure out how many liters of paint are required for every house paint

Again, this will require a big assumption from you backed up with relatively flimsy logic or anecdotal observations.

However - pick a number that's **easy to work with**. That in itself demonstrates a skill that interviewers look for.

Sample answer: Let's assume that every house requires about 100 liters of paint. Not having done this personally, I'd assume that 100 liters represents sufficient volume to paint the entire house

Step 4. Determine the total amount of house paint sold annually!

13 million UK houses / 10 years per repaint = 1.3 million UK houses needing a paint job every year

1.3 million UK houses X 100 liters per paint job = **130 million liters** of house paint sold annually

130 million liters. That's your answer.

You can get more sophisticated if you want and assume a surplus (eg, demand is 130 million liters but there is probably 10-20% extra house paint that is bought by these houses, by houses preparing for a paint job in the upcoming year, etc)

Sizing Question 5: How much money do Koreans spend on daily newspapers in a given year?

For US applicants, answering internationally-oriented questions may not come easy. For one, you may not know many basic facts - in this case, Korea's general population. If you have a rough idea, it's ok to guess and ask for interviewer confirmation. If you have no idea, it's best to make a ranged guesstimate and **defer to the interviewer** (eg, "It's probably between 30 and 50 million people, but honestly I don't know the right number").

In addition, you need to **remain sensitive to the international context**. For instance, it would be ignorant to arrive at a dollar estimate for the annual newspaper expenditure when it's clearly a question about Korea. Interviewees can often forget this in the heat of the moment, so be careful.

Finally, with customer segmentation you should always start with the basic variables - **age and gender**. Moving beyond these can often lead to unnecessary complication, and force you to make inaccurate assumptions.

Example approach: "Customer segmentation"

Step 1. Examine and size the various groups of customers that buy daily newspapers

When examining customer segments, it's easiest to divide by age groups.

First, let's assume that the 18 and under age group doesn't buy daily newspapers. That leaves roughly 3 groups:

Students (18-24) - 10% of 50 million people = **5 million people**

Working people (25-54) - 50% of 50 million people = **25 million people**

Retired people (55+) - 25% of 50 million people = **12 million people**

Do a quick smell test - that would mean 8 million kids aged 18 and under. Feels a bit low but **close enough** to warrant moving on.

Step 2. Now determine how frequently each age group buys daily newspapers

Here, the relative assumptions (eg, how one group compares to the other) are more important than the static assumptions. They need to **make sense** to the interviewer.

Relative assumptions: students may read as much as the other age groups, but they buy newspapers less. Working people buy newspapers most consistently.

Students - 1 daily newspaper per week

Working people - 4 daily newspapers per week

Retired people - 2 daily newspapers per week

Step 3. Now determine the annual total across age groups

Students - 1 per week X 50 weeks X 5 million = **250 million**

Working people - 4 per week X 50 weeks X 25 million = **5 billion**

Retired people - 2 per week X 50 weeks X 12 million = **1.2 billion**

Total, annual Korean daily newspaper consumption = **1.95 billion**

Step 4. Determine the total amount of money spent

It's OK to make one general assumption about newspaper price - make sure since it's Korea that you use the appropriate currency (the won). You can ask if you don't know!

Average newspaper price - **600 won** (about US 50 cents)

2 billion X 600 won = **1.2 trillion won**

Case Studies and Exhibits

Case studies are the bread and butter of the interview process. Not only do they account for a majority of your interview “score” in determining offers, they require the most preparation.

Case studies hold their esteemed role because they **mirror a real consultant’s work**. From sizing markets to exploring acquisition opportunities, from analyzing sectors to communicating summary findings - solving case studies is the best simulation possible for an actual consulting job. Until you land the offer, that is!

5 Core case study principles

The 2 case studies below aim to test a variety of skills - qualitative and quantitative, ambiguous and precise. To ace them and to ace any case thrown your way, here are the **5 case study principles that you must know**:

- Structure is everything, in any and all answers. Use signaling phrases such as “The 3 areas I’d want to investigate” or “The 4 explanations that come to mind” **even if it feels contrived**. Why? Because interviewers **want to know that you can do it** - and being explicit is a way to publicly announce that you have the skill
- I encourage unorthodox answers. **As long as they’re justified with facts, data, and logical reasoning**. Why? Because 95 interviewed candidates will regurgitate the same answers when discussing post-merger integration. The 5 candidates that have different, innovative, thorough responses will get the offers
- **Frameworks are helpful**. The two most important ones to me are the 3CP (explained below) and Porter’s Five Forces. But, **do not rely solely on frameworks!** If you do, you will often miss the insightful, creative responses that separate you from the pack. Explicitly build into your answers the opportunity to include creative, innovative solutions. More on frameworks below
- When answering quantitative questions, the best responses **discuss implications of the answer**. For instance, if the answer is 15 apples - it’s great that you mastered the calculations. But 15 apples in itself is meaningless - talk about why this is **important** in the context of what you already know
- **Act like a consultant**. This one is CRUCIAL. What does this mean? Be confident, state hypotheses where appropriate, and **make recommendations!** Be confident - don’t qualify your statements with “maybe” or “I’m not sure, but...”; State hypotheses for open-ended questions before you dive in; And always be recommending things that the client should do - particularly when you’re synthesizing the case at the end, or wrapping up open-ended questions. The more you act like you’re already a consultant, the closer you are to that offer.

