

# CASEBOOK 2022

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# Introduction

**CRUX, the consulting club of XLRI, is proud to launch its casebook for the year 2022.**

In the 12<sup>th</sup> year now, we aim to give readers a detailed view of various kinds of cases asked in consulting interviews and the frameworks that maybe be leveraged for solving them. To aid students' preparation, we have updated industry reports and quick factsheet for guesstimates towards the end of the casebook that gives the users an idea of various industry drivers and might be helpful while solving cases. There are three new addition to this year's casebook - frequently asked behavioural questions, interview experience and SIP experience at top consulting firms which we believe will be helpful for the aspirants to understand the process and the role better.

The document is a collection of various cases that the candidates were asked through the course of the Summer Internship Process 2022 at XLRI. We want to take this opportunity to thank them for their contributions towards the preparation of the book. Additionally, we have preserved a few classic cases from the past casebook as well.

The book is being released in the public domain with the hope that it benefits its readers immensely and they pass it on to whoever requires it as well.

While we have made all efforts to keep the cases unique, given the repeatable nature of case interview questions and the similar nature of varied frameworks and industry reports, we duly regret any resemblance. We would love for our readers to point out the same by informing us on LinkedIn, and we will take steps not to include the same in the future editions.

We wish the readers all the best for their future endeavours and would welcome any suggestions towards improving the book.

*Regards,*

*CRUX 2022-2023*

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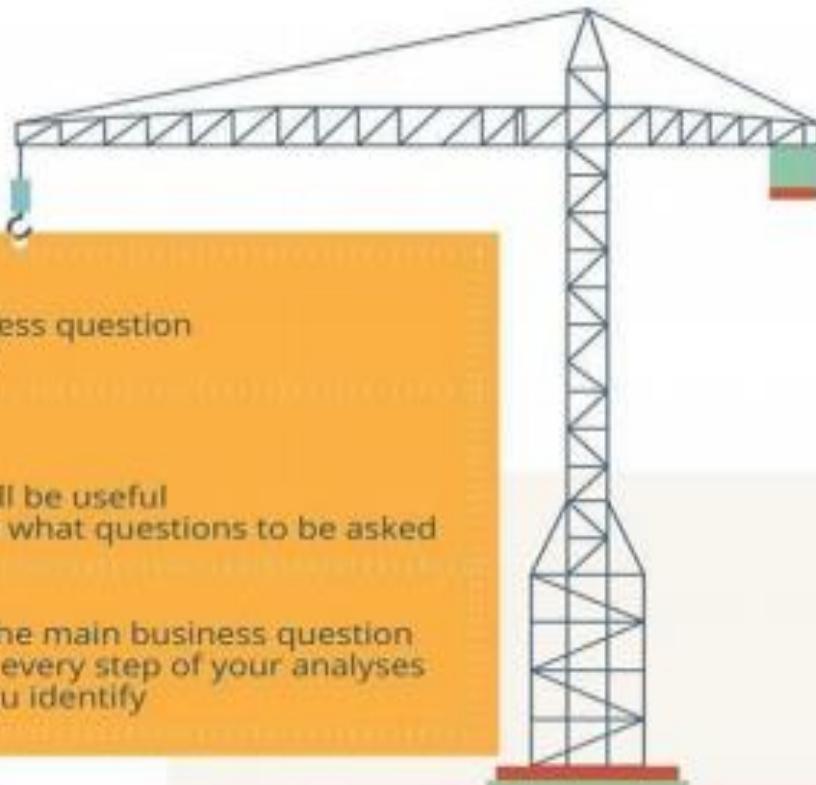
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# APPROACHING A CASE



## **LISTEN**

Be sure to understand the business question  
Make note of all key information

## **ASSIMILATE**

Plan and structure an approach  
Determine which frameworks will be useful  
Identify missing information and what questions to be asked

## **DELIVER**

Deliver a solution that answers the main business question  
Interact with your interviewer at every step of your analyses  
Address ideas and issues that you identify

# STEPS

## 1 DEFINE

- Scope and bound of the problem.
- Identify the goal of the case.
- Narrow down the problem.
- Ask relevant questions and eliminate other alternatives

## 2 STRUCTURE

- Put down the approach that you are going to follow to solve a case.
- Judging is based on case solving abilities and case structure.
- Make interviewer agree with the structure.

## 3 ANALYSE

- This would involve analysis based on the structure defined
- Don't make a calculation mistake in this stage as the interviewer will start doubting your problem solving ability.

## 4 SYNTHESIZE

- Give recommendations which answer the questions defined in the 'Define' Stage.
- A stage where you can gain back the lost ground
- Keeping the structure in mind, synthesize the case.

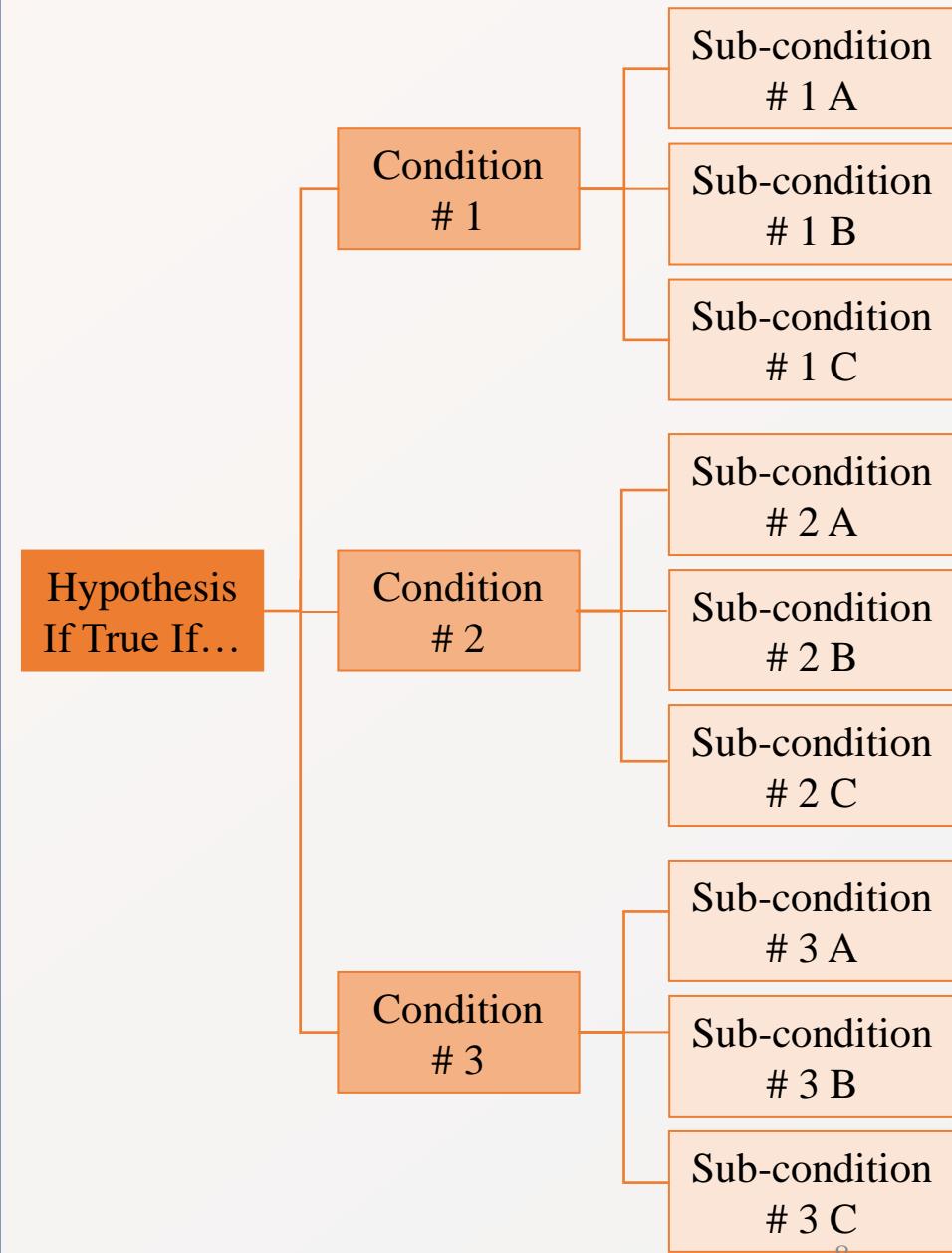
## MECE APPROACH

Thrust of any case will be on the approach that you take. Thus, it is important to understand what should be taken into consideration while giving a structure to your case.

MECE Approach to cases: MECE stands for **Mutually Exclusive, Collectively Exhaustive**. Thus, while understanding your problem you need to identify the main levers that are impacting your problem area. This approach to problem is all pervasive.

Irrespective of whether you face a business challenge or an unconventional case or a guestimate, everywhere, you shall be judged on your structure and therefore on your ability to produce a structure i.e. MECE. There may be multiple MECE structures that may be valid for the same case problem.

Be clear on the relations between the various levers you have identified. Later in the case, it shall be important while identifying the most important one.

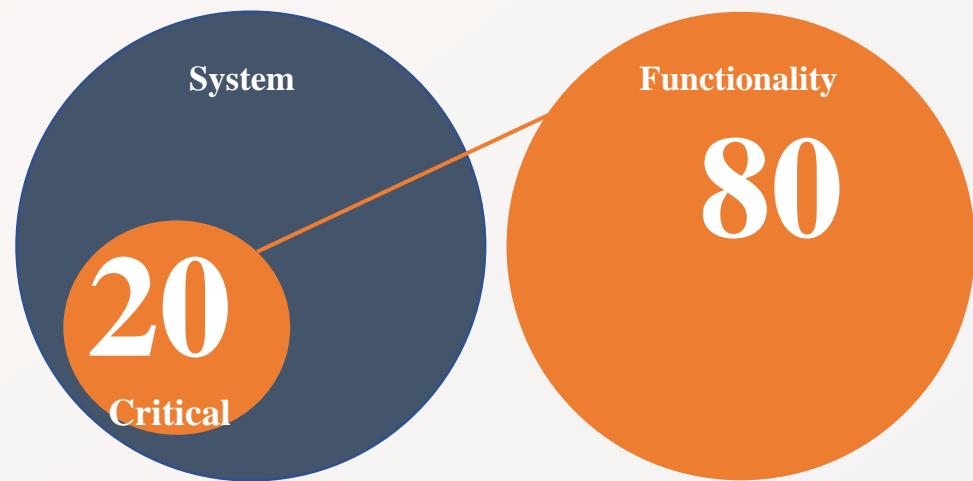


## 80/20 RULE

One of the major challenge in a consultant's life is paucity of time and resources. Also, the profession in general thrives on uncertainty and dynamism.

This means that while **you might be given** or you may be able to ask for **a lot of data, only some of it shall matter the most**. Your task is to identify the most important factors and then focus fully on them.

Your task should be to identify the most important levers as fast as possible. This means that you must act like a researcher in the case. Your hypothesis is whether the lever you have identified is the most important lever or not. Be confident in rejecting a lever if you think that is not so.



## Scoping Questions

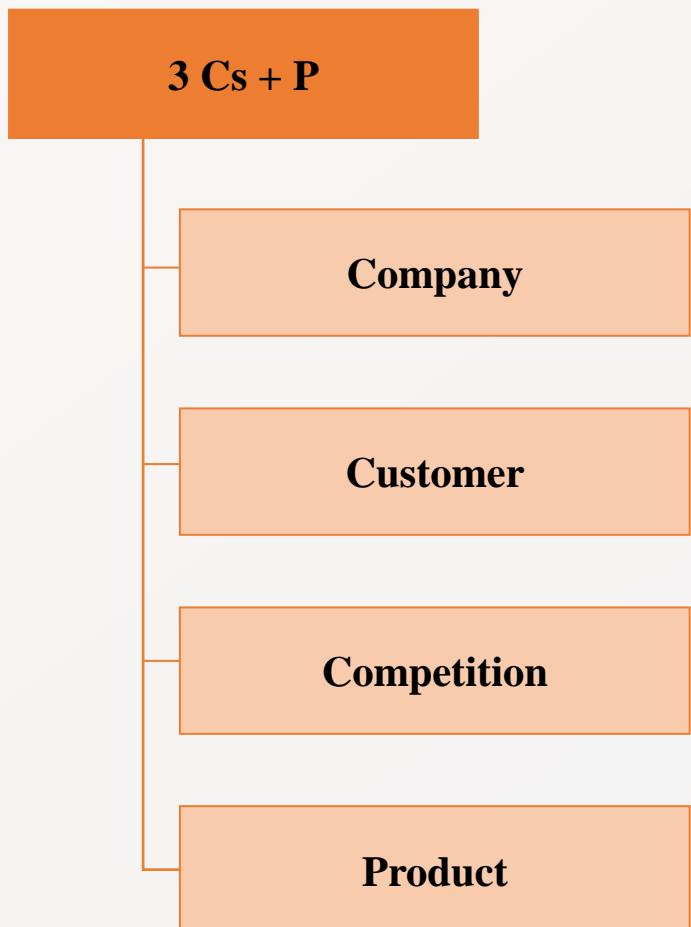
### Alternative 1: 3C + P

#### Summary:

It is used as the core of any case. Start almost every case with this.

#### Recommended Questions/Tips:

1. How is the **company** doing? What business is the company involved in?
2. Who are the **customers**? Who are the target customers? What is their demographic?
3. Who are the **competitors** in the market?
4. What is our **product**?



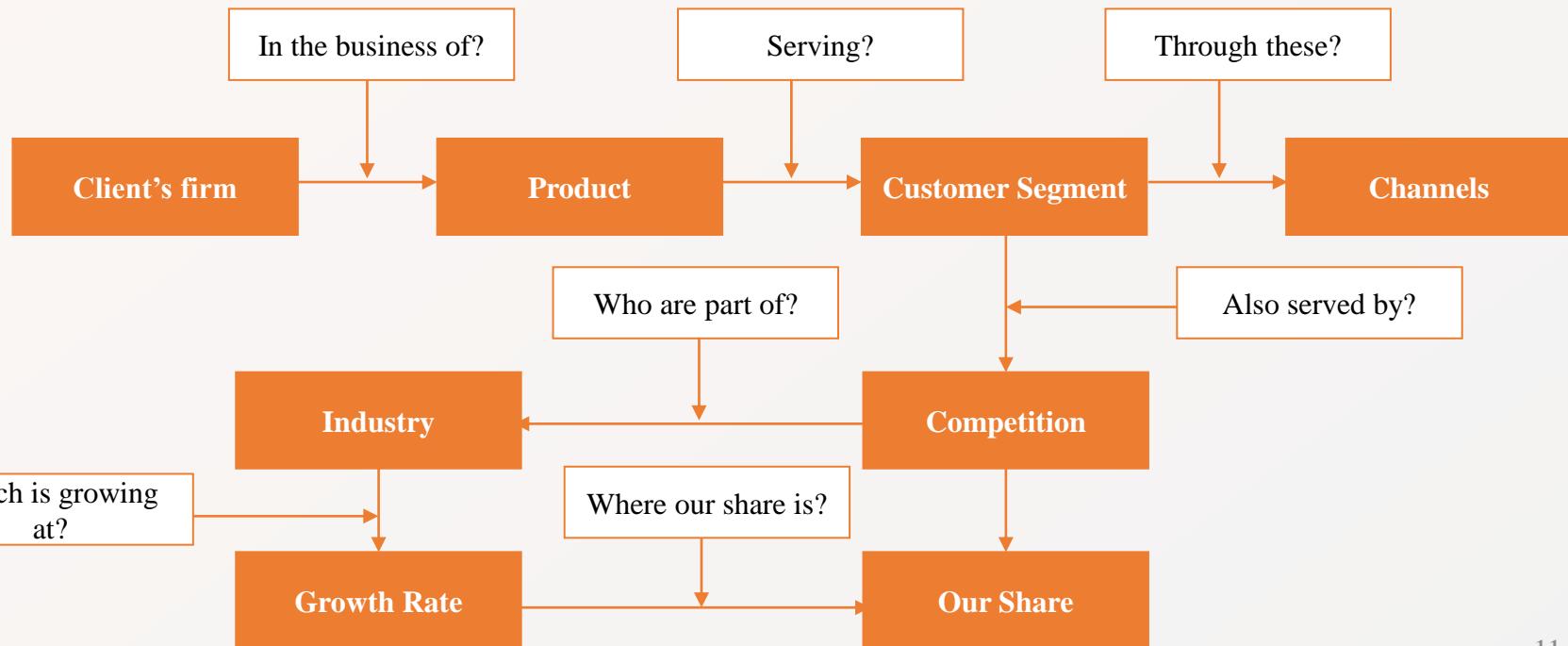
## Scoping Questions

### Alternative 2: Problem Landscaping

**Summary:** A great way to start out the case. In essence it is the 3CP but in a more structured manner and allows a more organic flow of thoughts. This helps to discover almost every piece of relevant information about our client. Though, do not constrict yourself as there can be more scoping questions.

#### Recommended Questions/Tips:

1. What time frame are you looking to achieve the desired result?
2. Within each head, ask the proportions.
  - i. How much does each customer segment contribute to the revenue?
  - ii. How many distribution channels are there and what is the % contribution of each?



