

# Mock Assessment Centre Case Study



@ITSALLHEARSAY

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# INTRODUCTION



Hello! I am Megan, an Associate at a London Law Firm and the Founder of It's All Hearsay.

Thank you for downloading the It's All Hearsay Mock Assessment Centre Case Study.

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## **It's All Hearsay**

It's All Hearsay was created to offer help, guidance and motivation to all aspiring lawyers, apprentices, trainees and legal professionals.

If you don't already know, I found the journey to becoming a trainee solicitor hard. I constantly felt alone and that there was no information out there. Therefore, I want to make sure no one feels the way I did.

I believe there is certainly an art to getting this journey right and while mistakes and setbacks are unavoidable, I want to be a person who will help you to never give up. I also want to provide you with hints and tricks to get you there with a few less hiccups.

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## **About this resource**


I have put this resource together for all law students and applicants because assessment centres are notoriously hard within the industry.

This resource will give you an understanding of what a standard case study might look like, what points to consider, how to structure your answer and some helpful tips on what the assessors are looking for.





# CASE STUDY INSTRUCTIONS



A usual case study assessment will have the following instructions:

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You will have 30 minutes to read the information enclosed.


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You will have 15 minutes present your summaries, findings and conclusions to the assessors.


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You will then be asked a series of questions by the assessor.

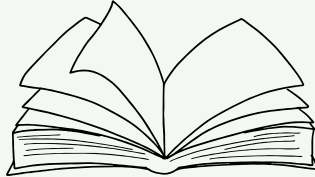

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Top tip: while reading the information, try think about the potential issues, solutions and stakeholders involved.

**If you are comfortable with the instructions, please proceed to the information pack.**



# THE SCENARIO - PART 1



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A chain of restaurants operating across the UK, Chunky Fries Limited, has recently gone bust. The family-run business had been operating for over 20 years and had a reputation for providing high-quality, locally sourced food. However, despite its good reputation, the chain had been struggling financially for a number of years.

There were a number of issues that contributed to the fall of Chunky Fries Limited but significantly the company had tried to open a number of high-street locations in too short a time period. This meant that the company was overextended, with too many locations to manage effectively. The cost of the high-street leases had also put a strain on the company's finances, leaving it with a significant amount of debt.

Another issue facing the chain was poor management. The company had failed to adapt to changes in the market, such as the rise of delivery services and online ordering. Additionally, the company had not invested in its technology infrastructure, leading to a lack of data and analytics on customer behaviour and preferences.

Finally, the chain had failed to keep up with changing consumer preferences. Customers were increasingly looking for healthy, sustainable and plant-based options, but the chain had failed to provide these options on its menu. This had led to a decline in customer numbers and a loss of market share to competitors.

**Analyse the solutions that could have been implemented and prevented Chunky Fries Limited from becoming insolvent.**

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# KEY COMPANY INFORMATION

## Company Profile: Chunky Fries Limited

### Size:

- At its peak, the company had over 50 restaurants across the UK.
  - The chain was a medium-sized player in the UK restaurant market.
- 

### Value:

- The company had built a reputation for providing high-quality, locally sourced food.
  - The brand had a loyal customer base due to its long-standing family-run business.
- 

### Turnover:

- In its most recent financial year, the company's turnover was £35 million.
- However, the company had been struggling financially for a number of years, with declining sales and mounting debt.



# THE SCENARIO - PART 2

## **Chunky Fries Limited has come to you for your help.**

You are a Trainee at Advice and Co LLP and the Partner on the matter has asked you to review the below email from an angel investor.

This information was provided shortly after you had discussed the above scenario. You have already analysed the reasons for why the business failed.

Now consider:

- How would you react to email you have received?
- Do you think the below proposal is suitable for Chunky Fries Limited?
- What does Chunky Fries Limited need to consider?



# SUPPLEMENTAL INFORMATION

Dear Jane,

I was saddened to hear about the recent closure of your Chunky Fries Limited. As an angel investor, I am passionate about supporting promising businesses and helping them to realise their full potential. I believe that your chain has the potential to become a thriving business once again, and I would like to offer my support to help you revive the company.

I have reviewed your financial records and the challenges that the company faced in recent years. I am confident that with the right support and investment, the company can be turned around and made profitable again.

To that end, I would like to propose a funding plan to help revive the chain of restaurants. My proposed plan involves investing £5 million in the company, with the following breakdown:

- £2 million to pay off outstanding debts and reduce the financial strain on the company.
- £1 million to invest in upgrading the company's technology infrastructure, including data analytics and online ordering systems.
- £2 million to invest in marketing and advertising to rebuild the company's brand reputation and attract new customers.

In addition to the financial investment, I am also committed to providing strategic support to help turn the company around.