Expert tactics during case studies

1. With generic and open-ended questions (eg, *“What types of issues do we need to better understand here?”*), ask a **clarifying question** regarding the **question’s objective** (eg, *“Are you looking for company-specific issues such as capital costs, or are you looking for industry-wide issues such as level of competition?”*). This will help you avoid going on a long and unnecessary tangent
2. Past versus present - when given data, it’s critical to look at trends and how performance has changed **over time**
3. For any case question, you should never confuse **company-specific** and **industry-wide** problems. Make sure you differentiate between these both in diagnosing issues
4. **Segmentation** is critical. For example, its not just “customers”, there are specific customer segments; it’s not just overall revenue declines, it’s revenue declines by product/service
5. Call out any **pre-existing assumptions** that you use in formulating answers. Examples include: the U.S. auto industry is in decline due to legacy costs; in tough economic times Wal-Mart dominates given their low cost value proposition. These are correct but the case solution may assume otherwise. **Be explicit** when using your own knowledge
6. Practice math of **large numbers** - do mental math frequently whenever you have the chance. Get comfortable as they come up in sizing questions and case studies **often**
7. **Ask for time** when you need it - don’t take longer than a minute, but don’t be afraid of the silence!
8. Pause during long answers to give your interviewer an opportunity to **course-correct**. Always take their advice - they know the answer, and they wouldn’t offer a suggestion unless they knew you were off-course
9. Always be ready to take a position and give a summarized conclusion - most interviewers will explicitly ask you for these at some point during the case. Be confident - interviews are not an opportunity **to be shy**
10. Round numbers when possible. **Use common sense**

Case Study 1: Rojam Media

Context for the case:

Rojam Media is a global media conglomerate. Over the past 5 years, Rojam Media has begun to expand internationally. However, more than 80% of the company's revenues are still coming from North America and Europe.

The trouble is growth. The geographies where Rojam is dominant forecast low single-digit growth in the next 10 years. Unless the company can find a solution to its international growth problems, it will see a dramatic decrease in global market share corresponding with a reduction in top-line revenues and profitability.

The CEO has issued a challenge to your consulting firm to propose a set of strategies and tactics that Rojam can employ in the next 5 years that will lead to a significant shift in revenue distribution to high-growth international markets.

Problem definition: What should Rojam do to position itself for growth in international markets?

Sample “good” follow-up questions (note that I will not answer them in this case, but are examples of insightful questions you can ask to clarify):

- *Can you tell me which media sectors they're in/what products they sell?*
- *What would the CEO consider a “significant shift” in revenue distribution?*
- *Where do the 20% of revenues from international markets currently come from?*

Question #1. What key areas would you want to explore in order to help Rojam Media achieve its international growth objectives?

Answer:

Classic exploratory question where the 3CP framework (customers, competition, company, product) is sufficient. The key is to be 80/20 - focusing on a few (no more than 3-5) primary areas of exploration in each bucket of the 3CP framework. This question is **not asking for a hypothesis** - it's asking you to propose some areas for investigation.

Customers:

1. What are highest growth countries?
2. What do their demographics look like?
3. What does growth look like by sector?

Competition:

- Who are the key competitors by country and region?
- What are competitor strengths by media sector and product?
- What expansionary/contractionary moves have competitors recently made?

Company:

- What has been our prior success in these markets?
- What talent do we have internally to address the markets?
- What acquisition opportunities are available?

Products:

- What assets can we leverage by sector and by region?
- Which new products can we develop or existing products that we can modify?

Question #2a. Given the information in Exhibit A, do you predict that Rojam's overall market share will go up, down, or stay the same?

Exhibit A			
Region	Size (\$B)	Growth (5 year CAGR)	Rojam revenues (\$B)
North America	\$200	1%	\$80
South America	\$40	10%	\$3
Europe	\$100	2%	\$60
Middle East	\$20	7%	N/A
Africa	\$5	10%	N/A
Asia	\$60	14%	\$5
Russia	\$25	12%	N/A
Total	\$450		\$148

Answer:

This question tests your intuitive feel for numbers and ability to discover key data-driven insights quickly.

Rojam's market share will go down based on a quick look at the data. Rojam has a high market share in the lower growth markets (eg, North America, Europe) with almost no share in the faster growth markets (eg, Russia, Asia, South America).

Question #2b. Followup to Question #2a: Based on this information, which regions seem strategically suitable for Rojam Media?

Answer:

South America and Asia.

These are the reasons why:

- South American and Asia are the largest amongst the international markets where Rojam wants to play
- Both regions have high projected growth rates
- Rojam is currently generating revenue in both regions, indicating that it has some market knowledge and assets in place that can be leveraged for expansion (this is why Russia would not be part of the answer)

An alternative answer could justify entry into Russia by acquiring large local companies.

Question #3.

- Based on Exhibit B, what is Rojam's current market share in North America and Europe?
- Overall?
- What would Rojam's market share of North America and Europe need to be in 5 years to maintain the current global market share in 2014? (assume the other Rojam regions maintain projected revenue growth)

Exhibit B						
Region	Size (\$B)	Growth (5 year CAGR)	Rojam revenues (\$B)	Size in 2014 (\$B)	Rojam revenues 2014 (\$B)	
North America	\$200	1%	\$80	\$210	\$84	
South America	\$40	10%	\$3	\$64	\$5	
Europe	\$100	2%	\$60	\$110	\$66	
Middle East	\$20	7%	N/A	\$28	N/A	
Africa	\$5	10%	N/A	\$8	N/A	
Asia	\$60	14%	\$5	\$116	\$10	
Russia	\$25	12%	N/A	\$44	N/A	
Total	\$450		\$148	\$581	\$164	

Answer:

- A. Roughly 45% (\$140B/\$300B)
- B. Roughly 33% (\$148B/\$450B)
- C. Roughly 55%

To figure out the answer to C, you need to look at the question closely. It asks for the "current global market share", which is 33%. To maintain that in 2014, you'd need ~\$193B in 2014 global revenues. Their projected 2014 global revenues are \$164, which is a \$30B gap. The question assumes that the other regions maintain their projected revenue growth, so you'd have to make up that gap in North America and Europe only.

Increasing North America and Europe revenues by \$30B combined would lead to total 2014 revenues of \$180B (\$84 + \$66 + \$30). \$180B divided by \$320B (total 2014 market size of North America and Europe) gives you ~55%.

Question #4. Based on this answer, what are the implications for Rojam Media?**Answer:**

Clearly, they need to focus on international growth markets as they have reached market saturation in North America and Europe.