## Scoping Questions

### Alt 3: Answering Key Issue

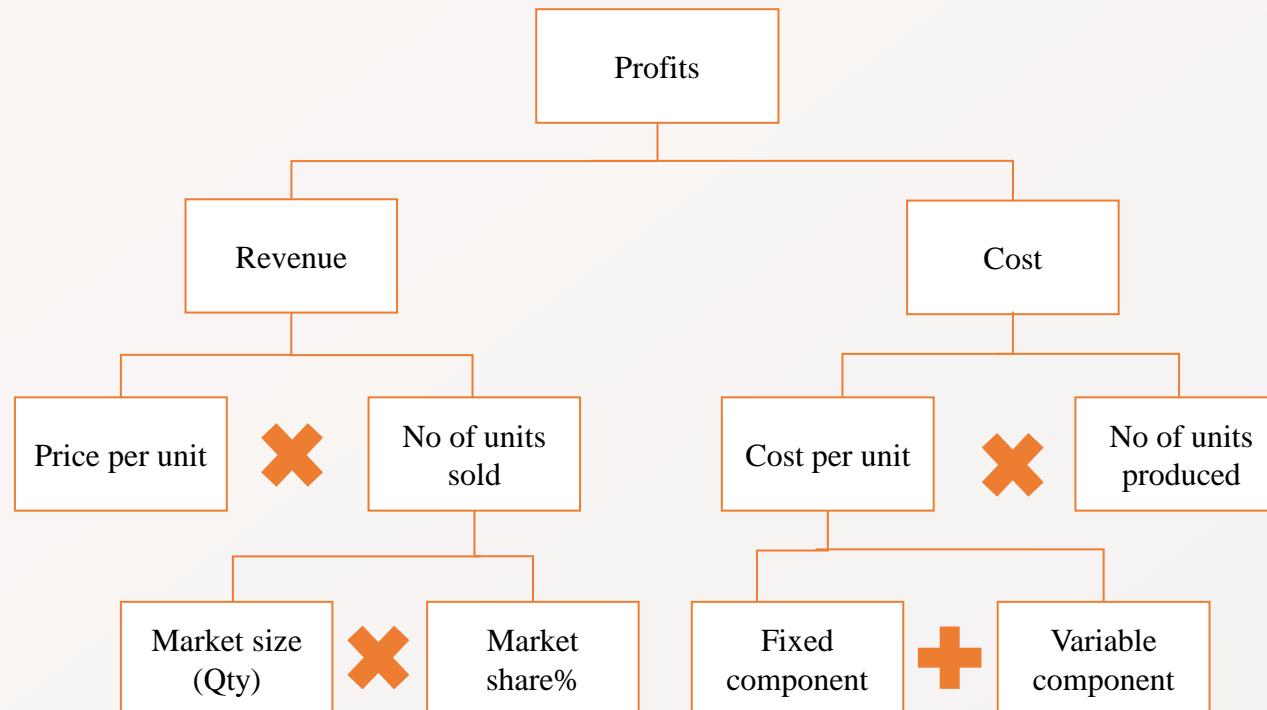


# PROFITABILITY

**Summary:** Used to identify reasons of decline in profits/profitability.

## **Recommended Questions/Tips:**

- Is the issue a supply side issue or a demand side issue?
- Cost can be further divided as fixed and variable. Capital intensive industries such as manufacturers typically have high fixed costs which makes capacity utilization a crucial part of their business. When fixed costs are high, there are often opportunities for economies of scale or scope.
- For revenue, take into consideration the MRP, discounted price and sales net of returns.
- Breakeven quantity=  $FC / (Price - Variable\ cost)$

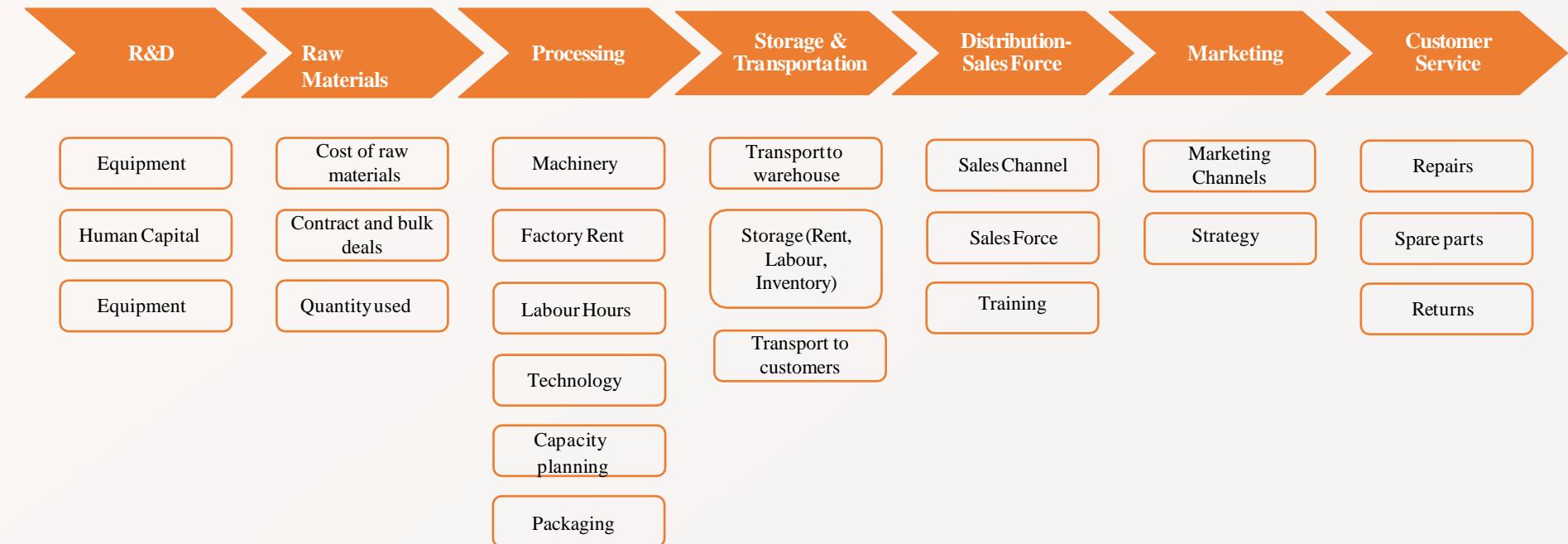


# COST REDUCTION FRAMEWORK

**Summary:** Goes through each step that a typical manufacturing firm does. This breakdown helps identify exactly where the problem could lie.

## **Recommended Questions/Tips:**

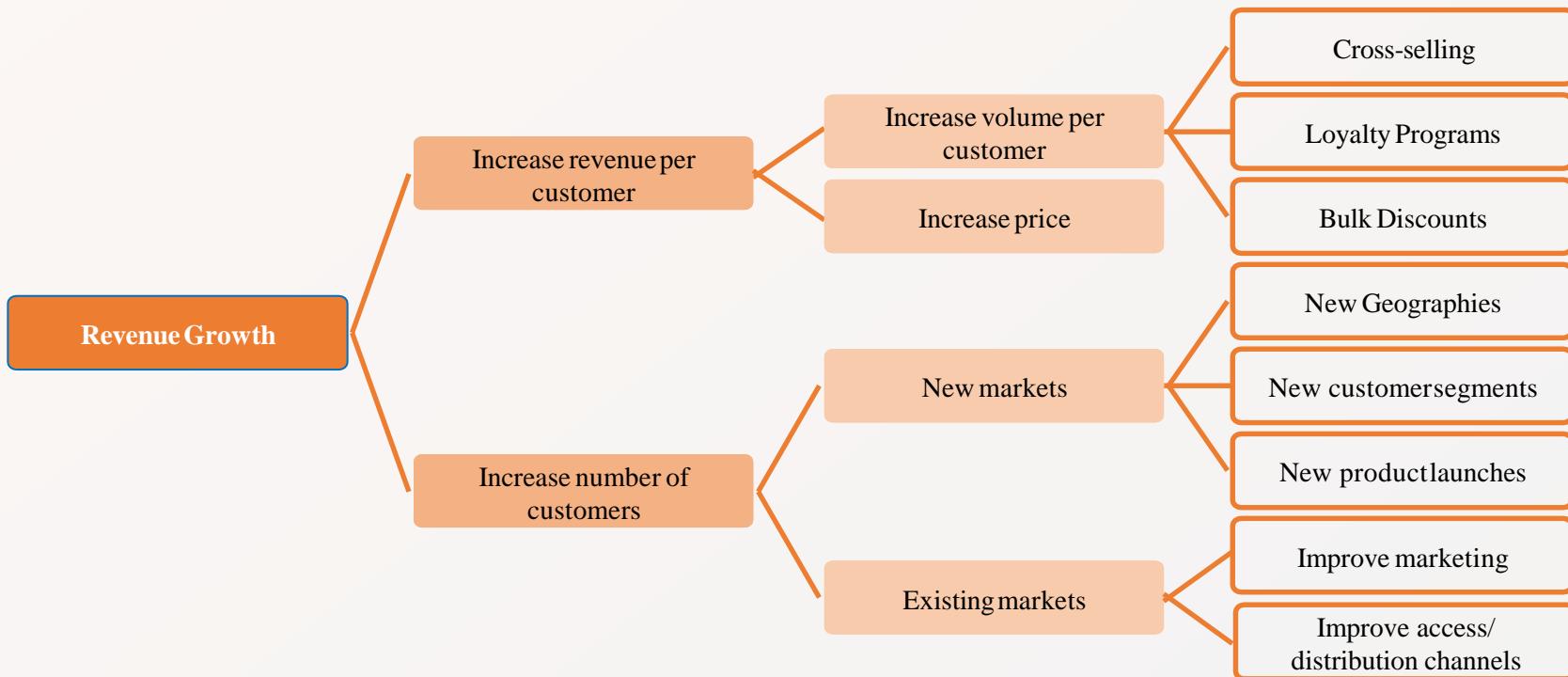
1. (after explaining your structure) I believe a typical client value chain should appear like this. Is there any additional step that our client has in its value chain?
2. Is there any specific head where the client has been facing issues?



**Summary:** A company can grow within its existing business or can start a new business altogether. One must explore all alternatives and look at the possible barriers to entry in all the possible scenarios.

## **Recommended Questions/Tips:**

1. Is the client open to expand inorganically (for e.g., merger and acquisition) or is focused just on organic growth?
2. What is the expected growth of the industry and targeted growth for our firm?
3. What are our current capabilities with respect to capacity?
4. How price elastic are our customers? How are we priced in comparison to our competitors? (what is the relevance of this?) to see whether an increase in prices is an option or not
5. Are there any barriers to entry into the new areas?

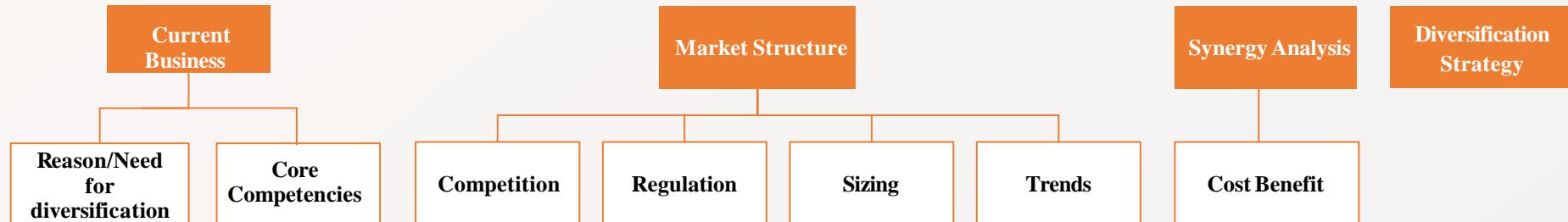


# GROWTH

## Alt Approach:



## Diversification: A subset of growth:

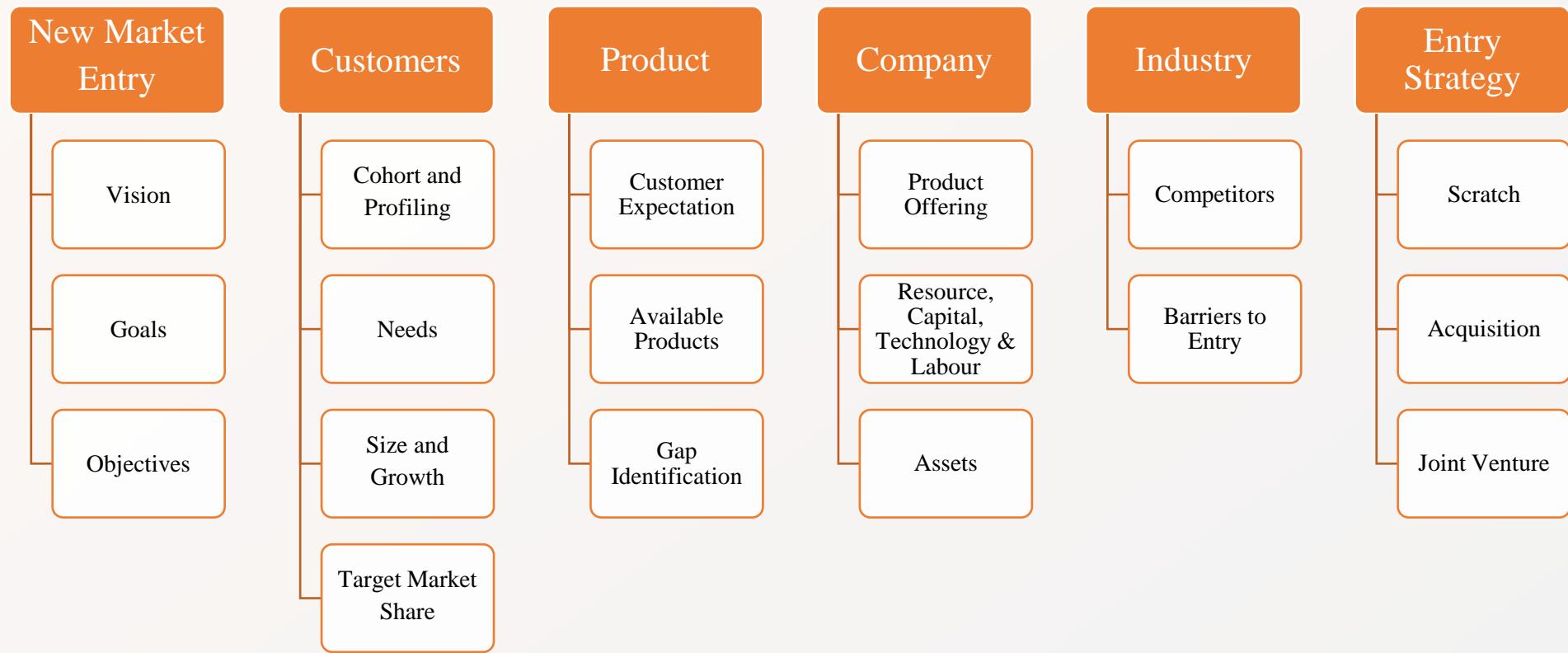


# MARKET ENTRY

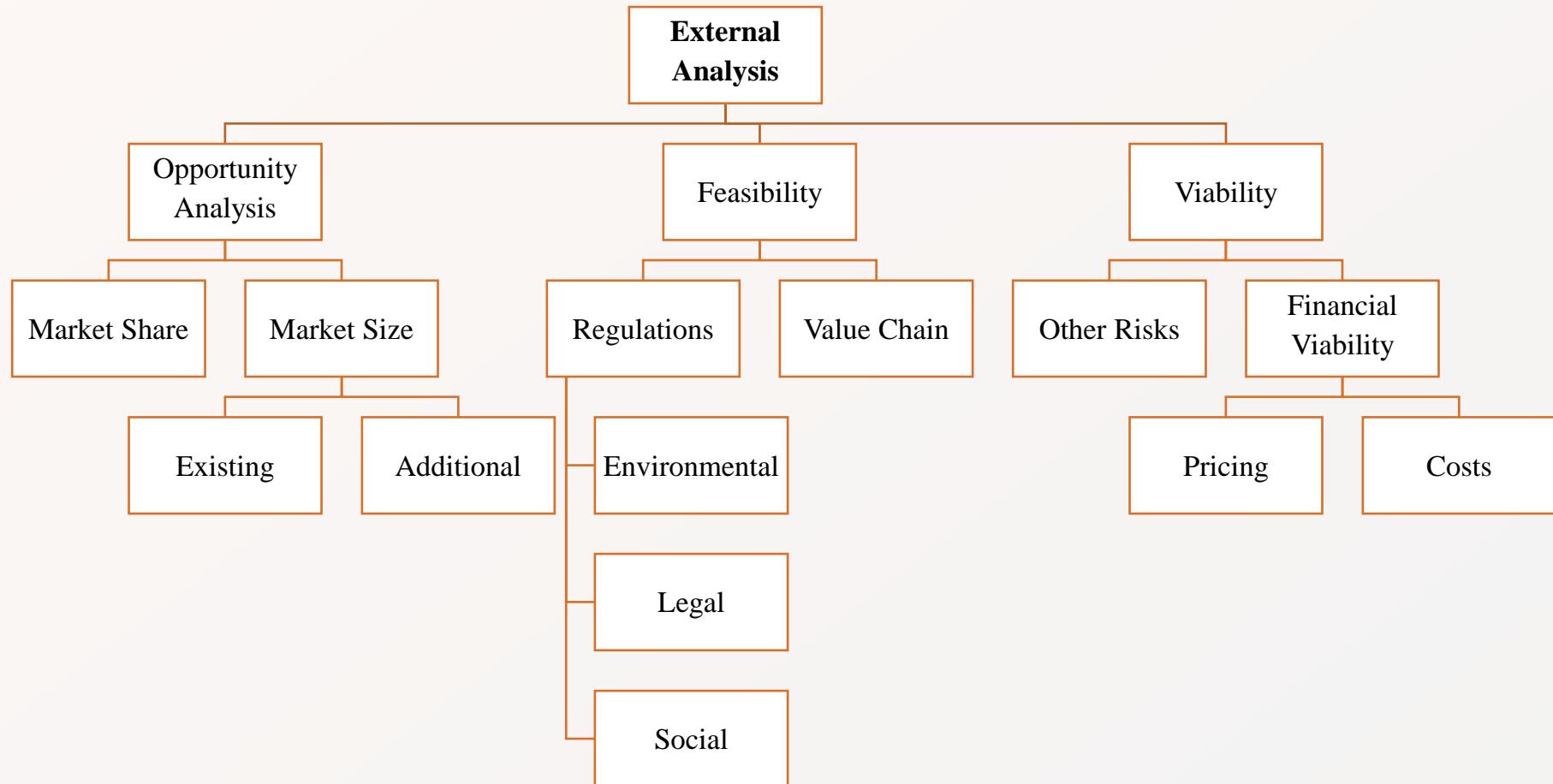
**Summary:** Analyse the market, recommend whether to enter or not, and how to enter.

## **Recommended Questions/Tips:**

1. Start with the approach framework to analyse the situation.
2. Collect all the facts about the relevant variables
3. Perform external analysis to estimate the relevant factors
4. Look for synergies with the existing portfolio and markets of the firm.