I look forward to discussing this proposal with you in more detail and exploring the possibility of working together.

Yours sincerely,  
Grace





# HOW YOU WILL BE ASSESSED

Only progress to the next stage if you have had an idea about what you might like to say and/or when you have already given the scenario a go

The next section includes:

- the mark scheme;
- points to consider;
- example discussion points; and
- tips for doing well.



# MARK SCHEME



**Discussion points:** able to recognise and understand the general discussion points in the Case Study.



**Initiative:** raises practical solutions which satisfy multiple constraints



**Initiative:** searches for mutually beneficial outcomes to problems



**Initiative:** generates innovative and original solutions to issues



**Initiative:** able to steer the direction of the conversation



**Initiative:** improves upon the ideas generated during the discussion



**Problem solving:** is able to identify important information from the text provided



**Problem solving:** thinks strategically and takes a logical view, offering practical solutions



**Problem solving:** looks at problems and solutions from multiple viewpoints



**Problem solving:** identifies potential side effect and indirect consequences



# MARK SCHEME



**Problem solving:** identifies the causes of problems and the inhibitors of success



**Problem solving:** searches for more information and asks sensible questions



**Problem solving:** thinks and acts objectively and does not make decisions based on subjective biases



**Commercial awareness:** consider how any decision made may impact the business's profitability



**Commercial awareness:** points out industry or market considerations, incorporating moral and ethical objections appropriately



**Organisational ability** sets out the structure of the answer and/or signposts the relevant points clearly



**Organisational ability:** identifies and states the aims of the discussion and makes effective use of any materials provided during the exercise



**Communication:** speaks clearly and delivers the information confidently without using overly sophisticated language



**Listening skills:** able to listen to the questions posed and answer specific questions put to you well



**Enthusiasm:** is keen and energised by the task at hand



# POINTS TO CONSIDER

Think about the bigger picture by identifying short and long term issues/solutions.

What teams/departments might you instruct at the firm?

Identify the key players/ stakeholders (i.e. employees, shareholders, creditors).

What commercial awareness can you bring into the scenario? What is the current industry status?

How can the company increase cash flow? What would be the most important action.

Include wider commercial considerations (i.e. inflation rates).

What is the overall objective of the client or the main goal they are trying to achieve?

Consider how what further negative effects there could be following your suggestions.

Have you used all the information available to you (including the supplemental information)?



# EXAMPLE DISCUSSION POINTS

**Start with a brief summary of the facts to ensure you have confirmed your understanding of the current position:**

"Chunky Fries Limited operated in the restaurant space with over 50 restaurants across the UK. After being in business for 20 years, it has recently become insolvent due to financial difficulty, particularly because of opening too many high-street restaurant in a short space of time."

**Part 1: You are first asked to 'analyse the solutions that could have been implemented and prevented Chunky Fries Limited from becoming insolvent' (page 3). Think about the short-term and long-term implications of your suggestions.**

**Tip:** structure is key for you to set out your points and for your interviewer to follow. Introduce the issues by stating "I have identified four main issues, which I will discuss in turn, along with solutions that could have prevented the company from becoming insolvent..."

**Issue One: attempting to open a number of high-street locations in too short a time period. This caused the company to become overstretched and incur debt, as well as management operating inefficiently.**

Potential solutions:

- The high-street market has generally been in decline since before Covid-19 but this was drastically increased during the various lockdowns in the UK. Rather than opening several high-street locations, the company could have opened a few flagship branches in select locations. This would have allowed for Chunky Fries Limited to gauge interest before opening other stores in close proximity. As the company has been financially struggling in recent years, their business interests would have benefited from closure of branches to save on high costs such as employee salaries and the overhead costs of running a physical branch.
- Leasing property in the UK is an expensive overhead cost (and becoming more expensive due to the cost-of-living crisis and the increase of rent) and can tie down the company for several years without due to some commercial leases having long terms. Instead of leasing multiple locations, the company could have set up a pop-ups in food markets to promote the brand and new products.
- Alternatively, if the company had the financial means to rent, they could have invested the money into a factory or main kitchen warehouse which could act as a base to distribute online orders/deliveries. This links to the next issue.



## EXAMPLE DISCUSSION POINTS 1.2

**Issue Two: failure to adapt to change in the market such as the rise of delivery services and online ordering.**

Potential solutions:

- During the pandemic, the hospitality industry and supermarket industry significantly shifted into an online market space and this has changed important consumer habits. Restaurants particularly utilised popular third-party services such as UberEats, Deliveroo and JustEat, which can maximise contact with customers conveniently.
- In recognition of this shift, Chunky Fries Limited could have made their products available on these online ordering companies which would have expanded their reach and increased their annual turnover. However, it is important to note that this would not come without costs and risks such as reputational damage should the third-party services not delivery the products with the same care and attention Chunky Fries Limited seemingly has built up over many, many years.