A strong answer would tie in the prior conclusions from Question #2b (eg, a

focus on South America and Asia).

Question #5. Now let's take a closer look at one of those regions - Asia. Based on the data in Exhibit C, what can you tell me?

Exhibit C				
Regions in Asia		Size (\$B)	Market share of top media co.	Market share of next 5 largest media cos.
Northeast Asia (China, Japan, Korea)		30	50%	10%
Southeast Asia (Vietnam, Thailand)		10	20%	60%
South Asia (India, Pakistan)		20	15%	10%

Answer:

- A. Market is concentrated in Northeast Asia and South Asia
- B. Northeast Asia has a large entrenched media company - could potentially acquire them
- C. The other two have more fragmented competitive structure
- D. SE Asia could be tough for organic growth because while there isn't a huge guy, there are many strong small ones
- E. South Asia presents the best opportunity for organic growth, while Northeast Asia presents the best opportunity for an acquisition play

Question #6. You are very short on time. Given the information provided thus far, and the hypotheses that you have about Asia, what 3 pieces of analyses would you do to determine the right strategy for this region?

Answer:

You don't need to include all of the below. The important thing here is that whatever your answer, you justify it with your hypotheses (eg, South Asia seems like a good entry point for organic growth) and back it up with facts and data provided (eg, South Asia is highly fragmented as the top 6 media companies combine for only 25% of the market)

- Look at current market sizes and projected growth rates for countries in each region
- Determine assets available in South Asia for organic growth and see what prior experiences we have with organic growth in foreign markets

- Deep-dive on potential acquisition target including price estimate, funding capacity, etc
- Look at past acquisitions and success of integrations. Also research Northeast Asian consumer receptivity to foreign ownership, potential regulatory and cultural barriers, etc
- Determine Rojam's own asset mix relative to sector growth rates (eg, internet access, free and paid TV, etc)
- Deep-dive on top companies in SE Asia to determine if roll-up play possible

Question #7. Let's say at this point in the project, you run into the CEO of Rojam Media. He has 2 minutes to kill and asks you for a quick summary of your findings to date.

Answer:

You'll have to provide this one. A quick summary should include your findings to date, hypotheses about where and how Rojam will solve its international growth problems, and next steps.

Question #8. After gathering data and doing extensive analysis about the Northeast Asian acquisition target, the team has determined that Rojam could easily finance the acquisition and that it presented no clear regulatory hurdles. What other areas would need to be considered before moving forward with an offer?

Answer:

A strong answer would supplement each explanation with examples and anecdotes. For instance, if you said "Public perception issues in Asia and the U.S.", you could beef up your answer by adding *"for example, similar to previous foreign attempts at local acquisitions in China, Chinese consumers may not be happy with an American company entering and acquiring their largest media company. There could be protests, public boycotts of products, etc."*

- Merger integration issues - from technology to culture to processes
- Opportunity costs of distracting leadership, other resources to focus on this acquisition
- Public perception issues in Asia and the U.S.
- Likely competitive responses
- Customer reactions to foreign-ownership
- Availability of leadership and strong post-merger management team

Case Study 2: Pegasus International

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Context:

A private equity firm (“Redstone”) is considering an acquisition of Pegasus International, an international chain of entertainment megaplexes with locations across the U.S. and Canada. Redstone has begun discussions with Pegasus but has not finalized an offer. They’ve asked your consulting firm to conduct strategic due diligence on the industry and company to make a recommendation on whether they should buy Pegasus.

Pegasus International has approximately 500 entertainment complexes spread throughout the continental U.S. and Canada. Its megaplexes provide a variety of entertainment services, from bowling alleys to billiards halls to arcade centers. In addition, Pegasus has a multi-year partnership with McDonalds, which operates its fast food restaurants in each megaplex.

Primary question: Should Redstone acquire Pegasus International?

Sample “good” follow-up questions (note that I will not answer them in this case, but are examples of insightful questions you can ask to clarify):

- *Does Redstone currently own other assets that would have synergies with Pegasus?*
- *What other primary entertainment products/services does Pegasus offer in addition to bowling, billiards, and arcades?*

Question #1. What key areas do you think our team should investigate to better understand whether Redstone should buy Pegasus?

Answer:

The key here is not to conduct a hypothetical analysis, but to identify the primary areas that are worth further examination.

- Market growth - independently for the nightclubs and megaplexes. A sophisticated answer would break this down further into specific customer segments and product categories (eg, bowling vs. billiards)
- Market share and performance - also by product categories and customer segments
- Access to capital, debt levels, etc
- Possibilities for increasing revenue and cash flow through operations, product expansion, market expansion, etc
- Existence of ancillary businesses and assets that could be sold
- Competitive landscape by region, product, segment and important

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- competitor moves (eg, M&A)
- Execution risks - ability for Redstone to close the deal, manage the transition, have talent to execute their operational and strategic goals for Pegasus
- Exit opportunities - the plan for realizing a Pegasus exit, either through mergers, acquisitions, public offering, etc
- Regulatory risks

Question #2. What do you think are the drivers of growth in the entertainment megaplex industry?

Answer:

Your answer should have the following components -

- Entrance of new competitors and innovations of existing competitors (for instance, if Wal-Mart were to build arcade halls in each store)
- The drivers of growth for each entertainment product/service (for bowling, examples would be popularity of competing sports, popularity and success of televised bowling and professional bowlers, etc)
- Overall economic wellbeing (out-of-home entertainment is a luxury good and spending will be reduced in tough economic times)
- Population trends particularly as they affect each product category
- Public perception of megaplexes and attractiveness of all-in-one entertainment solutions
- Attractiveness of McDonald's foods
- Innovations and success of substitute goods (eg, movie theaters, nightclubs, etc)

Question #3. Your team estimates that 1/5 of teenage boys (12-18 age group) are frequent visitors to videogame arcades. The average teenage boy spends \$40 per month at these halls to play videogames. 40 percent of these frequent teen visitors currently play videogames at Pegasus International. What would be the annual profit impact if 50 percent of frequent teen visitors now came to Pegasus?