# MARKET ENTRY

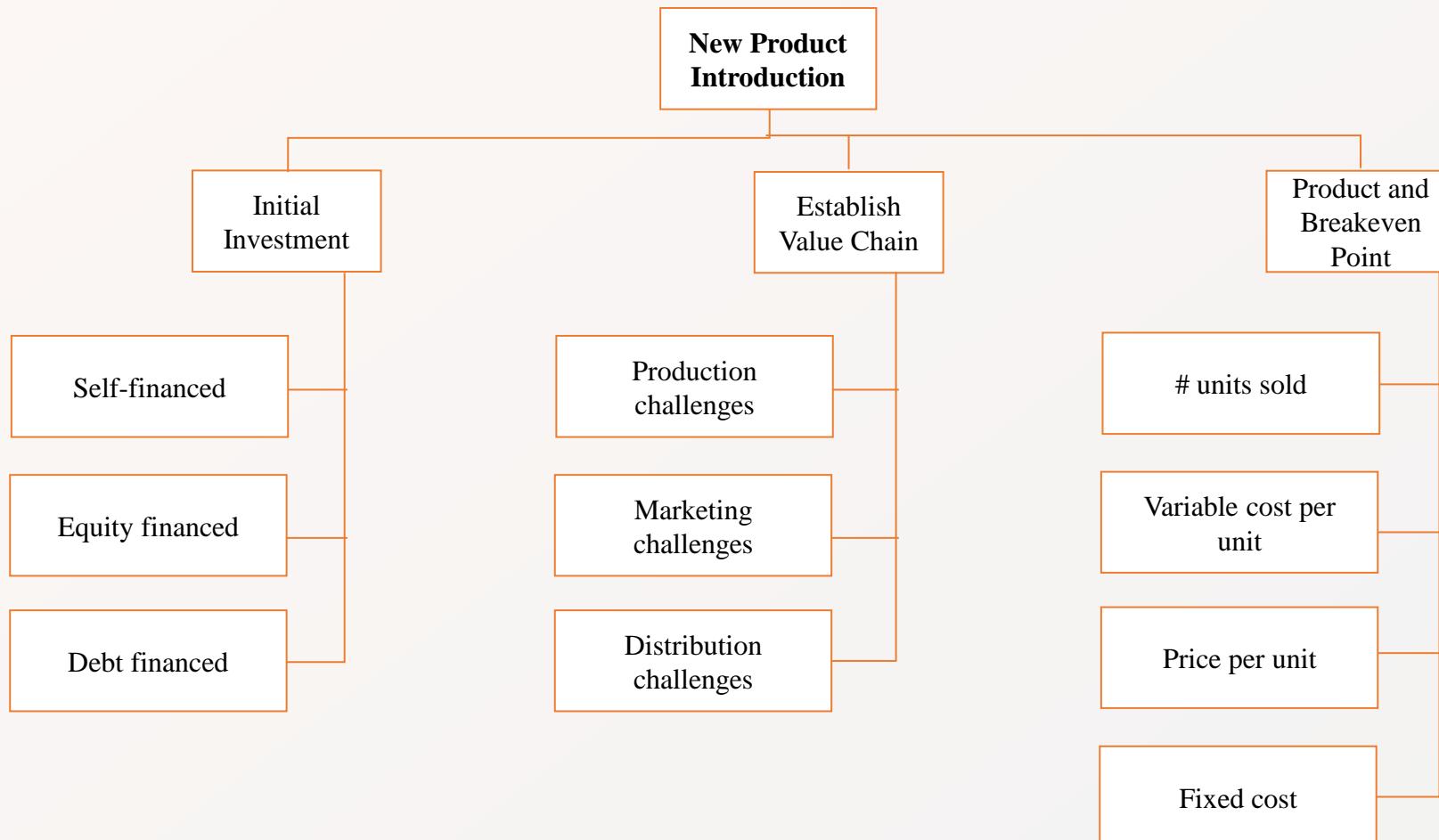


# NEW PRODUCT ENTRY

**Summary:** Used to explore whether a product launch is feasible and lucrative enough for the client or not.

## **Recommended Questions/Tips:**

- Can use other frameworks such as Marketing-mix, BCG Matrix, Core competencies & Break-even analysis to explore whether it is lucrative to launch the new product or not

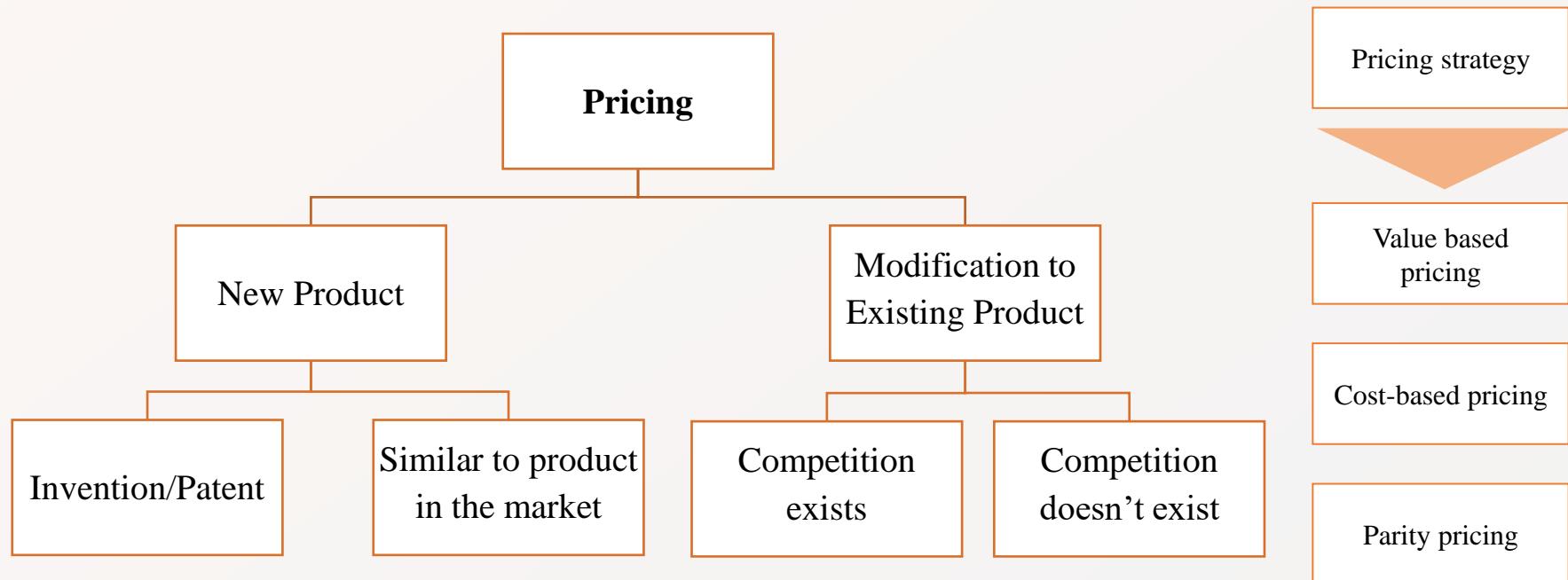


# PRICING

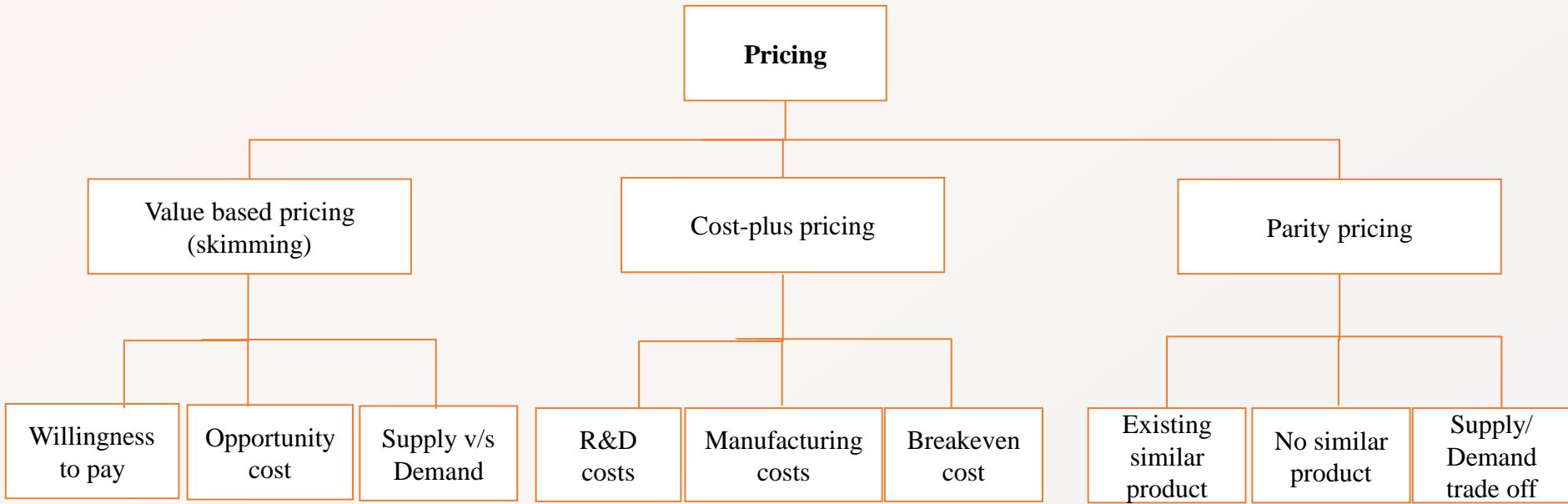
**Summary:** Used to explore how should a product of the client be priced. It can be an existing product or a new product

## **Recommended Questions/Tips:**

1. What is the objective of the client? (The choice of pricing strategy is extremely dependent on the objective of the client.)
2. How are the competitors priced?
3. Is there any USP of our product because of which consumers might be willing to pay a premium?
4. What were the costs incurred by us to produce the product?

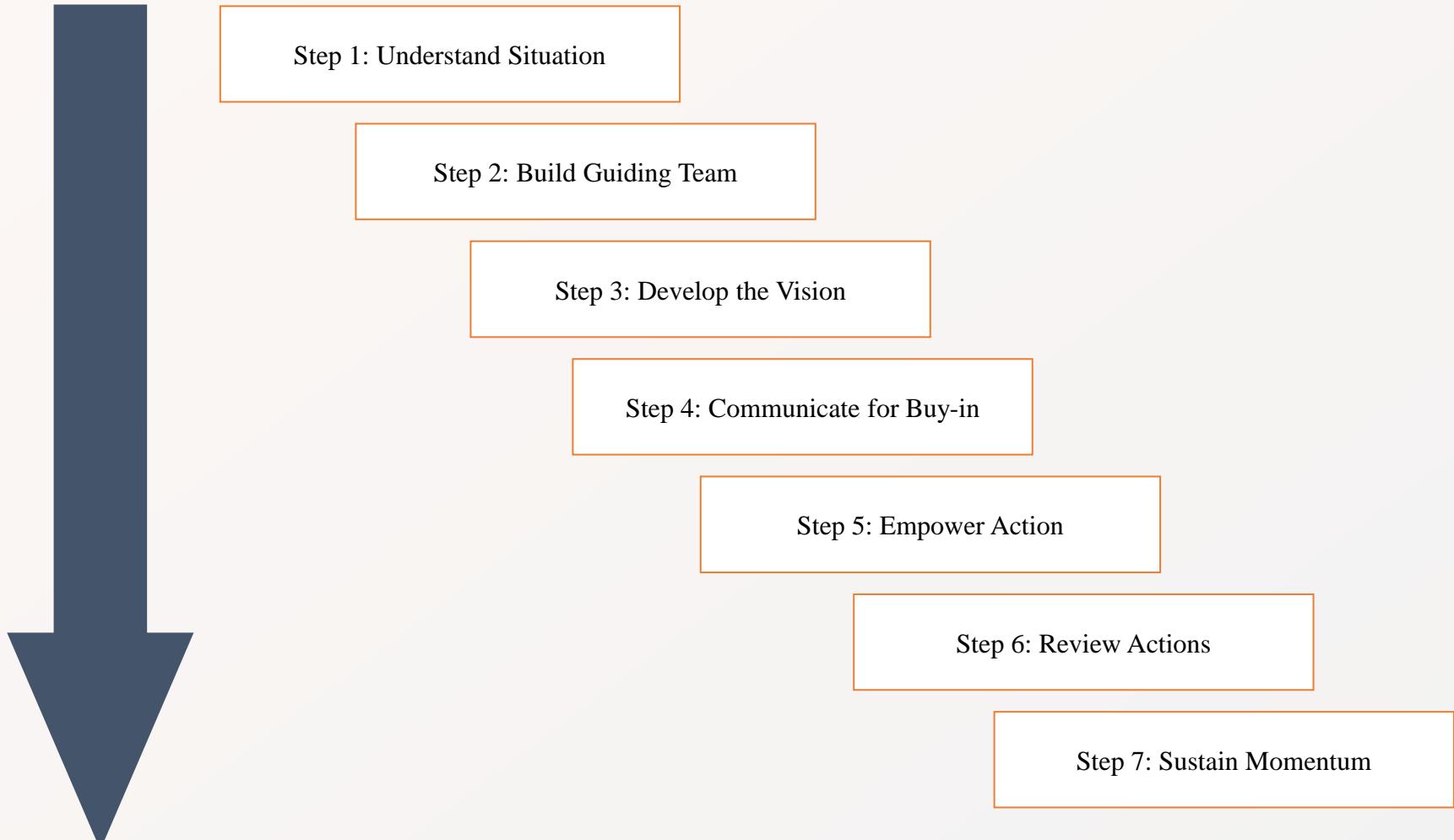


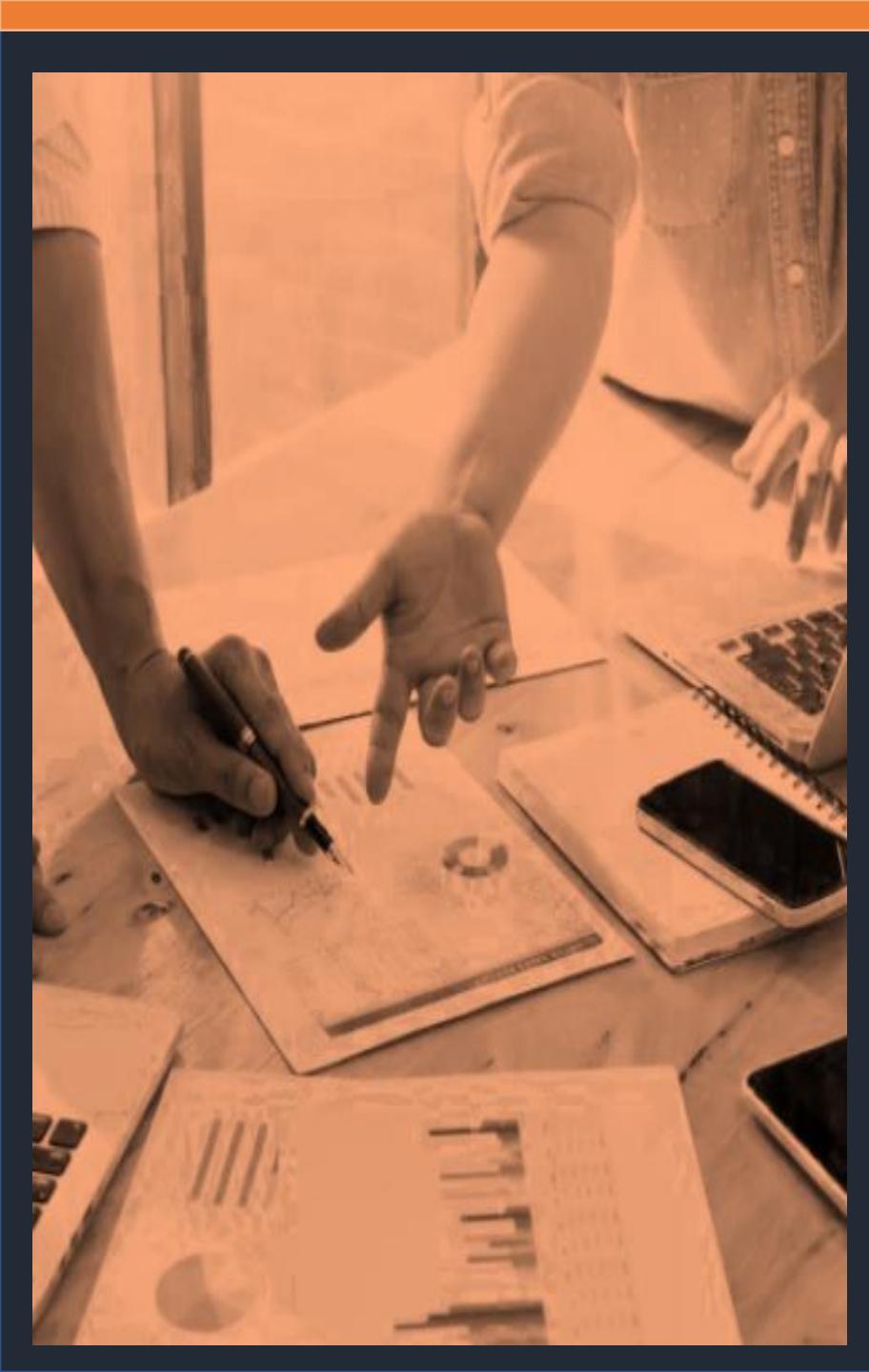
# PRICING



## CHANGE MANAGEMENT

**Summary:** It is an easy step by step model which provides a clear description and guidance on the entire process of change and is relatively easy for being implemented. Transformations, in reality, are not linear and multiple steps may happen at a given time.



A photograph showing a person's hands working at a wooden desk. One hand holds a pen and points to a piece of paper with a hand-drawn graph. Another hand holds a smartphone. On the desk are several papers, one with a circular logo and some text, and another with a bar chart. A laptop keyboard is visible in the bottom left corner.

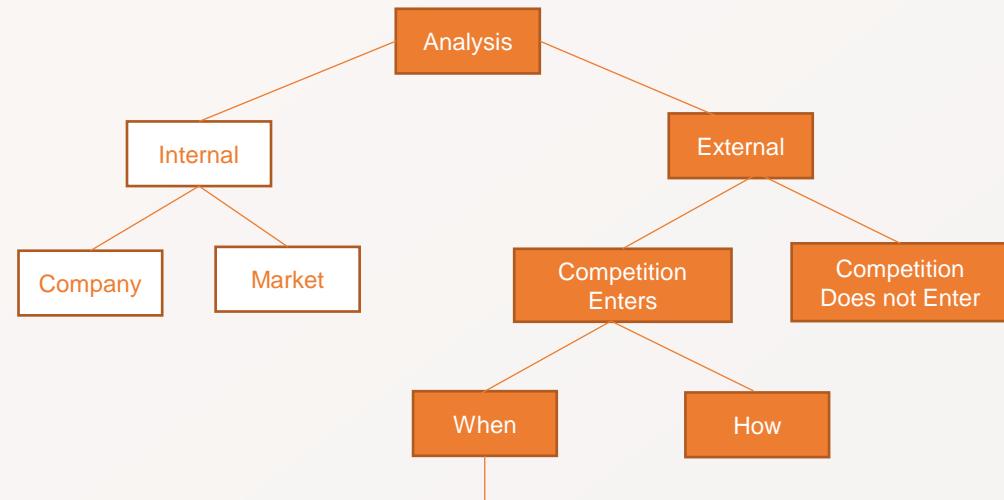
# PROFITABILITY

**Case Statement:**

Your client is a tyre manufacturer in Vietnam. He is the only player in the market. Vietnam had 50% tariff on import of tyres but off lately, they have introduced a policy to gradually reduce tariff y-o-y to take advantage of globalisation. Your client has hired you to assess the situation.