**Issue Three: lack of investment into technology infrastructure which led to lack of data and analytics of customer behaviour and preferences.**

Potential solutions:

- This issue underpins all the factors which led to the company becoming insolvent.
- In line with the market shift towards online orders and delivery services, the company should have invested money in their technology infrastructure to have the means to conduct customer behaviour and preferences analytics. They also could have employed an internal customer behaviour forecaster to gather monthly or quarterly customer behaviour and predict future trends.
- It could have also invested in customer loyalty schemes or an app, for example. The McDonalds app was downloaded 24 million times in 2021 and regularly contains promotions and discount, which could draw in repeat customers.

**Tip:** remember to be creative with your ideas. These are not the only possible solutions. You must also remember to cover the ideas in lots of detail. To manage time effectively, it is worth doing two points and expand your answer as far as you can rather than doing lots of little points.

Continue onto next page



## EXAMPLE DISCUSSION POINTS 1.3

**Issue Four: failure to keep up with changing consumer preferences leading to a decline in customer numbers and a loss of market share to competitors.**

Potential solutions:

- The hospitality market is very competitive, as it is highly concentrated. To stay ahead of food trends and their competitors, Chunky Fries Limited could have actively been involved with themes such as veguary, providing occasion set menus or weekly limited edition dishes. This creates excitement and the opportunity to appeal to a wider market audience.
- Sustainability and plant-based products are becoming more of a focus for consumers. It is, therefore, important for companies like Chunky Fries Limited to be adaptable and pro-active rather than reactive to what consumers are looking for in their products. Chunky Fries Limited should have looked into their sustainability strategy and acted fast in implementing steps to bring in a wider range of plant-based products.
- Establishment of an online presence would also be beneficial. Further investment could have also included creating content, promoting their products and brand through social media platforms and using celebrity endorsements .

**Part 2: The second point of consideration regards the email sent from Grace, an angel investor, interested in supporting the revival of Chunky Fries Limited (page 5). You are asked ‘how would you react?’, ‘do you think the proposal is suitable?’ and ‘what does Chunky Fries Limited need to consider?’.**

**How would you react?**

- Provide an honest answer about your initial reaction to the email – your thoughts and whether you think this is a serious proposal.

**Do you think the proposal is suitable?**

- Funding plan – £5 million financial investment breakdown only allocates £2 million towards outstanding debt and reduction of financial strain. Although the allocation of funds to technology infrastructure and marketing and advertising to rebuild the company’s brand would be beneficial, the debt of the company needs to be prioritised in the short term.
- Payback - Chunky Fries Limited would not be required to pay back the investment money as the investment would be in return for equity in the company.

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## EXAMPLE DISCUSSION POINTS 1.3

- Type of funder - This proposal is from an angel investor which is typically used in start-up companies. Therefore, it might not be suitable for this particular company as they are already insolvent, and a large amount of financial investment would be needed to revive the company.
- Strategic support – this would benefit the company as Grace’s involvement would provide a fresh perspective. Grace may be an expert and have other resources to help the company. Additionally, she recognises the areas which previously lacked and shows intention to improve this.
- Reputational issues – as Chunky Fries Limited has recently gone bust, this would be relayed in the media. Therefore, the company’s consumer base may not have confidence in a company which had become insolvent and has recently been revived. However, this could be combated by a rebrand. Grace’s expectations would need to be managed as failure of the company’s revival would lead to her personal loss which could further damage the brands image.
- Loss of control – before considering entering such an agreement, the current shareholders of the company would need to agree to some loss of control. As a return for the investment, Grace would be looking to take a stake in the company. To reassure shareholders, confidence in Grace might be demonstrated through showing her interests align with that of the company and its success.

**Overall thoughts:** Grace’s proposal outlines a beneficial plan for Chunky Fries Limited if it successfully revives the company. As the company is already insolvent, it would take significant money, effort and strategy to revive it and make it profitable once again. At present, the proposed plan of providing £5 million seems too low to pull the company out of insolvency and put it back on track to make a profit.

### What else would Chunky Fries Limited need to consider:

- **How does an angel investor differ to a private equity firms?**
  - Although private equity firms fluctuate in the companies they target, they typically invest in more mature companies with an established income stream. This differs to an angel investor who acts as an individual investor, typically focusing on early stage investment of start-up companies.
- **How much money would be needed to revive the company, if £5 million is insufficient?**
  - There is no right or wrong answer here. You should have a think about the size of the company and what might initially be needed. The only thing that is required when analysis this point is that you can back it up with ideas.
- **Could Chunky Fries raise capital in other ways?**





# COMMENTARY

It is important to note that there are many other considerations that you could have picked up on. There is certainly no right or wrong answer to this case study. As you may have identified, what is important is to make logical and helpful suggestions. There are no limits on what you can say or what might be the appropriate answer.