If asked: The profit margin for the arcades is 75%

Answer:

Start by figuring out the number of teenage boys in the U.S. and Canada.

350 million people (U.S. plus Canada). 175 million males. 10% are teenage boys, giving us ~20 million teenage boys.

1/5 of teenage boys are frequent visitors, which means 4 million teenage boys

in the U.S. and Canada are frequent arcade visitors.

40% currently visit Pegasus. An increase of 10% (to 50%) would be an additional 0.4 million teenage boys.

0.4 million teenage boys X \$40 per month X 12 months per year X 75% profit margin = \$144 million dollars per year

A good answer stops here, but a great one would describe the implications:

“Given the high profit margin of arcades plus Pegasus’ dominating position in teenage boys segment, this represents a significant growth opportunity. However, further analysis must be done to determine which regions to target given the varying demographics for each megaplex location.”

Question #4. Your team has determined that margins must be increased in order to justify the costs of acquiring Pegasus. What are some ways that this can be achieved?

Answer:

This is a frequent question in case studies and components of the right answer **will generally be the same**. Margins can be increased either through **increasing revenues or reducing costs (fixed and variable)**.

In a question like this, you may have a third category (in addition to revenues and costs) for creative, out-of-the-box solutions (eg, partnerships with competitors such as Dave & Busters). This is why frameworks are a good starting point but **will not suffice** for every question.

Levers for revenue growth:

- Raise prices on specific products and services
- Increase sales - spread fixed costs over larger revenue base
- Open new megaplexes in high-potential markets and expand current high-profit megaplexes
- Provide new high-margin products and services
- Change existing product offerings to yield higher margins (eg, negotiate and reduce supplier costs, conduct more operations in-house)
- Increase sales of existing high-margin products and services
- Negotiate with McDonalds for greater profit share and/or add additional vendors

Levers for cost reduction (fixed and variable):

- Renegotiate real estate leases
- Negotiate with suppliers and service providers to reduce the cost of goods
- Close megaplexes that are unprofitable/cash-flow negative - be careful here that even if they are barely profitable, they are still worth operating
- Reduce overhead/SG&A expenses from cutting headcount to reducing spending to eliminating perks and select employee benefits
- Streamline operations to identify cost reduction opportunities in the megaplexes and throughout the supply chain

Question #5. Redstone is concerned that direct competitors such as Dave & Busters will move “down-market” while simultaneously increasing their entertainment offerings, thus becoming an even greater competitive threat. Do you think this will happen?

Answer:

If you think the answer is yes -

- Dave & Busters has greater scale and can offer better prices for the same products
- Dave & Busters recognizes the growth opportunity in the younger and less-affluent parts of the market
- Dave & Busters can outperform Pegasus on multiple dimensions that are important to customers, ranging from customer service to quality of entertainment products to the overall megaplex experience
- Dave & Busters can use its strength in the adult category (21+) to attract families that bring their kids and then slowly build share/brand recognition with the younger customer segments
- Pegasus does not have strong loyalty from its customers

If you think the answer is no -

- Dave & Busters may be able to offer better prices, but customers are not price-sensitive
- Dave & Busters is not able to compete on non-price dimensions (ie, there is a clear reason why kids prefer Pegasus)
- Pegasus has strong loyalty and brand recognition from its target segments
- The opposite conclusion from any of the reasons listed above

Question #6. The brief CEO meeting - you run into the Redstone CEO at the company café. Since he’s short on time, he wants to know what your recommendation is in the next 2 minutes. What would you tell him?

Answer:

A good answer will always include the basic components plus creative, out-of-the-box thinking. For instance, if your recommendation is buy, your answer would include some of the following -

- Market is strong:
 - Significant growth expected in key customer segments
 - Significant growth expected in key product segments
- Many opportunities to increase revenue
 - Build new stores
 - Change product mix and expand product portfolio
- Many opportunities to reduce costs
- Competitive threat is manageable
 - Small likelihood of Dave & Busters becoming more of a threat, with several reasons why Pegasus can defend against this threat
 - Pegasus will defend its position well against substitute goods (eg, movie theaters)
- Overall economic outlook is solid and people will continue to spend on out-of-home entertainment
- And so on...

Some examples of innovative thinking -

- Likelihood of uncovering deal-breakers and hidden problems during the due diligence process
- Availability of management team able to implement recommended changes and close acquisition smoothly
- Potential regulatory risks to acquisition given Redstone's existing portfolio
- Competitor reactions to our acquisition of Pegasus - increased attractiveness of the megaplex industry as a result

Case Study 3: Propaganda Cookies

Context:

The client is Propaganda, a leading U.S.-based manufacturer of branded cookies. In the past few years, private label cookies have emerged and started to take share from branded cookie labels. Private label cookies are made directly by branded cookie manufacturers for retail chains and national outlets. The CEO is concerned with this situation and has hired you to assess what Propaganda's strategy should be to counter this threat.

Primary objectives:

- Assess the competitive threat of private label cookie brands and the companies that manufacture them
- Recommend strategy and tactics for Propaganda

Sample “good” follow-up question (note that I will not answer them in this case, but are examples of insightful questions you can ask for clarification):

- *What is the trend and extent of market share loss for Propaganda in the last 5 years?*

Note: this case study is different from previous case studies in that it's more of a conversation. I recommend specific questions you (as an interviewee) should ask and indicate the types of things you should be looking for, as well as probable interviewer questions, responses, and data that they'd provide.

Interviewer: ok, how would you start to solve this case? Feel free to ask me for any data or information - if I have it, I'll share it with you.

You: ok. First, I'd like to look at market share data. Do you have this for Propaganda and its main competitors in both branded and private label cookies? I'd like to see how that has changed in the last 5 or 10 years.

Note: if the interviewer starts out with a general/open-ended question, it's important that you only ask the most important things initially. In this case, it's all about Propaganda losing share to competitors - hence the request for market share data trends.