**Background Information**

- **Company** – Makes tyres for all kind of vehicles. Is a monopoly in Vietnam.
- **Competitor** – No major change in landscape. Company specific issue
- **Consumer** – Individuals and automobile companies
- **Product** – Only one product – tyres. There are different kinds suited for different kind of vehicles.



Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Cost	$34 * 1.5$	$34 * 1.45$	$34 * 1.40$	$34 * 1.35$	$34 * 1.3$	$34 * 1.25$	$34 * 1.2$	$34 * 1.15$	$34 * 1.1$	$34 * 1.05$
	Rs. 51	Rs. 49.3	Rs. 47.6	Rs. 45.9	Rs. 44.2	Rs. 42.5	Rs. 40.8	Rs. 39.1	Rs. 37.4	Rs. 35.7

**Case recommendations**

- For an immediate action, the client should evaluate when and how the competitors would enter the landscape given the change in tariff scenario.
- The client should focus on creating brand loyalty among the existing market to maintain their market share under changed competitive landscape.
- The client can also lobby with the government for relaxation in the tariff regime to ensure growth of in-house companies.

**Case tips**

- This was a very tricky case. Identifying the exact time when a competitor would enter on the basis of cost-benefit analysis is hard to strike. Always try to look at the case from different dimensions.

C: Okay, just to reiterate my client operates a monopoly of tyre manufacturing in Vietnam. I need to assess the changes that will affect my client if the government gradually reduces tariff on imports.

I : Yes, that's right.

C: Is there anything specific that the client wants to observe, say top line or bottom line?

I: No, he wants you to paint the entire picture for him.

C: Okay sure. I would like to know a little bit about my client to understand the situation better. Where exactly does our client lie in the value chain- does it only manufacture or also performs other functions in the value chain? Secondly, you mentioned it is a monopolistic market, can I safely assume that there are no other smaller players either? Lastly, are there currently any foreign players in the market?

I: It only manufactures and outsources distribution to third party as well operates own outlets. Yes and No to your last two questions.

C: Sure. And what kind of tyres does it produce? Does it operate in the premium segment?

I: All kinds. Given it's a monopoly, it does enjoy a price advantage.

C: Understood. Lastly, who are the target customers- B2B, B2C?

I: Both. It supplies to businesses via distributors as well as sells tyres through own outlets to end consumers.

C: Okay. Now I'd like to dig deeper into the case since I have the required background information. What is the current rate of tariff and how is the government planning to implement the reduction strategy?

I: Current rate is 50% and the plan is to reduce tariff by 5% each year. Thus, in 10 years, the tariff will reduce to 0%.

C: Right. I'd like to analyse the situation from two perspectives- internal and external. In internal I'd like to further bifurcate into company specific and customer specific. In external I'd like to analyse the competitive environment.

I could consider different timelines-say 0-1 years, 1-5 years and lastly, 5-10 years to understand the changes and the likely effect. Does this sound fair?

I: Do you think we should analyse by dividing into different time frames when the change is happening every year?

C: Yes got it. I will take each year at a time.

I: Yes, you may proceed now.

C: As I understand this, tariff of 50% is high and given that the rate is likely to reduce each year, the competitor will enter only when it is able to atleast break-even. Once we know when players will enter, we can analyse how the situation would change in Vietnam. To start with, I'd like to do a cost-benefit analyse of the potential entrants with different tariff rates.

I: Seems fair!

C: Before proceeding, I'd like to know if we have information about the players who may enter? Specifically, is there information on average cost per unit incurred by other players in the global market who might enter Vietnam? Will the entrant also charge the same price?

I: The average cost per unit is \$34 and for us it is \$40. The price will be same.

C: Okay. In year 1, tariff is 50%, hence the cost will be  $1.5 \times 34$  i.e. 51 which is greater than \$40. Hence, they may not want to enter the market. Following the same analysis, the cost will be 49.3, 47.6, 45.9 .... In the following years. When the tariff rate will be 20%, the cost will be 40.8, hence player may want to enter with tariff 15% which is in the year 7th year.

I: That's right. What would you do next?

C: Next steps would be to analyse how the situation would change within the country- i.e. the internal scenario. Following this, I'd like to propose a few recommendations to our client basis the situation

I: That's fine. We can end the case here.

**Case Statement:**

Your client is the owner of a ski resort in Switzerland. The resort has noticed a decline in the profits in the last 6-8 months. You have been hired to analyse why.

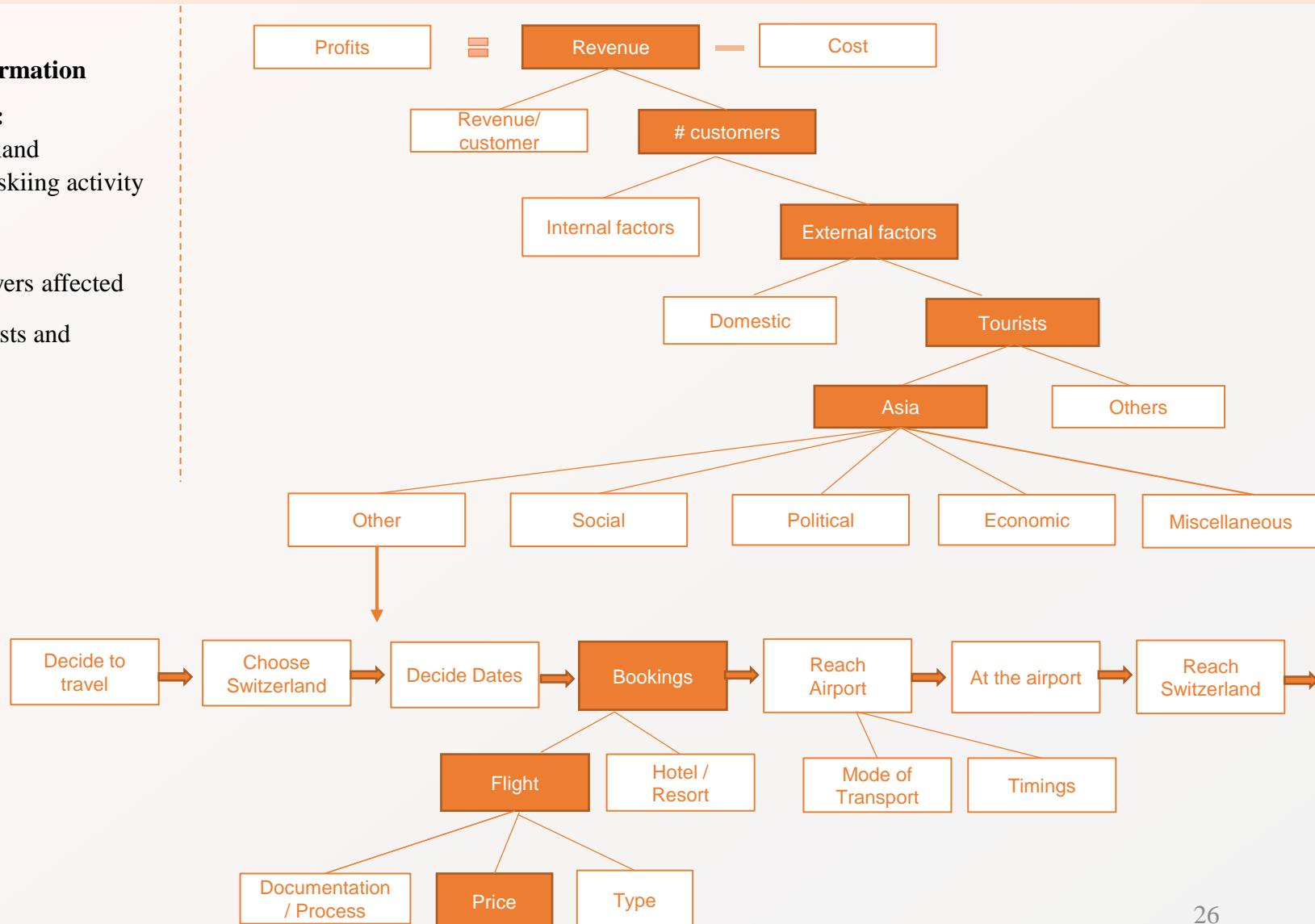
**Background Information****Company details:**

Location: Switzerland

Offer: Resort and skiing activity

**Product:** Resort**Industry:** All players affected**Customers:** Tourists and

Domestic



C: Okay. I'd like to reiterate the problem statement- our client is the owner of a ski resort in Switzerland. The resort has noticed a decline in the profits in the last 6-8 months and I have to analyse why, right?

I: Yes.

C: Sure. To start with, is it a company specific problem or can it be noticed across the industry too?

I: Across the industry but we have borne the biggest brunt.

C: Understood. Now I'd like to know more about our client to understand the situation better. What is a ski resort and does it operate as a single outlet or as a chain of resorts?

I: It's a single resort in Switzerland. The main highlight of all resorts in the area is their offering of ski activity in the high ends of Mont Font Glacier.

C: Right. And who are the customers of our clients- domestic customers, tourists or both? Is there any additional service that they provide besides lodging and skiing activity? Lastly, do our competitors offer any additional service?

I: We are open for all but mainly our customers are tourists. No, mainly lodging and skiing with additional add-on activities like business halls, meals etc. The same is true for our competitors as well.

C: Thanks a lot for that information. I'd like to dig deeper into the problem now. You mentioned that there has been a decline in profits. Profits is a function of Revenue and Costs. Has any of the two faced any changes in the last 6-8 months?

I: Yes, revenue has seen a decline

C: Now, I'd like to break revenue into two components- number of customers \* revenue per customer. Please let me know if you want me to focus on any of these?

I: Revenue per customer has remained more or less the same. However, the number of customers has seen a decline

C: Okay. I'd like to further bifurcate the reasons by looking at them through internal and external factors. Given that the decline is across the industry, there might be external factors at play. However, since our client has seen a higher decline, I'd like to first look at the internal factors to the client.

I: Um, I think you can look at the external factors first. Maybe then we can see what factor is responsible for the higher intensity specific to our client.

C: Sure, sounds good. Can I please know the split between domestic and tourist customers (in % revenue or number of people). Which of them has faced a major decline- for us and our competitors?

I: Let's say of the total people we serve, 70% are tourists and only 30% are domestic residents. The decline is majorly from tourists. This is true for other players as well.

C: Right. I'll focus more on the tourist segment presently. Which countries form part of our customer base and is there any specific change in any of them?

I: Tourists flow in from multiple countries. However, those from Asian countries have seen the major decline.

C: My hypothesis is that since all resorts in Switzerland have faced a decline and major change happened from the Asian countries, there is something specific to Asia that has caused a decline in revenue for our clients. Thus, I'd like to focus on that aspect now. I would like to consider the following levers- political, economical, social and miscellaneous.

I: Okay

C: Firstly, under the political bucket, has there been any change in political relations between Switzerland and any Asian country? Is the government proactive in maintaining relations and is the foreign government eager to promote tourism? Lastly, I'd also like to know about the visa and documentation process.

Secondly, in economic lever- I'd like to take into account people's disposable income, rate of exchange, taxation policy, inflation etc.

In social factors, I'd like to know if there has been a shift in culture, religion, level of education, or mere preferences of people.

Please let me know if you want me to focus on any of them in particular

I: None of them actually.

C: Alright. I missed out on the miscellaneous factors wherein I'd like to see if any legal changes have happened with respect to changes in law, travel documentation, travel journey etc. I'd also consider if any environmental change is taking place that is pushing people away from flying to Switzerland.

I: Umm, not really.

C: Sure, I have two questions- one, is there any change in any of the previously mentioned questions with respect to Switzerland, and second- are Asian people travelling in general but not to Switzerland?

I: No changes in Switzerland because that might also impact people flying from other countries, which is not happening. And yes, people are still travelling but not to Switzerland.

C: Right. I would like to map the entire customer journey to see if any step in the process is causing this change. A person would first decide if they want to travel, then choose location, choose Switzerland, look for probable dates to travel, book tickets, reach airport, take flight (non-stop or layover), reach Swiss airport, travel to the resort, check-in, and so on.

I: Yes, you can look at the process before a person typically takes a flight.

C: Sure, after choosing Switzerland, a person books tickets for the desired dates. Are resorts open all year round, do they have enough capacity? Are flights frequent? Is there any change in flying rate or the surcharges?

I: Yes, the rate of flights have increased i.e. it is digging a bigger hole in customer's pocket. You can move on to the recommendation.

C: Sure. I will propose a few recommendations for our client that can be implemented in short term and in the long term. In short term, the client can increase promotion, reduce its profit margin and incite people to travel, offer discounts for off-season travel. They can also focus on increasing flyers from other countries so as to offset the decline from Asia. Next, they can also put efforts to increase domestic residents through active marketing and attractive offers.

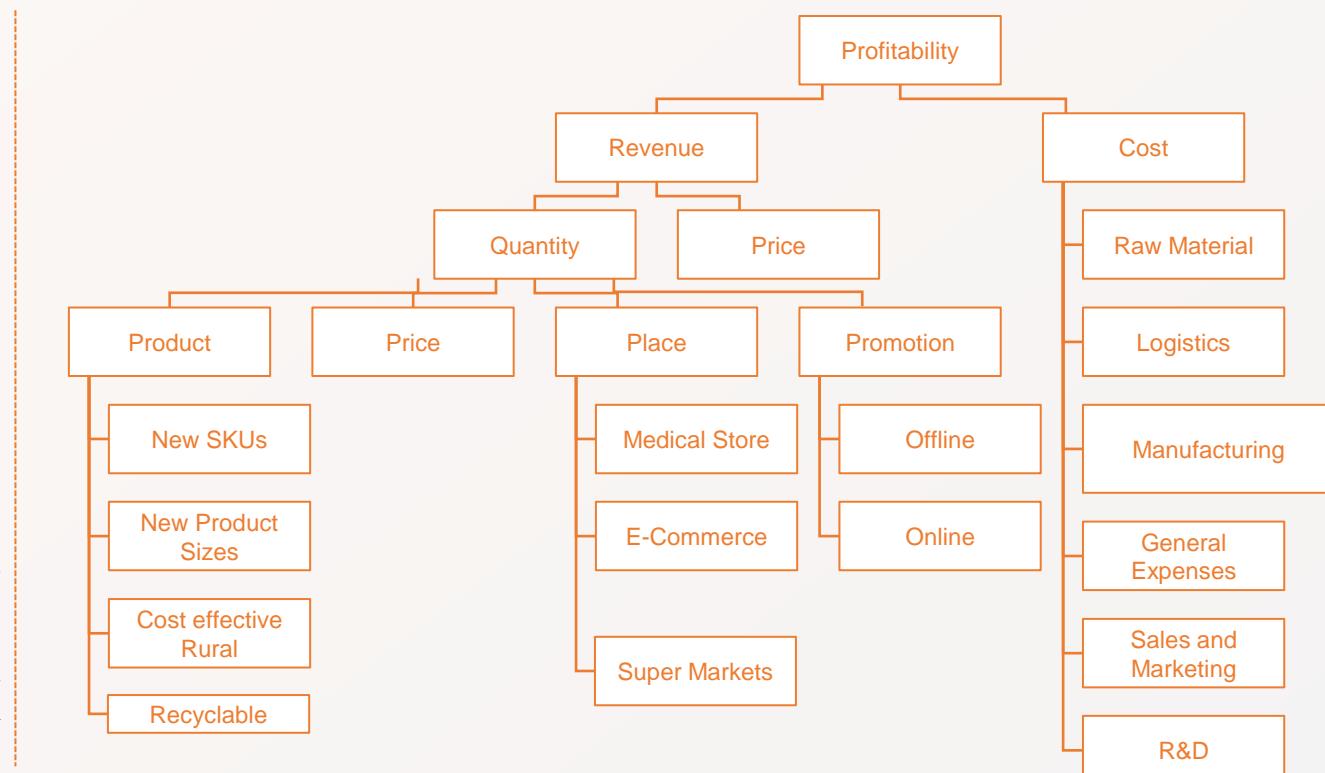
In the long term, firstly they can lobby with the government regarding the flight rate. They can also talk to the bureau handling air travel norms. Both of these parties shall be incentivized to reduce the rate because it is adversely affecting the tourism revenue for the country as well as revenue for the flight operators in Switzerland. Also, they can collaborate with travel agencies who might buy bulk tickets and avail deeper discounts. These can then be sold to end consumers at lower rates.

I: Thank you. That'll be all.

**Case Statement:**

Your client is a US based paper manufacturer. Their Indian business of Diapers is suffering. The CEO has consulted with you on this. You have to : (a) Suggest them whether they should exit Indian market (b) If they decide to stay what should they do to turn the things around

- Company** – In Paper business. Global revenue 20Bn. Indian Revenue 100 Mn. Facing a 15Mn loss. First diaper company to enter India
- Competitor** – There are two major competitors who have a combined market share of 85%. Our market share is 10%. Remaining 5% is fragmented.
- Consumer** – Young children (majority) and old age people (negligible)
- Product** – Diapers. There are two types. The pant type and the tape type. Initially there was only the tape type. Competitors introduced the pant type and were successful, we haven't been able to make much progress in it

**Case recommendations:****Short Term**

- Introduce more SKUs
- Create more awareness among rural and tier 2 and tier 3 cities.

**Long Term**

- Invest in cost effective diaper technology for ensuring more penetration into rural areas.
- Develop recyclable diapers that are more sustainable

C: Before we start off with the case, can you tell me a bit about the company?

I: The company has a revenue of 20Bn and is in the paper industry. They were the first company to enter the Indian diaper market. However, its Indian revenue is only 100 million. The company also has been facing a 15 million loss in India.

C: Who are our competitors, and how are they faring?

