

Sample Consulting Cases

GUESSTIMATION CASE

Set-up:

How many Timberland hiking boots will be sold to Generation Xers in the US in the next quarter

Answerable questions:

What is Timberland? Leading manufacturer of hiking boots

What is Generation X? Term used to describe the 25-30 year old age group

Good answer:

There are 300 MM people in the US

Of this, estimate the number of Generation Xers

Of this, estimate the number of hikers

For each hiker, estimate the number of boots bought each year and multiply through to get a total number of annual boots bought

Divide by 4 to get a quarterly figure

A bonus check: Estimate the cost of these boots and multiply by the number sold to estimate approximate quarterly revenues from this market. See if this is feasible.

Bad answer:

Candidate guesses a number with no structure; AND/OR

Candidate offers structure but does not multiply the numbers through; AND/OR

Candidate multiplies the numbers through and gets a very low or high number and doesn't know how to double-check

PROGRESSIVE CASE/ STRATEGY

Set-up:

The founder and CEO of Caroline Shoe Company is concerned about flat revenues and wants you to put together a proposal on how to advise her. What issues would you like to investigate and what analyses would you expect to perform? Caroline Shoes is a major competitor of Rockport in the upscale work/ casual shoe market. It is a 50-year old company. It sells shoes in the US only. It sells through department stores, shoe stores and through Caroline Shoe stores.

Answerable questions:

Is the company profitable? Yes.

Are industry revenues flat, or is it just your company? Industry revenues are flat
Why are you concerned about revenues, if the company is profitable and the entire industry is suffering? The industry used to be 40% Caroline, 30% Rockport, and 30% other. Now it is 30% Caroline, 50% Rockport, and 20% other

NOTE: The above questions are not critical to the case, but they do carry bonus points b/c they show that the candidate distinguishes between revenues and profitability and b/c the candidate is getting at the root of the problem, not just revenue for revenue's sake

Good structure:

Comprehensive list of revenue-expansion ideas and the accompanying analyses for each

Potential Revenue Expansion Idea	Feasibility Analysis
Expand product line	<ul style="list-style-type: none">• Customer analysis• Market sizing for new product• Competitor benchmarking
Expand abroad	<ul style="list-style-type: none">• Customer analysis• Market sizing in target geographies• Competitor benchmarking• Distribution implications
Confirm that current sales channels are effective	<ul style="list-style-type: none">• Where are these shoes mostly sold in general v. where Caroline sales come from
Expand distribution channels (e.g., online)	<ul style="list-style-type: none">• Business plan for online venture• Cannibalization implications
Acquisition/ joint venture	<ul style="list-style-type: none">• Gap analysis• Deal analysis

Bad structure:

Narrow focus on one idea (e.g., expand product line)

No follow through on how to test feasibility. Candidate should be prepared to outline a cost/ benefit analysis for a broader product line, expansion abroad, or an online venture, etc.

PROGRESSIVE CASE/ OPERATIONS

Set up:

A manufacturer of construction equipment is profitable one quarter, but unprofitable the next, then profitable again, then unprofitable. What's going on.

This company sells construction equipment to retail dealers who then sell it to the consumer. The company does not sell directly

Answerable questions:

If candidate proposes a revenue/ cost analysis and starts to make assumptions about revenue, then emphasize that revenues are the same each quarter. NOTE: Candidate should immediately realize that this is a cost problem

If candidate names labor as a potential cost issue, then point out that union contracts prevent layoffs and/ or any other wage changes

Good structure:

Comprehensive list of reasons for cyclical costs for a construction equipment business, such as:

Production schedule for the equipment. Is the company producing at uneven levels throughout the year and thereby incurring uneven costs

Inventory levels. Is the company producing at even levels throughout the year and then incurring large inventory costs

Distribution schedule with the dealers. Is the company moving product according to dealers' schedules, thereby retaining all the inventory risk

Payment/ financing arrangements with the dealers. Are revenues level b/c the company is accepting level payments from the dealers while delivering on demand

Bad structure:

Narrow focus on one cost, especially if the importance of the dealer relationship is overlooked

PROGRESSIVE CASE/ TECHNOLOGY

Set-up:

Two companies have recently merged. You will be addressing the boards of these companies regarding their upcoming IT integration strategy and have the opportunity to interview the CEO's of each company involved. What information would you ask to prepare for the meeting and what will you likely discuss

Answerable questions:

None. Everything the candidate needs is in the set-up

Good structure:

This needs to be the first and foremost question: Why are the companies merging? This will dictate how the case is answered. It also shows that the candidate realizes that the CEO's are there to answer corporate strategy questions, not technology

If merging for economies of scale (e.g., Chase and Chemical), this implies that the products and/or services must be similarly aligned. Therefore, the IT strategy should focus on integrating systems whose objectives are the same.

If merging two complementary businesses (e.g., Morgan Stanley and Dean Witter), this implies that the products and/or services are different. Therefore, the IT situations may likely differ, and the companies may not want to integrate systems. However, they need to focus on how to work as one company, (e.g., cross-selling products, keeping track of an entire customer relationship)

Bad structure:

Asking the CEO's about specific platforms, technologies, or other IT details. This should be saved for the CIO

Assuming that IT means online and focusing the entire case on the new company's online strategy