Interviewer: sure, here's the market share data (Exhibit A) that we have. What can you conclude from this?

Exhibit A						
Company	Brand sales (\$M)			Private label sales (\$M)		
	1999	2004	2009	1999	2004	2009
Propaganda	60	67	65	0	0	0
Main Competitor	30	25	23	0	0	40
All others	10	8	7	0	100	80

You: can I take 30 seconds and look this over?

Ok, so from the data provided, there are a few important points:

- Propaganda is far and away the U.S. market leader in branded cookie sales
- Its main competitor is losing share in branded cookie sales, but has recently shifted focus to private label sales and done exceedingly well with \$40M of sales in 2009
- The vast majority of cookie manufacturers focuses on private label sales, although their sales have been taken away by Propaganda's main competitor
- Propaganda's branded sales have decreased in the last 5 years, as has the overall branded cookie industry

Note: as with all data provided, it's your obligation to highlight the important points that you're finding from it. Don't be too long-winded in your answer - give the interviewer opportunities to cut in if you're going down the wrong path or to ask additional, drill-down questions.

Interviewer: ok, that's good. What else would you like to know?

You: well, now we know that Propaganda is in a tough spot, and the branded sales industry is declining while private label sales is growing. It's main competitor is clearly doing well overall, driven by private label sales success. I'd like to understand more about the private label cookie industry, such as:

- What differentiates private label cookies - quality? Price point?
- What is the profit margin for private labels for manufacturers versus branded cookies?
- How did the main competitor achieve such a large growth in private label cookie sales in such a short period of time?

Note: with conversational case studies, it's important to frequently summarize what you've learned thus far. Not only does that demonstrate a critical skill for case studies, but it also allows you to think through the important points and reprioritize if necessary.

Interviewer: let's focus on the first two questions:

- With respect to price point, private labels sell for on average 20% less than branded cookies.
- Private labels have a 10% manufacturer margin; branded labels have a 15% margin

You: that information all makes sense. Can you tell me more about the retailers and end-distributors for both private label and branded cookies?

Interviewer: so for the purpose of this case, we'll focus on retailers only. In the retail space, 80% of sales come from grocery stores (eg, Safeway, HEB, Wegman's, etc) and 20% come from mass merchandisers.

You: has that distribution been consistent through the years?

Interviewer: great question - mass merchandiser sales are growing at 10% per year, while grocery cookie sales are declining.

Grocers tend to be regional chains with a lot of local, smaller competition. There is some consolidation that is happening.

Note: always look for trends. See "Expert tactics" page above

You: alright, so grocers dominate cookie sales, although mass merchandisers are increasingly important. In addition, they're regional so with less bargaining power, but consolidation is happening.

I still need to understand why private label has grown so much recently. Why have grocers and mass merchandisers made such a big shift to private label cookies? I know they have lower price points - are consumers more cost conscious these days?

Interviewer: great observation. In the context of this case, the economy has significantly weakened in the last 5 years. We're on the verge of recession right now.

You: that explains a lot. As the economy weakens, consumers become more price sensitive. Thus, outlets are moving to cheaper products and private label cookies fill that need.

Let me summarize what I know so far so I can see what else needs to be solved:

- Branded cookie sales are declining
- Propaganda is losing overall cookie market share due to its lack of presence in private label cookies
- Its main competitor is increasing market share as it has rapidly expanded into private label
- While smaller companies initially dominated private label, they have lost significant share - indicating that large cookie companies can dominate private label as well
- Grocers make up the majority of sales, and due to the bad economy, they've shifted to private label cookies because they're cheaper

Note: again, summarizing your findings to-date is a powerful technique.

Interviewer: all of that is correct. What else do you need to know? Or are you ready to make a recommendation?

You: I'm ready to make a recommendation to Propaganda.

Note: I'll provide two potential recommendations - one for entering private label, another for staying away. In an actual case, you must make a stand. No "I think there's a third way" type answer unless you have a VERY strong case for that.

Enter private label: The private label cookie industry is a huge threat to Propaganda. As such, we need to enter the market and start manufacturing and distributing private label cookies.

There are several reasons for this:

- Propaganda's sales have declined from \$67M to \$65M in the past 5 years, while overall cookie sales of their main competitor have significantly increased - driven solely by private label sales
- Overall private label sales increased from 2004 to 2009, indicating an increasing consumer acceptance of private label cookies
- Main competitor has ramped up private label sales extremely quickly, going from zero to \$40M in 5 years while taking share from smaller players. This indicates that larger manufacturers such as Propaganda could increase private label share quickly
- Grocery chains are consolidating, which means they will have increasing bargaining power and ultimately increase demand for private label goods on which they earn higher margins. Without a private label alternative, our main sales partners may decrease their business with Propaganda, further depressing branded cookie sales
- The economy is in recession and will stay so for several years, which will

further erode branded cookie sales and decrease our share unless we enter private label

Stay away from private label: The private label cookie industry is not a big threat to Propaganda. As such, we should continue to focus on branded cookie sales and distributor relationships to grow share.

There are several reasons why:

- The economy is in recession now and will begin to recover soon. As it does, both consumers and key distributors will lose interest in private label cookies and branded cookie sales will flourish
- While Propaganda's branded cookie sales have decreased in the last 5 years, they have stood up comparatively well given the weak economy and huge growth in private label sales. This means our brand is strong and should rebound well once the economy upticks
- There is significant room to increase sales through mass merchandisers - trend is pointing in this direction as grocer cookie sales continue to decline
- As our main competitor shifts focus to private label, there is huge opportunity to completely dominate branded cookie sales for the foreseeable future
- Grocers are still very fragmented with lots of local competition, limiting their bargaining power and indicating that we will have sway in those partnerships to continue pushing branded cookie labels

Interviewer: that recommendation makes a lot of sense, and you've hit on the key points. Now let's assume Propaganda acts on your decision and decides to [enter/stay away from] the private label industry. How would they accomplish this? Be specific please

You: no problem.