I: Two major competitors have a combined market share of 85%. We have a market share of 10%, and the rest 5%, is fragmented.

C: What all products do we have?

Interviewer: We have two major types of diapers, the pant type and the tape type. Initially, we focussed only on the tape type. Then the competitors introduced the pant type, which was a major hit and successful. We also adopted this style but wasn't very successful. The products focus mainly on young children, with very few products sold to old age people.

C: Where are they located in India ?

I : Pan India operations and manufacturing is in Pune, and they operate via distributors.

C: How is the Industry behaving ?

I: The industry is growing on a year- on- year rate of 20%

C: Do we have any other constraints in this problem ?

I: No, they have a huge business. The company doesn't mind bleeding money for a while if they can be profitable in the long run.

C: Based on the above facts I think the company should stay in the Indian Market.

I: Are you sure, the Indian market is quite small as compared the global market and we are making a loss here.

C: Because the market for diapers in a country like India is very big and the market is continuing to grow at 20%, we should continue in the business.

I: How can the company breakeven and make it a profitable business in the future ?

C: We can look into possibilities of joint ventures with existing players

I: No, the existing players are very big and wouldn't want to enter any joint ventures, the fragmented part accounts for only 5% and that is very small. Let's just focus on the organic growth.

C: We can look into entering markets in tier 2 and tier 3 cities where the penetration for diapers is not very high.

I: Can you give a structural way of how we can do it. ?

C: We can give door to door tutorials to raise awareness about diapers and hygiene and improve our current market.

I: So our distribution channels have medical shops. They give us highest margins and a quarter of our sales happen through this. Its growing at 5-6% year on year. Our e-commerce segment has the second highest margins and has 18% growth rate(fastest). Then there is supermarkets. If you were to focus your efforts in growing one, which one would you pick.

C: We should focus on the e-commerce segment as it is growing at 3 times the rate of medical stores.

I: What do you think are the major risks associated with the e-commerce channel.

C: 1. Developing of inhouse brands by the e-commerce sites 2. E-commerce segments have heavy discounts part of which is borne by the manufacturer

I: If they want to become profitable and wants to increase their profits by 15% what should they do.

C: We can look at increasing revenues and decreasing costs.

I: Lets just focus on the cost side. Give me the major costs that would be relevant in this industry.

C: Raw materials, Logistics, Manufacturing, Outward logistics, Sales and marketing, General Administrative Expenses, Research and development.

I: What do you think is the most important cost heads here.

C: Logistics, R&D and sales and marketing. Where do we get the raw materials and how do we transport it.

I: We import it, and it comes to the Chennai port.

C: As our manufacturing plant is in Pune, it makes more sense to import it either to Mumbai or set up a new manufacturing plant closer to Chennai. Then we can look into optimising R&D. We have to introduce cost effective diapers in the rural market and have sustainable and recyclable products for the tier 1 market. We should also look into revenue leakages in R&D on non-profitable products. We can do more targeted marketing in tier 1 cities through social media marketing

I: This looks good. We can close the case now.

**Case Statement:**

Your client is an FMCG company facing decline in profits for the last 6 months. Find the causes and suggest recommendations.

**Background Information****Trend for the decline:**

6 months @ 20%

**Company details:**

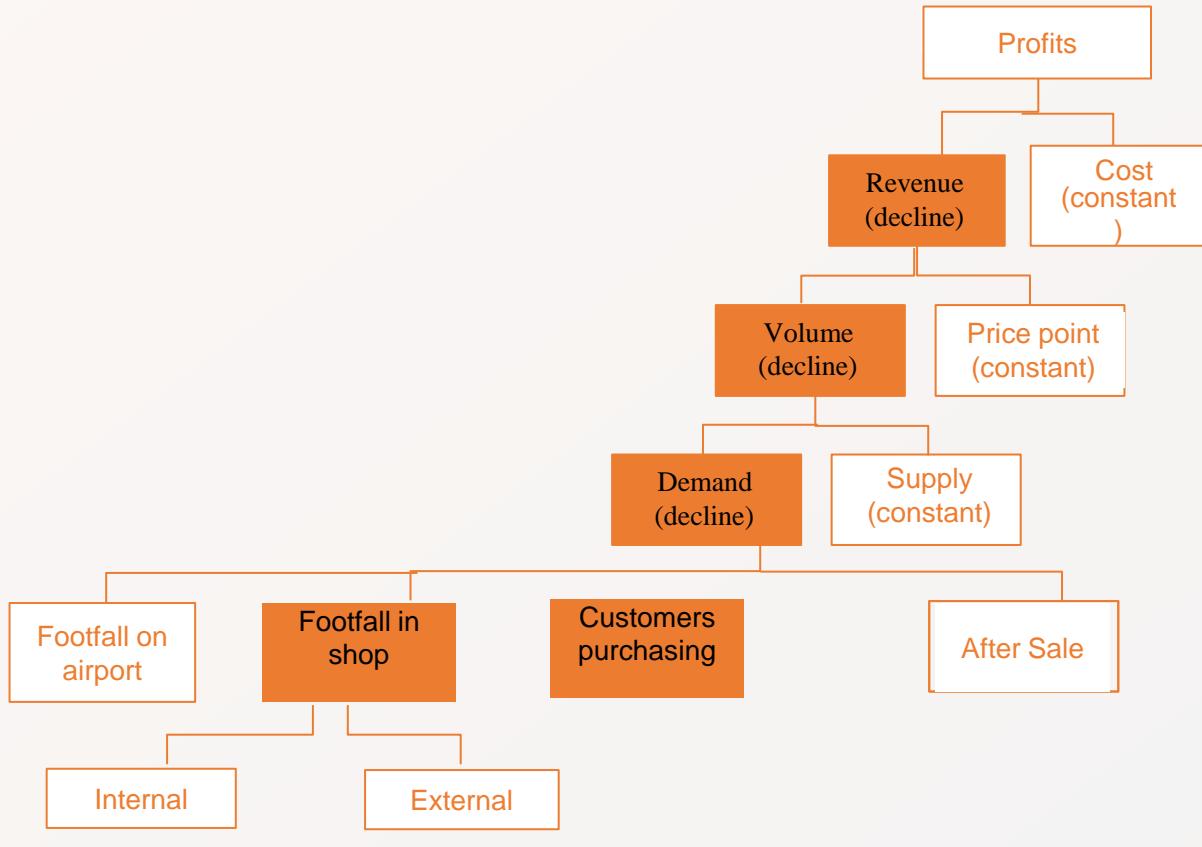
- a) Location: PAN India

**Product:**

Liquid bodywashes, facewash

**Retail Chains:**

- a) Big Bazaar
- b) Local Shops
- c) Online
- d) Airport

**Case recommendations**

- Short term: Go towards new channels. Focus more on the residential/commercial side of business.
- Long term: Diversify into other products if climate and expertise allow.

C: Firstly, I would like to know what are the kind of products that the company sells?

I: There are liquid products like bodywash, facewash, etc.

C: Okay. Is it an industry wide decline, or only our company is facing the decline?

I: It is not an industry wide decline, only a few companies, including us are facing a decline.

C: What are the retail chains through which products are sold? Is there any particular distributor or retailer who has seen a decline?

I: There are 4 kinds of retailers. The decline has been seen in the airport segment.

C: So, I would like to distribute the demand at the airport into 4 headers- The footfall at the airport, the footfall in the shop, the number of customers buying the product in shop, including the quantity bought, and the after sales services provided. Can I know which among these is the reason in the decline of profits?

I: There is a decline in people entering our shops, and the quantity purchased post that.

C: Okay. I would like to look at it from four external factors- Affordability, Acceptability, Accessibility, and awareness. As there has not been any change in price, I would assume affordability is not the issue. Is there any change in how customers could access our shops?

I: Yes, you are right. The customers are not able to access the shop as they used to before. What do you think might be the reasons for that?

C: There can be a change in the positioning of the shop at the airport, there might be an infrastructural change at the airport, or a change in the route to the shop.

I: Okay, there has been an infrastructural change at the airport. A highspeed walk has been installed in front of the shop, because of which customers don't stop at our shops. What do you think might be the reasons for decline in purchase quantity?

C: It can be looked at from the internal or external reasons. Internally, there can be a change in the product, price, packaging or the display of products in the shop. Externally, there can be a change in the environment with respect to political, ecological, technical, or legal restrictions.

I: Right, there has been an introduction of a restriction by the airport authorities with respect to the quantity of liquid to be boarded in the flight.

C: That explains the decline in the purchase quantity. So, we have identified two main reasons, the installation of high-speed walks, and the restriction on the liquid quantity. Would you like me to probe further?

I: That would be it. Can you suggest some recommendations for the same?

C: Sure. For the accessibility problem, in the short term I would suggest opening a window outlet apart from the speed walk. In the long term, the company can talk to the airport authorities for the replacement of speed-walk, or the replacement of the shop.

Regarding the quantity restriction, in the short term, the products can be sold in small sachets. In the long term, the company can consider introducing powdered products as a substitute to the liquid ones and lobbying with the airport authorities.

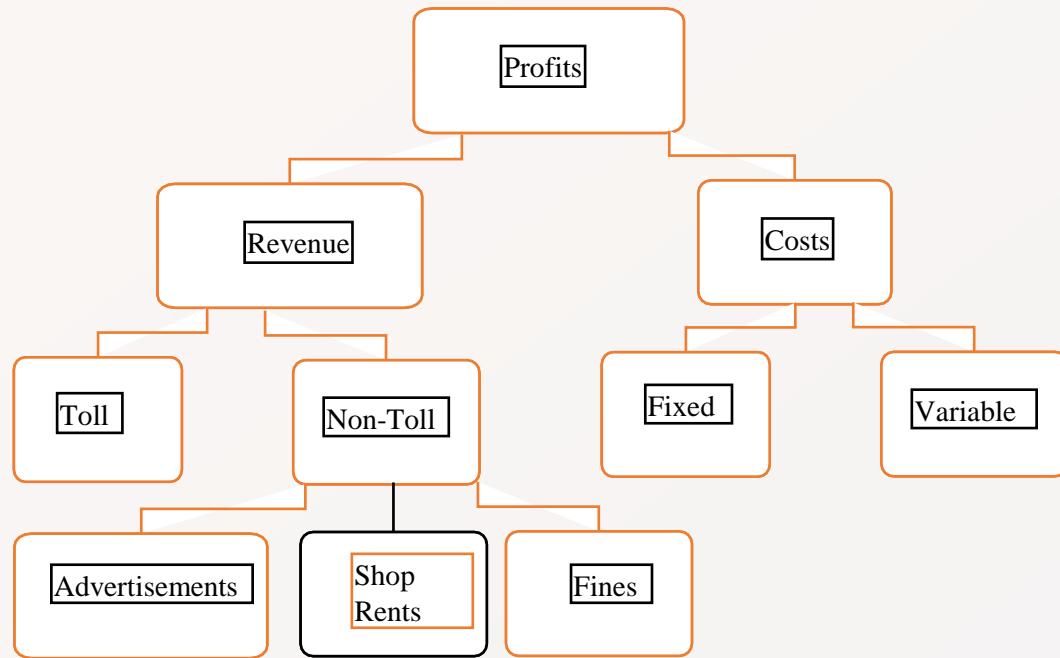
I: Great, we can close the case. Thank you.

**Case Statement:**

Your client is the Government of Germany, deliberating on privatizing the highway between city A and B. They want you to suggest if it is a good idea to go ahead with.

**Background Information**

- **Client:** Government of Germany privatizing the highway
- **Customer:** 2 million commuters from City A to B
- **Competitors:** Other routes from City A to B
- **Product:** Highway from city A to B

**Case tips**

- Case highly depends on the right scoping questions, like the presence of alternative routes and share of commuters is significant in calculating the price.

C: Can I get clarity on what privatizing the highway exactly mean here?

I: It means the government is planning to introduce toll on the highway.

C: Okay. What is the objective of introducing such toll booths?

I: The NPV should not be negative.

C: What is the usual traffic on highway?

I: There are 2 million commuters between city A and B.

C: Okay, is there any other route between the two cities?

I: Good question. Yes, there are other routes.

C: What share of them usually use the highway?

I: You can assume that 10% of the commuters use the highway.

Can you tell me what would be the sources of revenues and costs for the highway?

C: Sure. The costs can be divided into fixed and variable costs. Fixed will include infrastructure and maintenance cost for setting up Toll booths, shops, restrooms etc., on the highway. The variable costs will include labor, electricity and technology.

The Revenue can be divided into Toll and non-toll revenue. Non-toll revenue will include a major portion from advertisements, and shop rents.

I: Fair enough. Can you now tell me what would be the toll price per one way trip to achieve a payback.

C: Sure. Do we have any data on the estimated costs incurred for the project?

I: The Fixed investment amounts to Rs. 8 million. You need not worry about the variable, as that can be covered by the non toll revenue.

C: Okay. Given there are 2 million commuters between city A and B, and 10% of them use highway, that makes it 0.2 million commuters using the highway. But out of these, there must be some who would take a round trip, so we have any data on that?

I: Good observation. You can assume 50% go for a two-way trip.

C: So that makes it 0.6 million commuters for two years. Therefore, a fair price would be  $8\text{million}/0.3\text{ million}$ , i.e., Rs.13 approximately for a one-way trip.

I: Fair enough, we can go ahead with that. So, what will be your final suggestion, should the highway be privatized?

C: As discussed, by charging the price of Rs. 13, the government can recover its costs, and can have a positive NPV thereby achieving its objective. Thus, I will recommend the government to go ahead with privatization if it expects to earn more revenues than the costs.

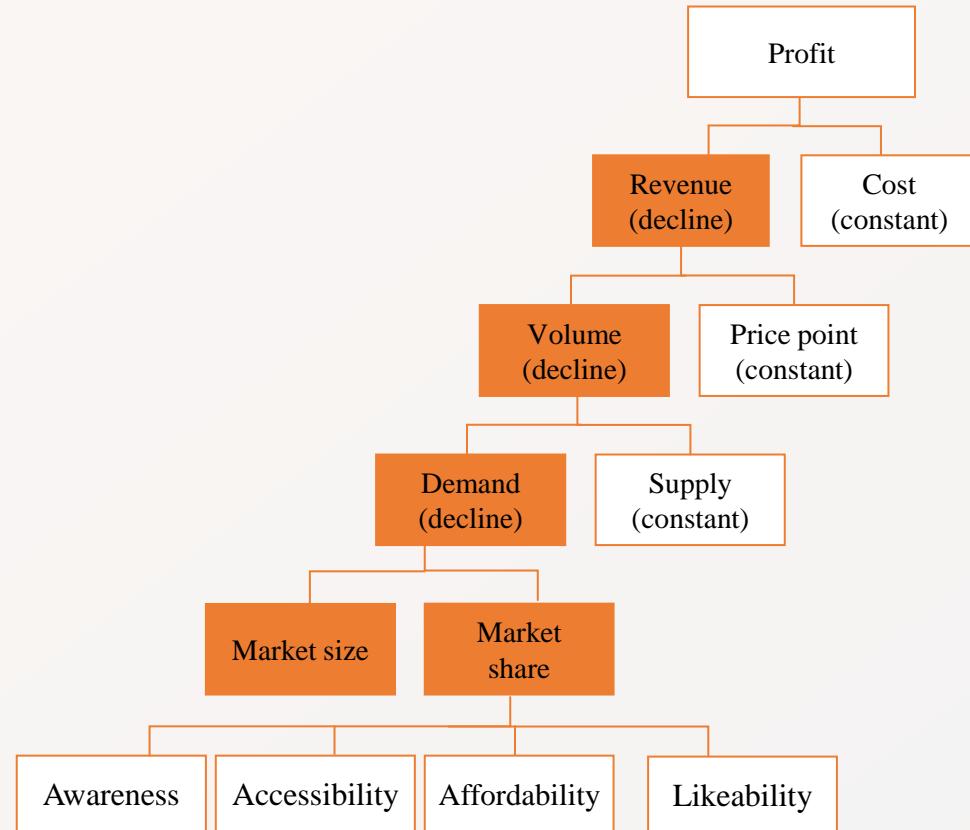
I: Okay, we can close the case here. Thank you.

**Case Statement:**

An FMCG has come to us asking for help in understanding why their profits are declining.

**Background Information**

- **Company** – Indian FMCG, with operations across the country
- **Competitor** – competitors have seen a decline but not as significant as ours
- **Product** – All kinds of products ranging from food products to personal care. Facing a decline in our fairness cream segment
- **Trend for decline** – 2-3 years

**Case tips**

- A good understanding of how to apply the customer journey framework would help in such a case.

C: Okay. Our units have been declining. This could be a result of either a fall in demand or problems on the supply side. Is there any one bucket you would like me to explore?

I: Yes, the demand for creams has gone down

C: Right. Demand is a function of Market Size x Market Share. Can you tell me if we have seen a fall in these?

I: Yes, both the market size and our market share has reduced.

C: Okay. So, it seems like the reduction in market size is responsible for industry wide profitability decline while we are facing further decline due to reduction in our market share. Is that a fair deduction?

I: Yes.

C: Okay. Would you like me to explore both of these reductions?

I: Yes, you can start with the market size.

C: Okay. I think that the market size could have declined because of the following reasons:

1. Govt regulations around skincare products
2. Natural or better substitutes
3. Change in tastes and preferences of consumers
4. Change in consumer demographic

Can you help me understand if any of these factors are at play or is there something I am missing?

I: No, these sound fair. We have seen that both our demographic has changed, and their tastes and preferences have. In terms of demographic, we have more younger consumers/ millennials now. Can you tell me why they are not demanding fairness creams?

C: Okay. I can say from personal experience that fairness creams peddle white skin as a standard of beauty and that discrimination on the basis of skin color is slowly being rejected by Indians. Is that what's happening here?

I: Yes, that's exactly the problem. Now we can look at why our market share is decreasing .

C: Sure. So, our market share can be a factor of the following:

Firstly, the need for fairness creams. But I am assuming that that has been addressed via the market size. Therefore, I will look at the following

1. Whether the consumers who purchasing are Aware of our product
2. If they are Aware, whether they can Access it
3. If they can Access it, whether they like what is on offer
4. If they can Afford what they like

Is this a fair way of going about the problem?

I: Yes, sure. We are seeing that new consumers, especially younger people, are not aware of our product.

C: Okay. Is there any particular reason so or would you like me to explore?

I: Yes, we aren't targeting younger consumers as much. Can you think why?