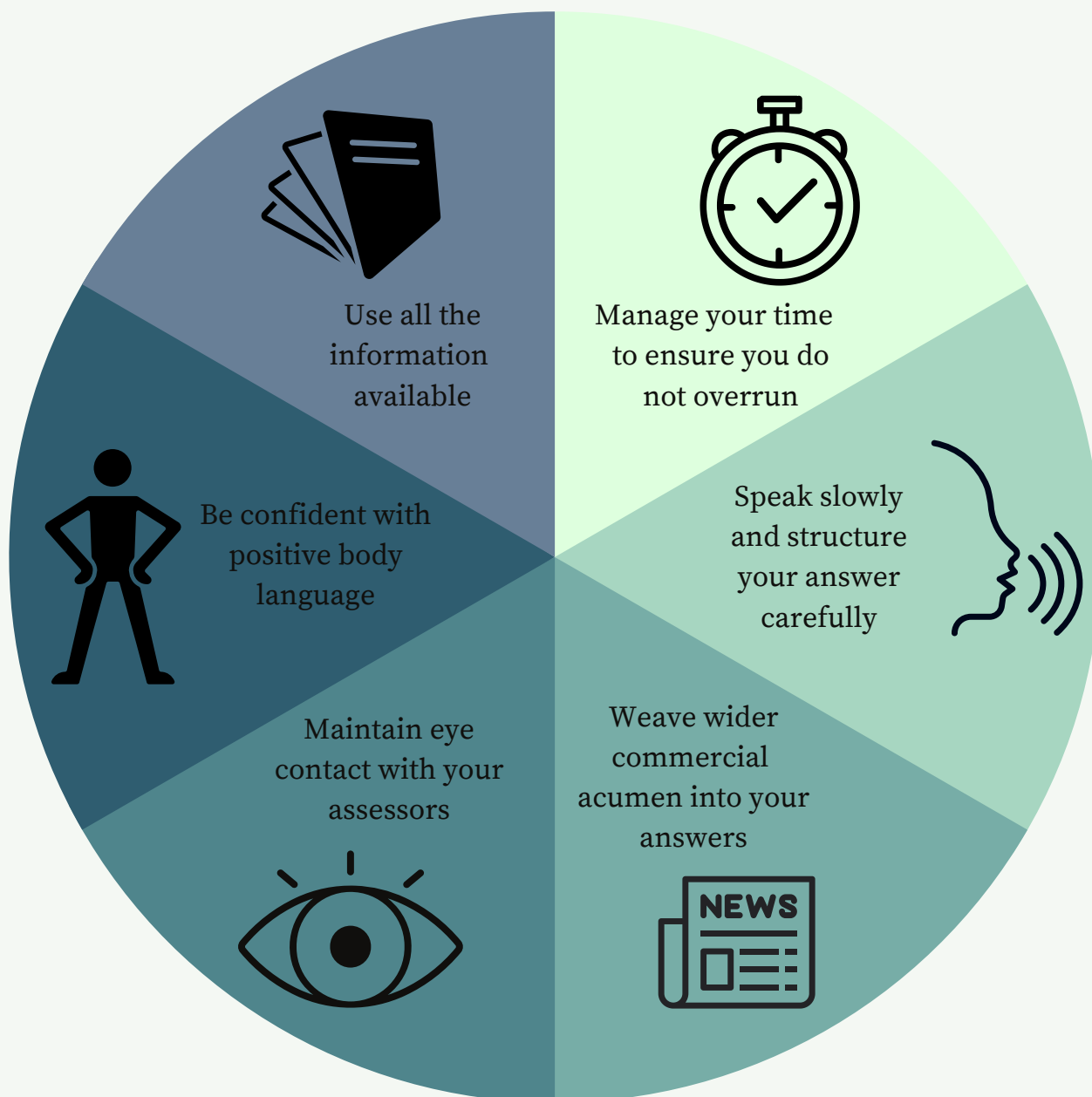
It is hopefully clear that you will require no prior legal knowledge to tackle this task. It is really testing how you take on board information, digest it and can think about the bigger picture. Remember to back up your points with commercial awareness throughout.

While detail is important, try not to get too involved with the technical challenges. We just want to see what you can do with the information provided.

It is also important to note that the timings provided at the assessment centre may vary (you may have slightly longer or shorter than 30 minutes to read the materials).



# TIPS FOR DOING WELL



For further tips and support head over to our Instagram account @itsallhearsay and see posts:

"Assessment Centre Series: Case Studies"

"Commercial Terms You Should Know"

"Commercial Issues You Should Know"



# GET IN TOUCH

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