Tactics for entering private label:

Given Propaganda's lack of experience in private label, there should be two initial goals: gain experience and knowledge of the industry, and minimize cannibalization that may happen to their own branded cookies

- Utilize any excess manufacturing capacity from existing factories - this is a win-win
- Hire leading private label cookie executives to gain both product and customer knowledge. Start doing extensive product and customer research to figure out what works and what doesn't
- Find the lowest-cost production channels in addition to excess capacity - private label margins are lower than branded margins and Propaganda

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- has no room for higher costs
- Pursue deals with mass merchandisers and grocers - exclusive if possible - to sell private label cookies in controlled batches
- Keep brands distinct and make sure that private label cookies are uniquely packaged/branded/ marketed to differentiate from and prevent cannibalization of branded cookie categories

Tactics for staying away from private label:

To stay focused on branded cookies in a tough environment, Propaganda should have two main thrusts: one, to double-down on its existing branded cookie labels and ensure their continued success and two, strengthen retailer relationships for the long-term to minimize lost sales and position itself well for the economy's rebound

- Invest increased money in its various branded cookie labels and Propaganda's overall brand to support its premium price
- Continue product innovation - margins are higher, per-cookie profit is higher, take some of that money and continue making branded cookies better for the customer along every possible dimension (eg, taste, presentation, etc)
- Test and alter prices based on customer demand - there should be more room to increase prices on premium branded cookies where customers are less price-sensitive; reduce prices on certain branded cookies if market research indicates this will enhance its appeal relative to private labels
- Use size to negotiate better deals with retailers - in particular grocers - to increase volumes sold, get better shelf position, in-store promotions, etc
- Convince retailers that branded cookies are better - with respect to product quality, built-in attractiveness that draws customers into the store, the fact that private label cookie customers are less loyal to the retailer, etc

Case Study 4: U.S. Convenience

Context:

Our client is Whitestone Private Equity. They recently purchased U.S. Convenience and Drug Co. (“US Convenience”) and are exploring options to create value - ideally to exit in 3-5 years.

US Convenience is a privately held retail drugstore chain in the Northeast USA. They have 40 locations. The majority of stores are in small towns with limited competition. US Convenience differentiates itself by offering compounding service (eg, customized medication solutions).

While they are profitable, they have lower operating margins than their chief competitor Walgreens.

Primary objective:

Identify why US Convenience has lower operating margins than Walgreens and provide operational recommendations to improve their profitability

Sample “good” follow-up question (note that I will not answer them in this case, but are examples of insightful questions you can ask for clarification):

- *How do US Convenience’s operating margins compare to other industry leaders (eg, Eckards, Rite-Aid)?*

Question #1. Can you hypothesize why US Convenience has lower operating margins than Walgreens?

Answer:

A simple revenues-costs framework will suffice.

On the revenue side, US Convenience may generate less revenue per location/per square foot. Some likely causes:

- **Different product mix** - US Convenience may have lower priced products, lower average checkout totals, etc
- **Different store configurations** - US Convenience may have a poorer layout, less friendly and/or responsive customer service, poorer in-store advertising and displays and out-of-store advertising/marketing

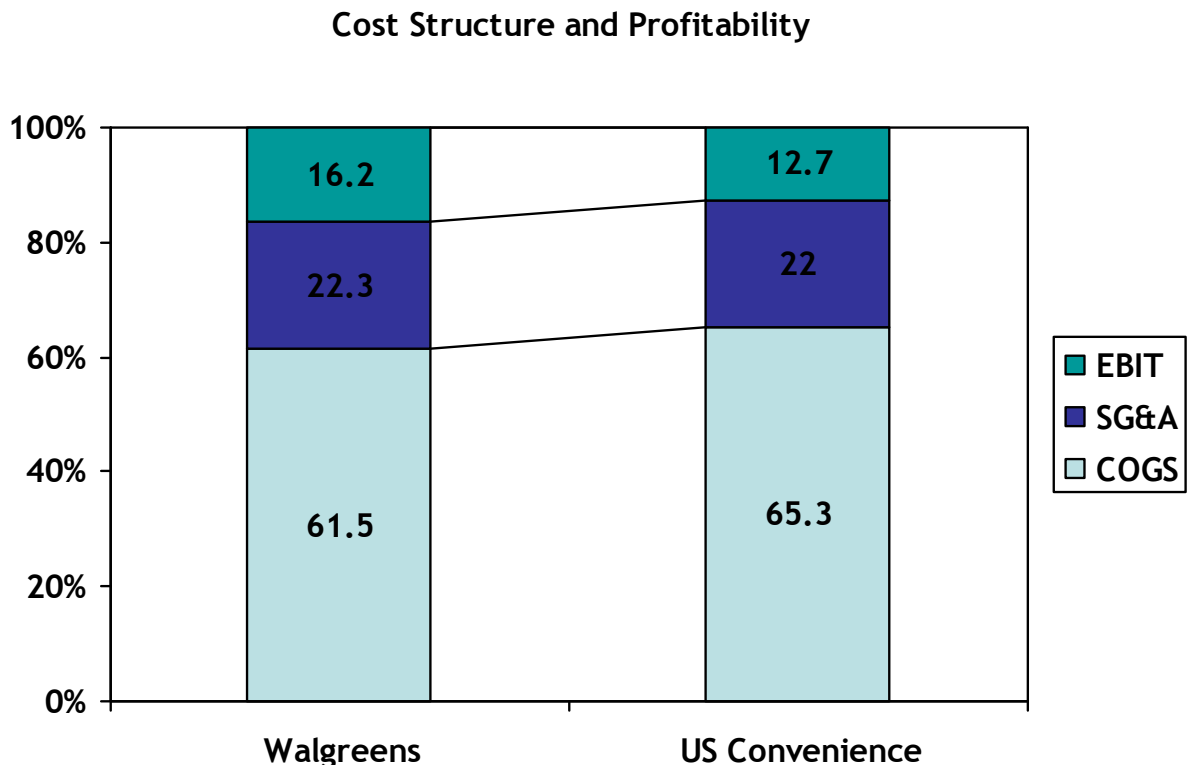
- **Different locations** - US Convenience may have store locations in neighborhoods with less disposable income, in areas with less foot traffic, etc