C: Right. I think it is because we still believe that the purchasing power rests with the parents or senior members of the family and we aren't considering younger members as decision makers. However, younger consumers, as we discussed, seem to be the primary consumers today. Is that a fair hypothesis?

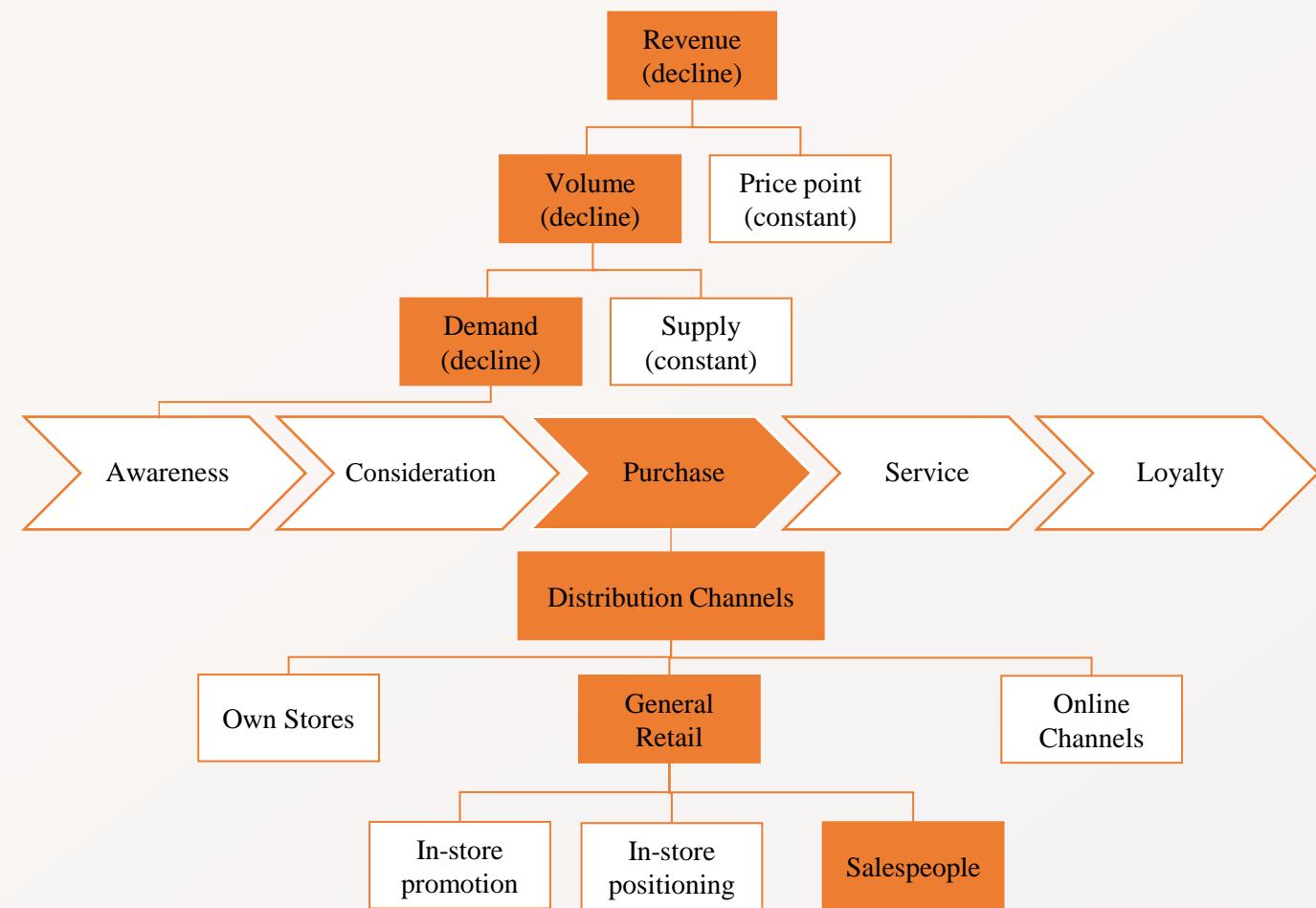
I: Yes, you have hit the nail on the head. We can close the case here. Thank you.

**Case Statement:**

I was having lunch with the CEO of a TV manufacturer, and he mentioned that their sales have been declining but they don't know why. Can you help him identify a way to reverse this trend?

**Background Information**

- Trend for the decline:** 6 months
- Company details:** Pan-India presence
- Product:** Mid-range TVs; most advanced being competitively priced
- Customer:** Middle income customers
- Competitor:** Only the client has been affected

**Case recommendations**

- Short term: Provide incentives to top performing employees || Advertisement campaign aimed at getting people to general retail stores.
- Long term: Expand its own retail stores and reduce reliance on general consumer electronic stores.

C: Sure. When you mention sales, I assume you're referring to the revenue of the company. Am I right?

I: Yes.

C: Great! I would like to know a bit more about the company and the type of TVs they manufacture. For starters. Where are they based and which market are they witnessing this decline in sales in?

I: They're based in India, and they are witnessing a decline in sales in their Indian market only.

C: This decline in sales is recent, or is it part of a wider trend?

I: It has been observed only in the last six months.

C: I see. And what about the type of TVs the client manufactures? What are their price ranges and are they sold under the clients own brand name?

I: The client sells mid-range TVs, not high end and not low end. They sell it under their own brand name. Additionally, our client's offerings are the most advanced while also being priced competitively in the mid-range segment.

C: And also what is the state of the economy and the wider market? Should I take into consideration the Covid-19 induced economic condition? What is the state of my competitors? Are they experiencing a similar decline?

I: This is happening in the pre-Covid-19 days. The decline in sales is specific to the client's company. In fact their market share has decreased and that of their clients has increased.

C: The decline in market share is in terms of value or volume?

I: Both.

C: Decline in revenue can be broken down into a function of price and number of units sold. As there has been a decline in market share in terms of volume, it might mean that there is decline in the number of units sold. Would that be right assumption? Other than that, have there been any changes in price of our

client's offerings?

I: You're right. There's been a decline in the number of units sold. There hasn't been any changes in prices.

C: I'd like to delve deeper into this decline in units sold by exploring the supply and demand factors. I would first like to begin by the demand side and analysing if there are changes in the buying behaviour of customers. Beginning from customer awareness, was there any change in the marketing and advertising of the client 6 months ago? Conversely, did any of our client's competitors launch a new campaign or marketing strategy at that time?

I: No, there haven't been any changes in the clients marketing and advertising changes, nor has there been any shift in the marketing strategies of the competition.

C: Moving on to customer consideration, since you mentioned that our client's TV provide the most advanced technology while being competitively priced, would it be fair to assume that our client's products offer the best value for money in the market and there is no reason for our customer's to prefer out competitor's products over ours?

I: That's a fair assumption to make.

C: Then I would like to move onto the customer purchase decision. Here I would first try to consider the accessibility of the product to the customer. Which distribution channels does the client use?

I: The client sees most of its sales happening through retail channels. It has its own stores and also sells its products via general consumer electronic stores. It has an online channel as well, but for now you can consider its contribution to be negligible. Currently, the decline in sales is limited only to sales through the general consumer electronic stores.

C: In the general consumer electronic stores, there are a couple of factors I see influencing the consumer decision making process. First is the in-store

promotions, the physical positioning of products within the store, and lastly the guidance provided by salespeople for customers.

I: So it seems that our competitors have begun offering incentives to the in-store salespeople for every unit of their product sold. Now I would like to quickly offer some ways in which the client can tackle this. Our client has smaller margins and hence can offer incentives to salespeople at the same level as our competitors.

C: There are a couple of ways our client could approach this. In the short term, while they can't offer incentives on every unit like their competitors, perhaps they could reward the top performing salespeople in a particular district or region. Additionally, they could create an advertising campaign specifically aimed at getting consumers to view our products within these general electronic stores. In the long term, the client can expand its own retail stores and reduce reliance on general consumer electronic stores.

I: I think that covers it. Thank you.

**Case Statement:**

Your client is a CCTV installation and maintenance service provider and their profits are not comparable with their competitors. Diagnose the problem and suggest ways to turnaround the situation

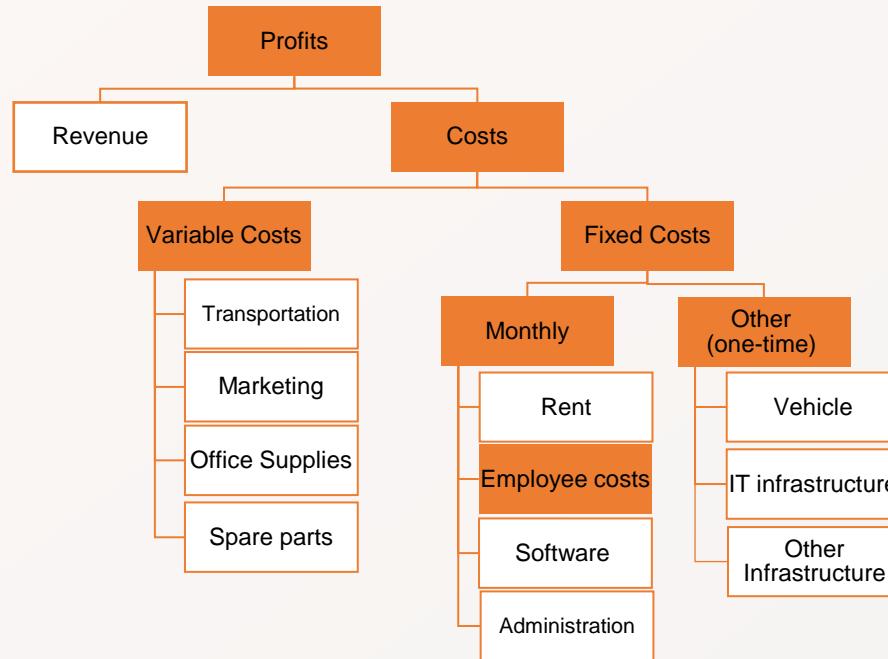
**Background Information**

**Company:** Located in Mumbai. Do not manufacture CCTVs.

**Product:** Service. Involved in installation & maintenance of CCTVs

**Customer:** Office complexes and commercial buildings

**Competitors:** Client specific issue



Organizational Level	Client	Market Leader
High Level	5	30
Middle Level	30	120
Lower Level	100	800
Total	135	950

**Case recommendations**

- Forecast the future demand and look into alternative areas of expansion that could make the middle level managers instrumental in the near future.
- If such expansion is not foreseen, then the company might need to take a tough decision to lay them off.

**Case tips**

- This case was related to understanding that comparisons are made relatively and not on absolute numbers when working with companies of different sizes.
- It's important not to suggest laying off managers without providing an alternative route .

C: For how long has this been an issue?

I: Since the inception of operations.

C: Could you tell me a little about the company and which part of the value chain do they lie in?

I: The client has one office situated in Mumbai. It is involved only in the installation and the maintenance of the CCTV set up but do not manufacture the cameras.

C: Who constitutes our customer base?

I: We majorly cater to office complexes and other commercial buildings which have continuous demand for our service.

C: Alright! So, in order diagnose the issue, I would like break profits into revenues and costs. Do we know if our revenues are not comparable with the competitors or our costs?

I: We can start with looking at costs.

C: So, we can segment costs into fixed costs and variable costs. The monthly fixed costs would entail a) Rent b) Employee costs (consisting of full time and on demand employees) c) Software costs if any d) any other administration costs

Other fixed costs a) IT Infrastructure b) Vehicle c) Other Infrastructure

The variable costs would include a) Transportation (like fuel, repair etc.) b) Marketing c) Office Supplies d) Spare parts

Do we have any information about which cost head is not comparable

I: Okay! Could you look deeper into full time employee costs.

C: The employee costs would depend on number of employees and the average amount paid per employee. Are both the components comparable to our peers

I: There is an inherent assumption and flaw in your analysis could you figure that out?

C: Alright! So since different competitors would have different scales of

operations comparing based on absolute numbers will not be right.

I: Exactly! So how do you want to proceed?

C: Okay! So, based on per client basis are we employing more employee-hours than the competitors?

I: On per client basis, we are efficient in the installation and maintenance part and there we do not employ more employee hours.

C: I would now like to look into the organizational structure. So dividing based low middle and high-level employees, do we know how many employees do we have on each level and how much do we pay them?

I: What is your hypothesis behind asking this question?

C: I would like to understand the employee mix and compare it to a competitor to see if there are any anomalies in our employee hierarchy structure.

I: Alright! So, we have 100 employees in the lower level, 30 in the middle level and 5 in the top management. The market leader has 800 employees in the lower level, 120 in the middle level and 30 in the top management. The amount we pay them is comparable to the industry standards.

C: The Market leader has a lot more employees that is indicative of a higher scale of operations. The interesting thing to note here is that the ratio between the middle to lower-level employees in the case of our client is 3:10 and the same for the market leader is 3: 20. Clearly, we seem to be overstaffed in the middle level.

I: Bingo! What would you suggest the client?

C: We have 2 options either retain the number of employees or reduce the number of employees. First, we should forecast the future demand and look into alternative areas of expansion that could make the middle level managers instrumental in the near future because of the improvement in the scale of operations. If such expansion is not foreseen, then the company might need to take a tough decision to lay them off.

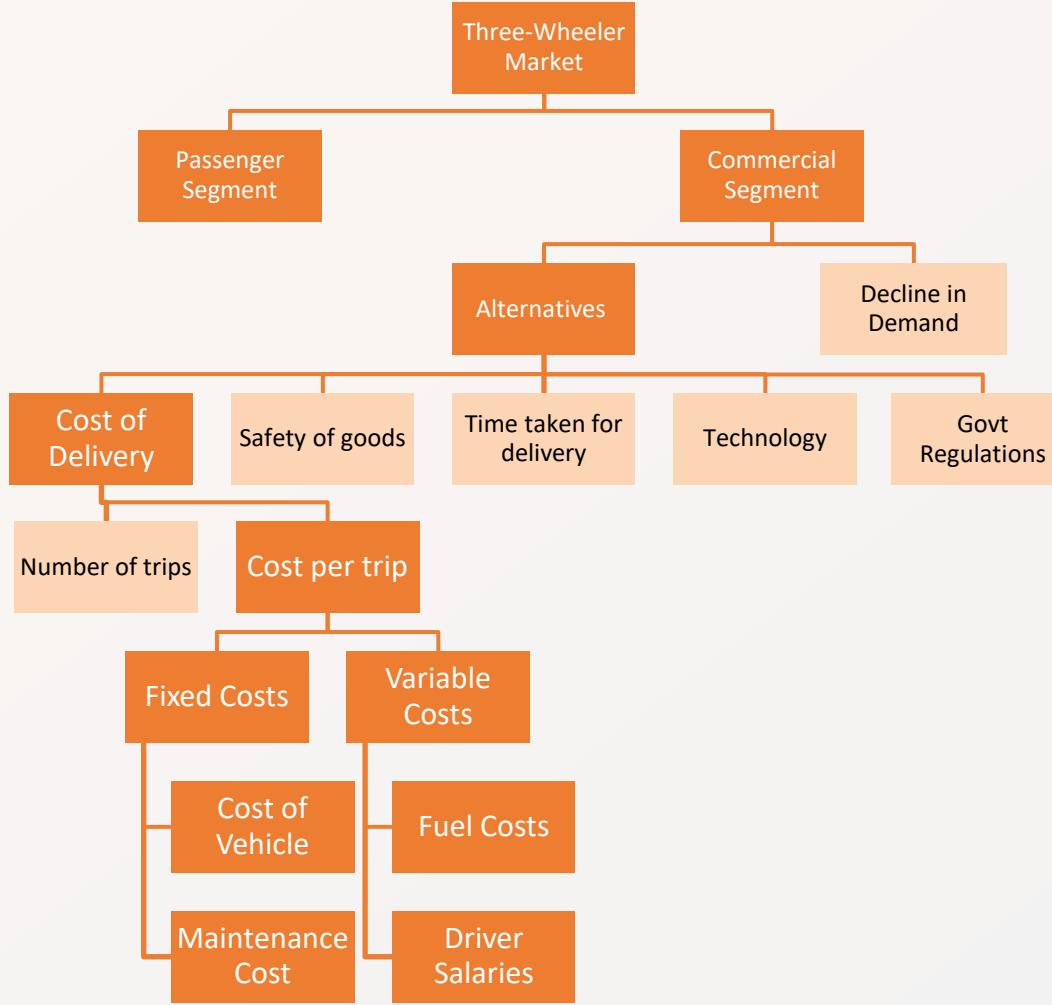
I: Good! Thank you for your time.

**Case Statement:**

Your client is an Indian Diesel engine manufacturing company who only caters to the three-wheeler market. They are seeing softening in their topline growth. Figure out the reasons for the same.

**Background Information**

- Client:** Indian Diesel engine manufacturing company
- Customer:** Caters to three-wheeler market
- Product:** Diesel engine, no major variants



C: I believe that the three wheelers are primarily used for passenger transportation and goods transportation. Does the client cater to both the segments?

I: Yes. It caters to both the segments and the commercial segment is a larger chunk of the two.

C: Have both the segments seen a softening in the topline growth or is it concentrated to one segment?

I: It is concentrated to commercial segment. It was a high growth segment in the past years, but the growth is now seeing a decline.

C: To understand the situation better, within the commercial segment, is there a specific region/industry the three wheelers cater to?

I: You can assume the vehicles are used primarily to transport FMCG consumer goods from Distributor to Retailers.

C: Great. I believe there could be two reasons of the decline in growth. One is that the overall consumer goods segment is seeing a decline, which seems slightly hard to believe given the Indian landscape. The second reason could be that there are some better alternatives introduced in the market to transport those goods?

I: Great. You've hit the right spot. Mini Trucks like Tata Ace are replacing the three wheelers which is translating to softening of topline growth. Can you think of the factors through which you'll evaluate the two alternatives?

C: Sure. I believe there could four factors based on which I would evaluate the options. First is the cost of delivering the goods. Second is safety of the goods while transportation. Third is the time taken per trip. And the fourth is the better technology including refrigeration that might be available in mini trucks.

I: Okay. This primarily covers the factors, but can you also think of a reason which is broader and macro in nature.

C: Could it be due to imposition of the government regulations?

I: Yes, perfect. Okay, so let's explore one of the options you mentioned earlier about the cost of delivering goods. How would you compare the cost between the two alternatives?

C: Sure. We can do a split between no. of trips and cost per trip?

I: What factors would you consider under cost per trip?

C: We can further split it into Variable Costs and fixed costs. Under variable costs we would consider fuel costs and driver salaries. Under the fixed cost, we would consider price of the vehicle and maintenance charges.

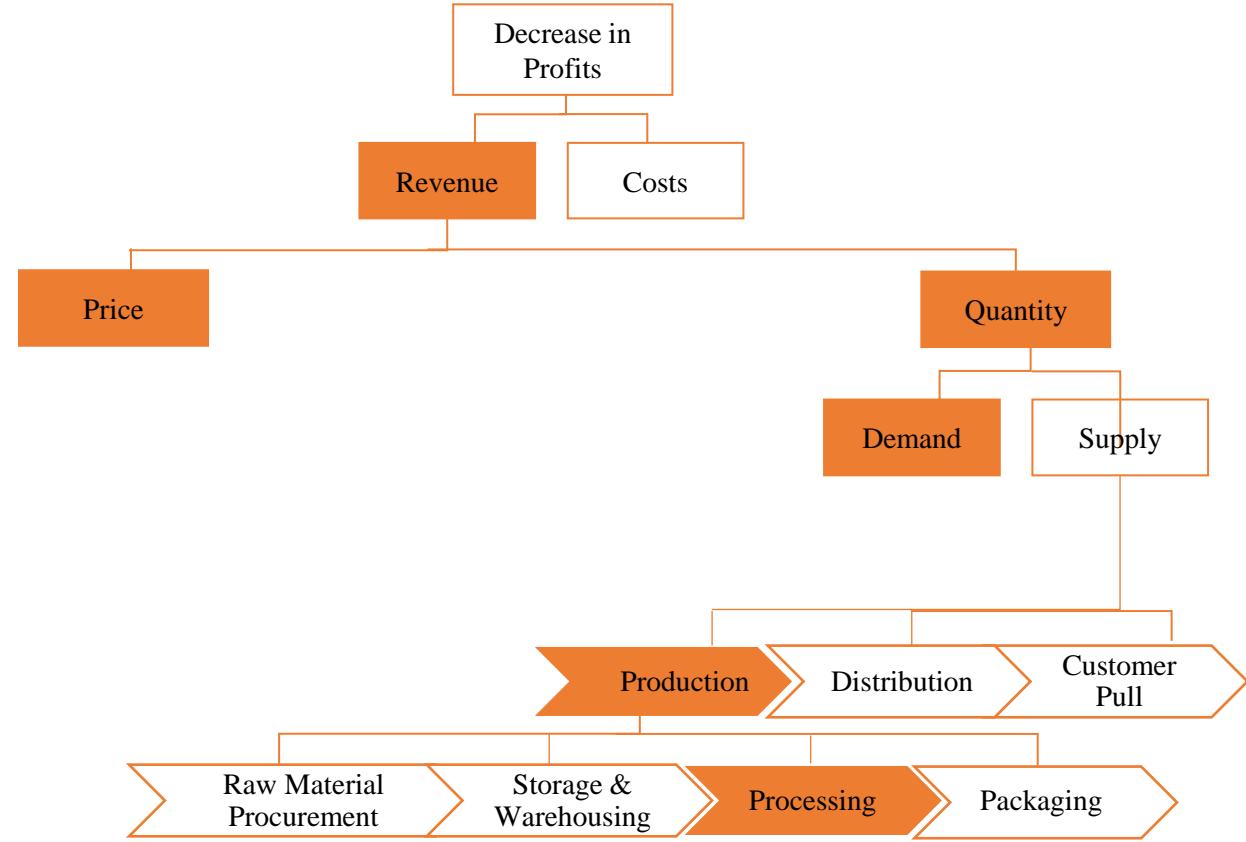
I: Great. We can close the case now.

**Case Statement:**

The client is one of the pharmaceutical companies, which is witnessing a decline in profits. Find out why?

**Background Information**

- **Client:** Pharmaceutical company
- **% Profit Decline:** 30%
- **Value Chain:**  
Manufactures and sell to retailers
- **Customers:** Retail – Individuals and small businesses, institutional customers
- **Location/Geography:**  
Plant in Madhya Pradesh, sells Pan India
- **Products:** Pills for lung diseases
- **Timeline:** Recent decline in last 7-8 months

**Case tips**

- The key point here was breaking the factors affecting processing into a formula. That formula would help in analyzing cases pertaining to manufacturing.

C: Since the revenues have fallen, has the volume decreased or the price?

I: The price has remained uniform; the volume of sales has decreased.

C: I would like to look at the issue from both demand and supply side. In supply side, have we been able to produce enough for the demand, or has there been any trouble in our supply chain?

I: There has been no change in the demand

C: Ok. So, from a supply perspective, I want to know if there has been a fall in production levels? Are we able to produce as per the demand?

I: Yes, the production has fallen and we are not able to cater to the demand

C: I'll look at the supply chain to analyze the reason of fall in production. Based on my understanding, the raw material is procured, which is stored then processed, packaged and eventually distributed. Can you confirm if these are the right steps of the supply chain process, before I go ahead with delving deeper into each stage?

I: Yes, please go ahead.

C: Has there been a change in the raw material procurement process, with respect to the vendors involved, the quantity procured and the quality and cost of raw material and time taken for delivery?

I: No, there hasn't been any change in the raw material procurement process.

C: Okay. Has any change occurred in storage and warehousing facilities ?

I: No

C: To analyze any changes in the processing, I would like to write production as a function of following :

Capacity \* Utilization rate \* Efficacy (yield)

I: That is correct. Among these factors, the yield has fallen.

C: So, yield would be driven by the interplay between labor and machinery. I would be looking at both these factors to find the reason for fall in yield.

I: Sure, go ahead.

C: Does the plant employ in-house labor or outsources them? Also, has there been a decline in the labor employed lately?

I: Our labor is in-house. Further, there have been no changes in labor employed.

C: Has there been a change in wages ?

I: No, it has been the same

C: So I believe there has been no changes in labor and I would look at the machines now. Has there been a change in the number of machines recently?

I: No, the number of machines have been constant

C: Has there been any upgrade or decline in term of technology used in machines ?

I: Yes, the technology has been upgraded. Our machines have been digitalized with new technology.

C: Since the labor has remained the same, is it right to infer that the existing labor does not have the skill to operate the new technology, due to which the yield has fallen.

I: Yes, you are right. Can you give some suggestions for this?

C: In the short run, the client can look at outsourcing labor which is skilled to operate the machines. At the same time, the client can conduct skill training workshops for the existing labor so they can operate these machines in the long run.

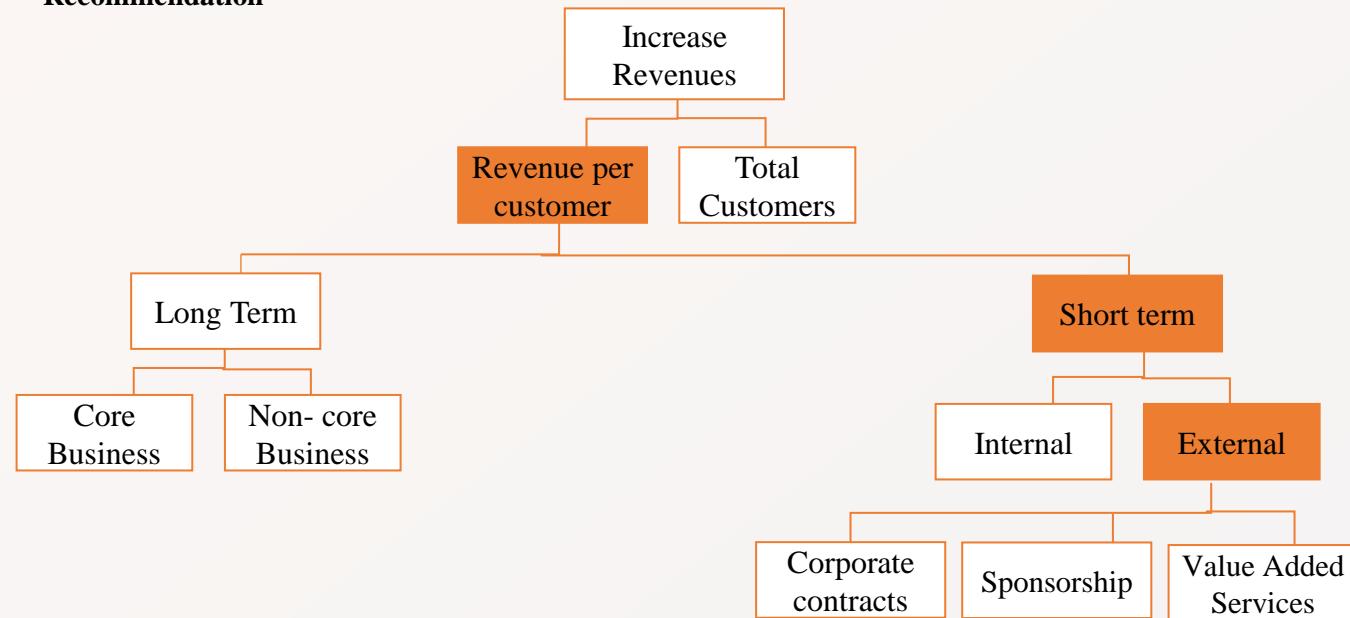
I: Yeah, sounds good. We can close the case here.

**Case Statement:**

Your client is a founder and CEO of a visa facilitation company. Centre governments around the world require details for travel, currently facing a decline as international travel is down because of covid-19. You have been hired to give suitable suggestion to turn around the situation.

**Background Information**

- Company** – The company gathers biometrics and other information and put it in a dossier verified and send it to the embassy. It has 50 to 60 such companies around the world
- Customers:** Retail – Individuals and corporates
- Products:** Visa Services
- Competitors:** Other Visa companies, faring worse than the client here.
- Timeline:** Since onset of Covid-19
- Location** - Headquarters in Middle East and otherwise offices are all around the world

**Recommendation****Case tips**

- The case focuses on stating the recommendations rather than finding the root cause of the problem.
- Mapping the customer journey and finding improvement areas at each stage is a good way to show the structured thinking in such a case.
- Further the candidate has used various metrics like long term - short term, internal-external to have a MECE approach, which helps in delivering the case recommendation comprehensively.

C: Could you elaborate on the business model of our client?

I: The client has offices setup in the source country so applicants who have to travel to a particular country can schedule their appointments online. After the appointments are given, candidates visit the centre in the home country. Client then collects information and sends it out to the destination country. Once they receive the visa they send it to the applicant.

C: Sure, and I would want to understand what are the sources of revenue for client you like how exactly do they charge the client?

I: The charges are different for each customer depending upon the country to which they are travelling. There are several routes over the world and the charges differ depending on the route.

C: So currently for our client the Total revenue = Revenue per customer \* Number of customers. Since number of customers cannot be increased due to Covid, we can focus on revenue per customer to help our client meet the break even in the short term. Is that a correct assumption?

I: Yes. Go ahead.

C: I would like to look at the entire value chain for a client and the ways to increase revenue at each step. Will that be a fair strategy?

I: Yes.

C: We can have two solutions - internally and externally implemented at this stage for the short term. For internal, we can look to acquire customers from more profitable route. For external, we can look at value added services, corporate contracts and sponsorship. Do you want me to focus on anything particular here ?

I: Client can't change their internal model. Users and governments directly pay and we get a service fee which has a cap. It cannot be changed. And we were servicing all possible routes right now. You can look into the external factors.

C: For corporate contracts, the client can cover all visas for a given company and provide end-to-end service for which they'll get an extra fee from the company. Sponsorship in terms of advertising the sponsor in their brochures, offices and documents. Does this sound feasible?

I: Looks okay. But what can you do in the value-added services?

C: For that, we can provide assistance with foreign exchange, travel/ lodging/ boarding assistance, and tour packages for our current clients. This way, we will be a one stop solution for them. In these options, is it safe to assume that there won't be a cap on the fees levied from services?

I: Yes this seems good. Now what can we do for the long term?

C: For the long term, they can improve the core business or focus on non-core businesses. Under core business they can do 3 things: Get more customers, increase revenue per customer and look for new routes. On the non-core side, they can look into new investments since they are in a good financial position. Is there anything I am missing, should focus on?

I: Look at the investment opportunities. Considering there is a pandemic happening, where should they invest? What changes would happen?

C: Owing to covid majority of the work has shifted online. Hence, the appointments which they conduct in person could be online too and the client can look into investing in that domain.

I: Correct. But what would be required to go online completely? What should they invest in?

C: They would need a good infrastructure for setup and processing. For the setup, they will need strong servers, networks and maybe IaaS. For processing they can invest into machine learning and AI algorithms. During the appointments they would have to process information and biometrics. So text recognition, image recognition and processing software could be acquired. They will have to ensure a robust cyber secure system.

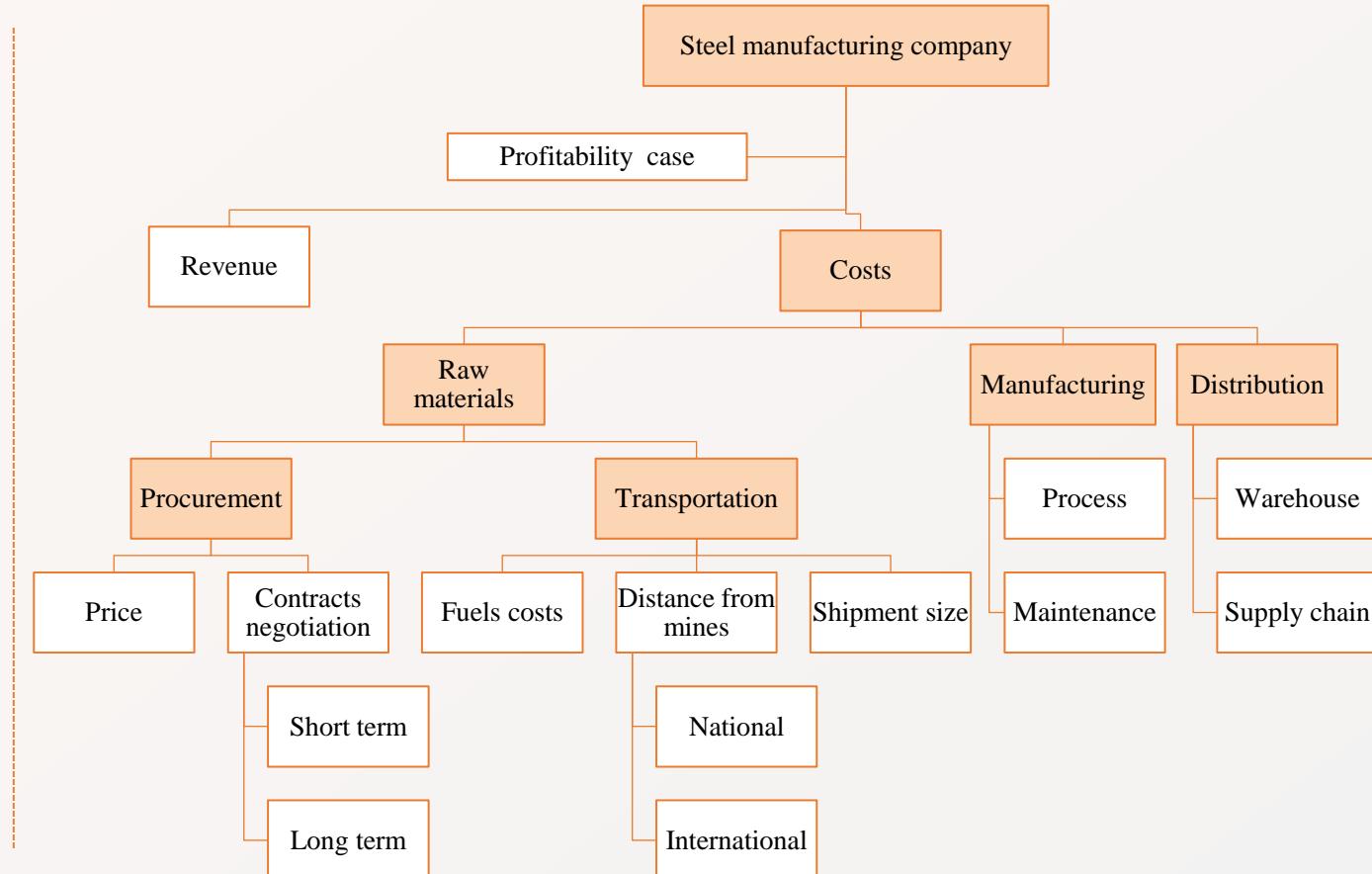
I: Yes, that's correct. We can end the case here.

**Case Statement:**

Your candidate has acquired a steel manufacturing company which went bankrupt. It needs your help to turn it around.

**Background Information**

- No background information given by the interviewer

**Case recommendations**

- Search for alternatives in India or nearby countries.
- Try to optimize shipping costs by managing order quantities.

I: Your candidate has acquired a steel manufacturing company which went bankrupt. It needs your help to turn it around.

C: Thank you for the question. Before I attempt to understand the problem, I would like some preliminary information on why the company wanted to acquire this asset and what industry they are in.

I: Lets work without those facts for now and focus on the company that has been acquired.

C: Sure. Before structuring the case, I would like to know what would be a successful yardstick for a turn around.

I: We are looking to improve EBITDA

C: Alright, could you please tell me where the company is located, who it supplies to and the products it produces.

I: 1 plant located in eastern India, supplying steel rods Pan India

C: Given that they supply pan India, can I know the customer segments that our client caters to.

I: Sure, why don't you tell us what the likely customers would be?

C: Construction companies, contractors, standalone builders, public sector.

I: Those are correct, but we our split is simple, we just focus on the public sector

C: That's interesting. Do we have any information as to why the company has ignored the private sector?

I: We value the security that comes with government projects.

C: I would like to structure the case here and analyze the revenues and costs to see where the issue might be arising from.

I: we do know that it is a cost problem.

C: Alright, so I would like to see where in the value chain we may be facing a bottle neck.

I: I just want your top 3 costs that you can identify.

C: Raw Material, Manufacturing and Distribution are the cost heads I would look at.

I: Alright, within this, which one would you start with?

C: I would look at Raw Materials, since iron and its procurement is quite expensive.

I: Exactly! That is 70% of the cost.

C: So, within Raw Materials, I'd like to look at 2 aspects. The procurement of iron itself and whether prices have risen, or if the contracts we have negotiated are more expensive due to short term nature. Then I would like to look at the transportation costs and distance from iron mines.

I: Our contracts have remained the same and so has the price of iron. But we had begun bringing in iron from Australia. And the costs had significantly increased.