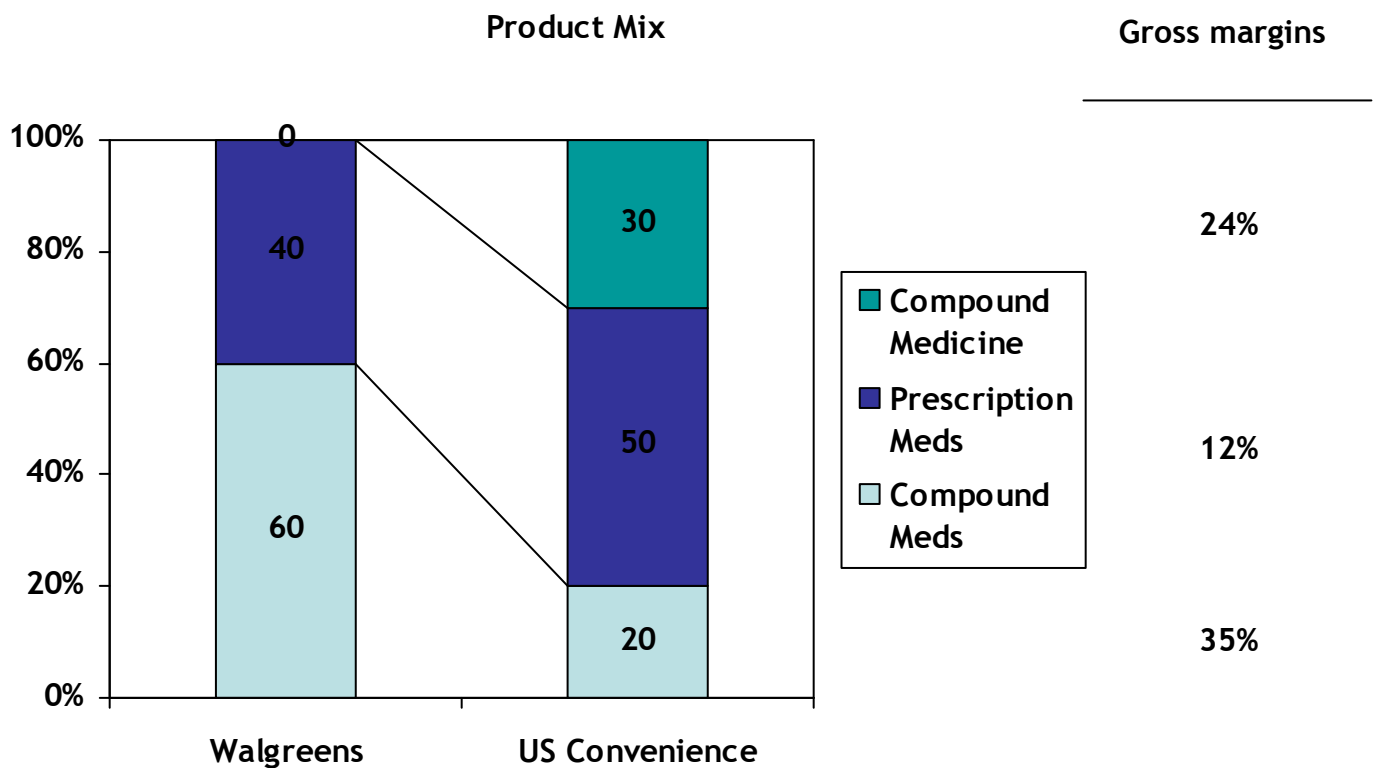
On the cost side, US Convenience may generate fixed and variable costs with less efficient operations. Some likely causes:

- **Higher fixed costs** - US Convenience may have higher rents per square foot, higher salaries and more employees per location
- **Higher variable costs** - US Convenience may have higher cost-of-goods sold (COGS) due to less negotiating power with suppliers and different product mix

Note: strong case study interviewers always give anecdotal evidence to support generalized claims. For example, when mentioning different locations, it's important to highlight what precisely about the different locations may hurt US Convenience's profitability

Question #2. Here is some data on both Walgreens and US Convenience with respect to cost structure and product mix. What can you tell me?





Answer:

Initial observations -

- Walgreens has significantly higher EBIT margins, driven entirely by lower COGS
- One reason for Walgreens lower COGS is their product mix, specifically the higher proportion of general merchandise sold at 60% which has the highest gross margins at 35%
- While US Convenience does well in the compounding medicines product category with 24% gross margins, it represents a small portion of product sales and their largest product category - prescription medicine - also has the lowest gross margins at 12%

Note: at this point, you should always provide concluding takeaways that go beyond the basic observations. Here's an example:

These charts indicate that US Convenience has lower operating margins than Walgreen primarily due to higher COGS. This in turn is caused by US Convenience's poor product mix - for US Convenience to improve its operating margins it will need to reduce sales of prescription medicine as a percentage of total

sales while increasing focus on general merchandise first and compounding medicines second.

Question #3. Take a look at this chart on sales by store and by square foot. What are the drivers behind this underperformance by US Convenience?

Looking at the numbers, US Convenience actually has bigger stores but due to their significant underperformance in sales per square foot, they lag in total sales per store as well.

There could be many reasons for this underperformance as mentioned earlier:

- Store location issues - Walgreens stores may have fewer nearby competitors, wealthier populations, and higher levels of pedestrian traffic
- Product mix issues - general merchandise may be more expensive on average than prescription and compound medicines
- Store operations issues - Walgreens may have friendlier customer service, better in-store advertising, and so forth

Brain teasers

Brain teasers are **uncommon** in management consulting interviews, but it's good to be prepared for them just in case.

Solving brain teasers also requires a clear understanding of the questioner's **objective**, an ability to **breakdown** the question into relevant components, and the application of **logical thinking** to find the solution - all skills needed to tackle case studies and sizing questions. Good luck!

Question #1: If you look at a clock and the time is 3:15, what is the angle between the hour and the minute hands?

Answer: Remember that both the hour hand and minute hand move. The distance between any two hours is $360 \text{ degrees} / 12 \text{ hours} = 30 \text{ degrees}$. The minute hand will show 15 minutes. The hour hand will move towards 4 o'clock by $15 \text{ minutes} / 60 \text{ minutes} = 0.25$. Multiply $0.25 \times 30 \text{ degrees}$ to get **7.5 degrees**.

Question #2: You have a 9 gallon jug and a 5 gallon jug. You need to obtain 6 gallons of water. How would you do this?

Answer: Fill the 5 gallon jug and pour it into the 9 gallon jug. Fill the 5 gallon jug again and pour it into the 9 gallon jug. When the 9 gallon jug fills, you should have 1 gallon left in the 5 gallon jug. Empty the 9 gallon jug. Pour the 1 gallon from the 5 gallon jug into the 9 gallon jug. Then fill the 5 gallon jug and pour it all into the 9 gallon jug. **6 gallons!**

Question #3: You have 12 coins. All are identical if you look at them. However, one is heavier than the rest. You have a scale. You can only use the scale 3 times. Can you determine which coin is fake?

Answer: The solution for this one is rather long and complicated. Take 4 coins and weigh them against 4 other coins. Assume we get an imbalance. So we have 4 heavier coins and 4 lighter coins. Since we know that we have only one fake coin, we know that it is definitely among these 8 coins. The 4 remaining coins do not contain fakes so ignore them. Take 3 out of the 4 heavier coins and weigh them against 3 coins out of the 4 lighter coins. Assume the heavier coins are shown to be heavier again. Now we know that the fake heavier coin is in that group of 3. Now we have 1 weight left, and 3 coins of which 1 is heavier. Just take 2 and weigh them against each other. If they balance, the remaining coin is the fake heavier one. If they do not balance, the heavier coin is the fake.

Question #4: There are 10 bowls with 10 coins in each bowl. One bowl contains fake coins which are 1 gram lighter. Using one weight (ie you can only weigh coins one time), how would you determine which bowl contains fake coins?

Answer: Take 1 coin from the first bowl, 2 coins from the second, and so forth. Compare the total weight with the theoretical weight. If the total weight is 3 grams less than the theoretical, the 3rd bowl contains the fake coins.

Question #5: 4 people (A,B,C,D) need to get across a narrow bridge to play a concert. Since its dark, a flashlight is required to cross. However, the band has only one flashlight, and only two people can cross the bridge at a time. (If one has crossed the bridge, he can come back by himself with the flashlight.) A takes only a minute to get across, B takes two minutes, C takes five minutes, and D takes 10 minutes. A pair can only go as fast as the slowest member. They have 17 minutes to get across. How should they do it?

Answer: A and B go first. A would then return. Then C and D should go. Then B returns and picks up A. 17 minutes.

Question #6: What is the sum of numbers from 1 to 1000?

Answer: Sum of an arithmetic sequence. $(1+1000)*1000/2$

Question #7: If you have seven red balls and nine blue balls in a pocket, how many do you have to pull out blindly in order to ensure that you have a red colored pair?

Answer: Take worst possible scenario. RBBBBBBBBBBR = 11 balls.

Question #8: There are two rooms and one door between the two. Room 1 has 3 switches. Room 2 has 3 bulbs which are turned off. You are in Room 1. You can go into Room 2 only once. How do you identify which switch leads to which bulb?

Answer: Number the switches from 1 to 3. Do not touch the first one. Switch the second one on for 5 minutes and then turn it off. Switch the third one on. Switched off bulb - switch 1. Warm bulb - switch 2. Working bulb - switch 3.

Question #9: You have two fuses which burn at varying speeds. However, both burn up in 1 hour. Time exactly 15 minutes.

Answer: Light both ends of the first fuse and one end of the second fuse. When the first one is gone (30 minutes have passed), light the other end of the second fuse. Start timing! When the second fuse burns out, you've timed exactly 15 minutes.

Question #10: You hire a girl who works for 7 days. You want to pay her with gold. You have 1 long bar of gold with 7 parts (like a long chocolate bar). You need to pay her one piece every evening. Where should you snap the bar, if you can do it only twice? If she has some gold, she can give you change.

Answer: Snap the bar in 1, 2, and 4 pieces in long smaller bars. 1st day, give her the 1 piece. 2nd day, give her the 2 piece. 3rd day, give her the 1 + 2 pieces. And so on.

Question #11: There are two doors. There is a guard in front of each door. Your job offer is behind the one of the doors. You need to find out which door leads to your offer. One guard always tells the truth, the other always lies. You do not know which guard lies. How would you find out which door contains your offer?

Answer: Ask: "If I asked the other guard which door is correct, what would he say?" Both guards will direct you to the wrong door in this case. The other door would hold your offer.

10 Great followup questions for interviews

1. Can you tell me about your background, and in particular how you ended up as a *[company name]* consultant?
2. I'd be interested to hear what your most challenging case has been thus far in your career
3. What do you think are the biggest misperceptions that applicants have about consulting?
4. When you think about my interview performance, what would you suggest are the 2 or 3 things I can do to improve?
5. I'm really interested in *[particular interest, such as public sector consulting or renewable energy]*. I'd be interested to hear what you know about that area at *[company name]*
6. I've heard from various people who say your firm is *[something good about the company]* but also that *[something bad about the company]*. To what extent is this impression accurate?
7. From your position, how do you think the current economy has affected the consulting business?
8. What was your perspective on *[company name]* before you came in, and how was that changed in your time there?
9. If you could recommend 2 books that all prospective management consultants should read, what would those be?
10. When you think back to your college days, what would be the 2 or 3 things that you wish you'd learned that would have better prepared you for the job today?