Now that you have reached the root of the problem, what are your suggestions?

C: I would consider looking at the proximity and if there are nearby alternatives, be it in India, or iron rich countries nearby. If we are unable to change this, perhaps we can optimize each shipment, to make full use of each trip.

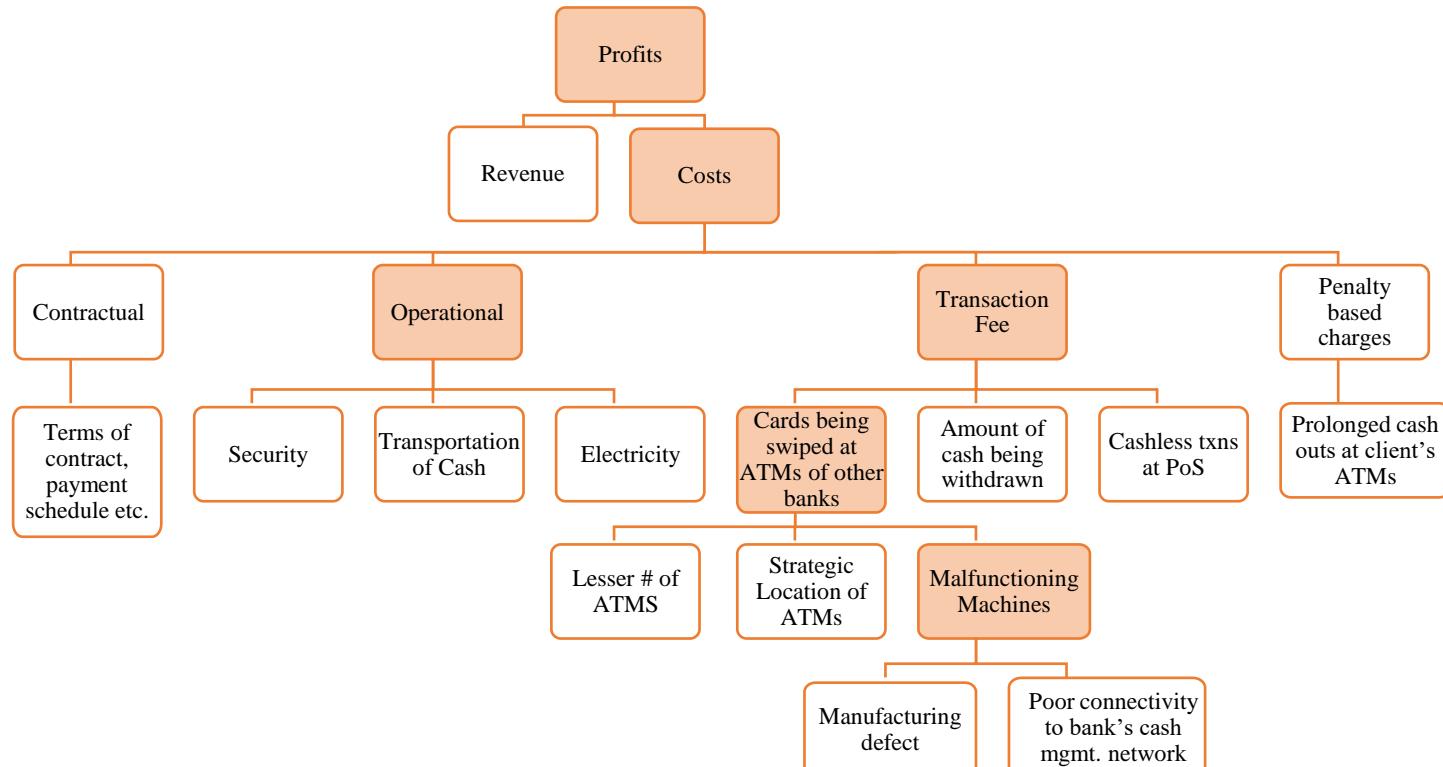
I: Thank you, we can close the case here.

**Case Statement:**

Your client is a bank which is facing losses in the ATM business. Find out the reasons.

**Background Information**

- **Client:** Retail bank with loss making ATM business
- **Customer:** Regular customers using ATMs for cash withdrawal
- **Competitor:** Problem is specific to the client
- **Product:** Regular Cash withdrawal only

**Case recommendations**

- Typical BLA of a bank business is making losses due to a cost side issue.
- Bank is paying a high transaction fee to other banks as customers are performing cross bank withdrawals.
- Probable reasons: Lesser ATMs, strategic location of ATMs, malfunctioning machines.
- Machines are defunct, this has led to irregular and improper cash dispensing and thus customers seem to be switching to ATMs of other banks.

C: Could you please share some information about the operations of the ATM business – pan India or otherwise and if the issue is concentrated on some particular region / ATM.

I: The operations are pan India and the losses are being incurred cumulatively from all regions.

C: Is the client facing this issue for quite some time or is it a recent phenomenon, perhaps due to the pandemic and people avoiding ATM use?

I: The client has been facing this problem over the last few years. You may consider a general scenario.

C: Could you also shed some light about the model. Since we are dealing with a bank that is making losses, I think it is going to be a Brown Label ATM with the banks doing the cash management and the technology part being outsourced.

I: Yes. The machines are manufactured by a technology company and the ATMs are sponsored and branded by the client.

C: Sure. I'd like to know if all banks that are following this model facing the issue or is it specific to the client.

I: No. It is specific to our client.

C: Alright. In such ATMs a multitude of services are usually available – from cash dispensing, deposit, bill payments etc. Do we have a particular focus here?

I: Lets stick to the money dispensing operation only.

C: Sure. I'd like to explore the problem through the revenue and cost approach. Should I focus on any of these two first?

I: Yes. Let's look at the costs front as the revenues are similar across the industry.

C: Typically, costs at these ATMs might be classified into Contractual costs (with the provider: contract terms, payment schedule etc.), operational (electricity, transport, security), certain fee-based charges and penalty-based charges for prolonged cash outs.

I: Okay. How do you interpret the fee-based charges?

C: It could be related to the amount of transactions, perhaps the bank's cards are being used at ATMs of other banks or customers getting benefits of directly swiping the cards at PoS machines rather than cash.

I: Alright. So, the matter is that the bank's cardholders don't seem to be withdrawing money from our ATMs but swipe the card at an ATM of another bank. This results in the client having to pay a transaction fee to the other bank thus affecting the bottom line. Why don't you explore the possible reasons for this.

C: Sure. First, this could be due to the no: of ATMs may be insufficient, meaning customers are using our cards but at ATMs of other banks. Second, even if the no: of ATMs are sufficient, they may not be strategically located. So, customers are unable to find an ATM in their vicinity. Third, could be a history of cash outs / improper cash dispensing because of which customers are not too keen on using the client's ATMs.

I: Okay but the location factor is not a problem. It appears that the problem could be because of some issues with the machines. Can you elaborate on those lines.

C: It could be due to a history of having defunct machines, or a connectivity to the bank's network that has led to cash not being dispensed at our ATMs. It may also be due to the fact that the machines operate by sucking in the card and fail to return thereby causing hassle to the customers and them going to other ATMs.

I: Alright. The issue is indeed due to the malfunctioning machines. Please summarize the case now.

C: Our client seems to be facing an issue where the ATM business is incurring losses. The main reason behind this is the transaction fee that the bank has to pay to other banks when customers use ATMs operated by others.

Given the location of the ATMs not being an issue , it may be concluded that the malfunctioning machines have been a reason for customers switching to other ATMs.

I: Alright then. We may close the case now. Thank you.

C: Sure. Thank you so much.

**Case Statement:**

Our client is a retail chain with 36 convenience stores. Since the CEO of the chain changed in 2018, the client went on an expansion spree and opened 72 additional stores, but the client is seeing plateauing sales and reduced profitability. Identify the reason.

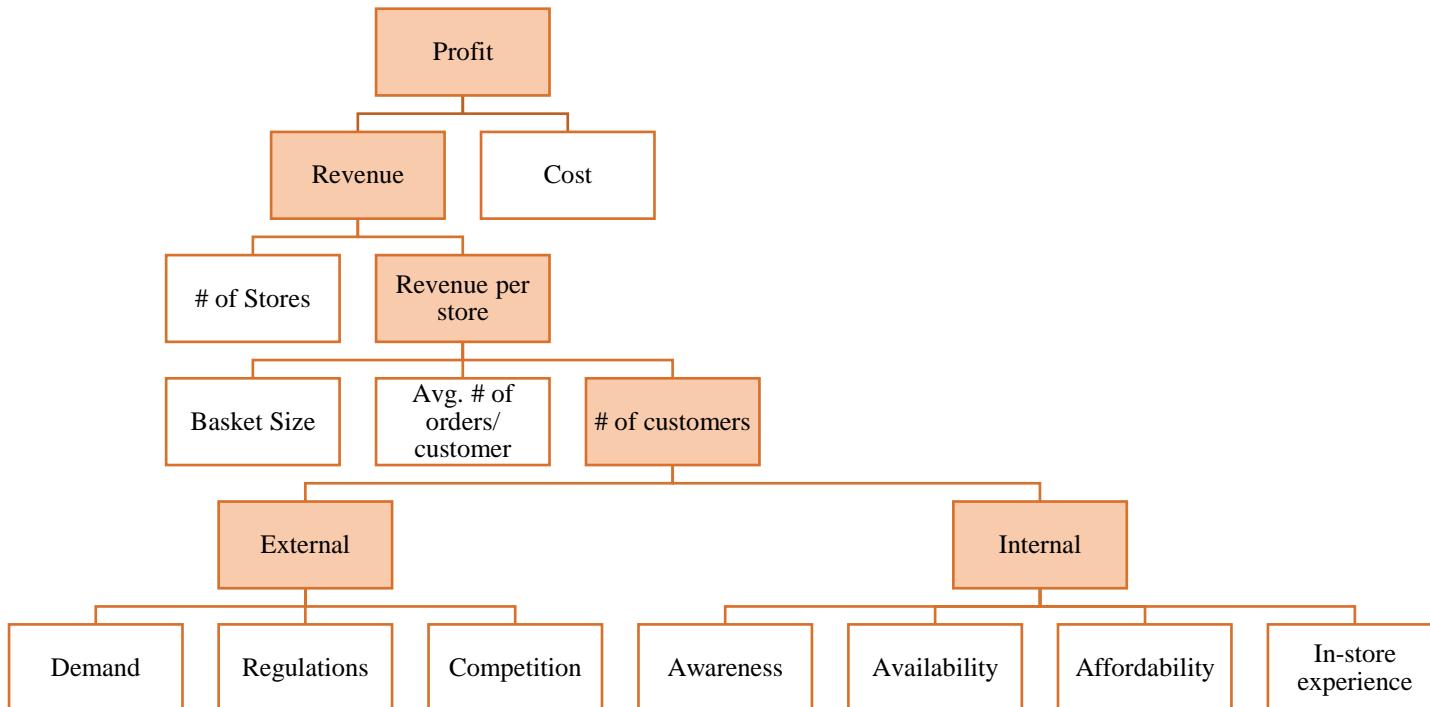
**Background Information**

**Company:** Retail chain with 108 outlets

**Competitors:** We are the only chain which operates 24x7

**Product:** Most of the products are high demand goods, available in all pack sizes. The product assortment is mostly targeted towards youth.

**Geography:** stores are prominently located in the most populated areas and are spread out evenly across Delhi-NCR.

**Case tips**

- Focus on the fact that differentiates our client from the competitors.
- Ask for some additional time to synthesize the information if you are stuck.
- Scoping played a very crucial role in this case.
- The case began with an introduction to the candidate and a few BQs.

C: I'd like to start by understanding a little more about our client. Firstly, could you tell me a bit more about the location of the stores?

I: Our stores are prominently located in the most populated areas and are spread out evenly across Delhi-NCR.

C: Next, I would like to understand the any particular product category or customer segment we cater to?

I: Most of the products are high demand goods, available in all pack sizes. The product assortment is mostly targeted towards youth; however, we cater to the older age segment as well.

C: Alright. Do we also have any information about the performance of our competitors? This will help us understand whether the plateau in sales is happening industry wide or is isolated to our client.

I: All the other retail chains have seen a steady ~10-12% growth in revenues for the past few years. However, our client has only seen a ~2-3% growth despite opening the new stores.

C: Is there any major factor which differentiates our client from the competitors?

I: While there's no major difference in terms of the product portfolio or the location of the stores, we are the only chain which operates 24x7.

C: Hmm, that's interesting. I'll just take a moment to process this information before deep diving into the case.

C: Alright. So, as I understand it, we have two major causes of concern. One, that our profitability is reducing, and two that our sales have plateaued despite opening new stores

C: The latter seems to be a precursor to the former, considering our costs (capital investment, utilities and other operating expenses) would've gone up too. Therefore, I'd like to start by addressing the sales issue first.

I: That's right, let's focus on the issue of stagnant sales only.

C: Sure. We can break down as  $(\text{Sales per store}) * (\#\text{ of stores})$ . We know that the # of stores have increased. Therefore, the sales per store would've reduced to keep the overall revenue constant. Do we know if the growth in sales for any specific stores of the 108 have reduced?

I: No, the issue persists for all of our convenience stores.

C: Alright. I'd like to further break down the sales per store as  $(\#\text{ of customers}) * (\text{avg. } \#\text{ of orders per customer}) * (\text{avg. basket size per order})$ . Do we have any information regarding the change in any of these metrics in the past year?

I: All of the three factors you mentioned have stayed the same.

C: Interesting. While I can imagine the avg. # of orders and the basket size to stay the same with the opening of new stores, I would've expected the # of customers to have gone up. I'd like to further explore into this.

I: Yes, that was the rationale behind opening new stores. Sure, go ahead!

C: I'd like to look at both the internal and external factors behind the stagnant customer base. In internal, I'd look at factors like awareness of our new stores, availability of desired products, and the in-store experience (quality standards, ambience etc.) and location of the new stores. Within external, I'd like to see the impact of change in demand, regulatory barriers and competition on our performance.

I: So, we've done our internal assessment, and the reasons you listed don't seem to be the issue. Why don't you focus on the external reasons for now?

C: Great. Do we know of any regulation changes lately, which might've caused hinderance in our operations, for example on opening stores at night etc.?

I: No, there hasn't been any change in the government regulations.

C: Alright. Correct me if I'm wrong, but I'd like to rule out the possibility of any competitive moves which might have hampered our performance, since

their growth has stayed the same. This also brings me to the third aspect, which is demand. Since the competitors aren't eating up our share of the market, there might be limited demand in the market, possibly say in the youth segment, which forms our major revenue source.

I: Yes, there hasn't been any change in competitor's strategies which would provide them an edge. As you mentioned, our major source of revenue is youth. More importantly, it's the youth that visits during the nighttime. ~80%

of our revenue comes from the visits between 1am to 6am. However, this late-night market has been stagnant and had already been captured by us with the 36 stores we had. Therefore, opening the new stores didn't bring us a lot of new customers during the night, thereby plateauing our revenues. Thank you, we can close the case here.

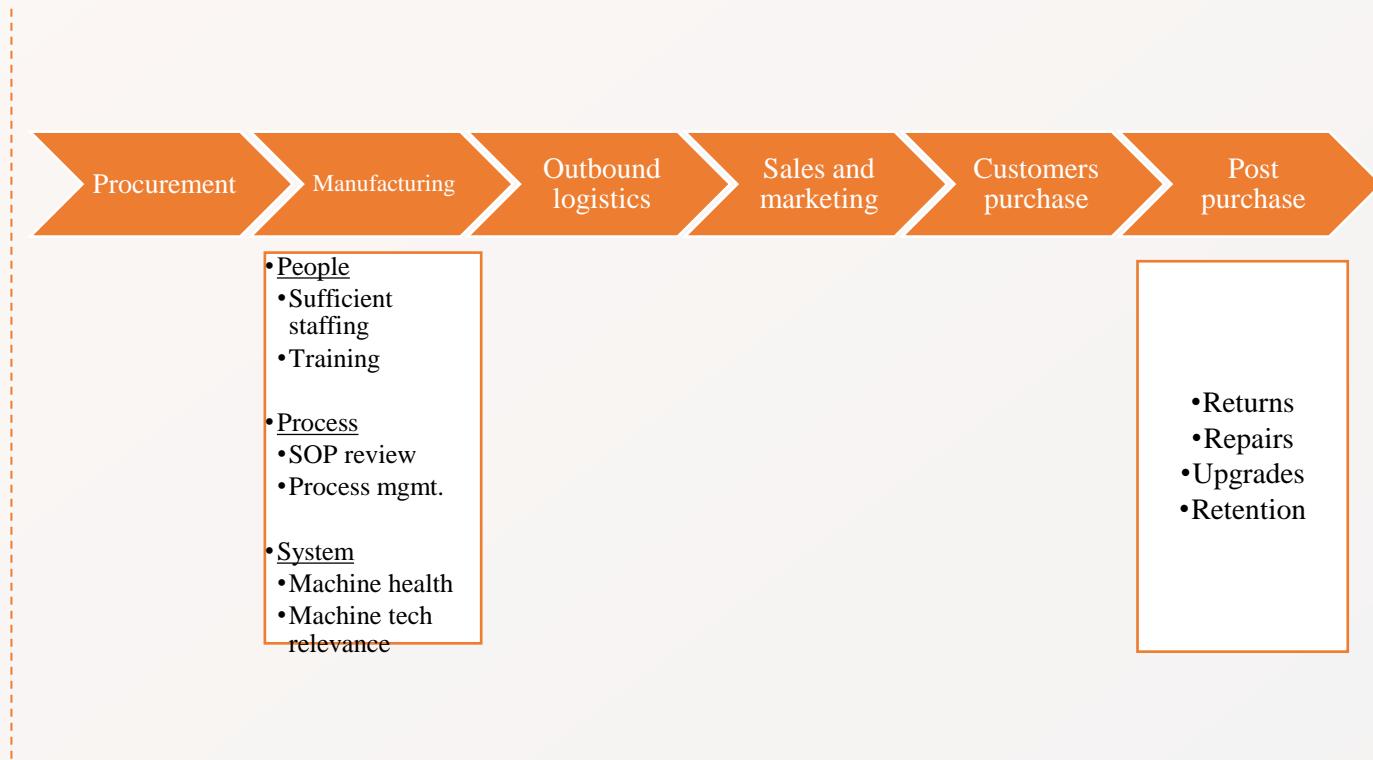
C: Thank you.

**Case Statement:**

Your client is a vernier caliper manufacturing company and they have seen a decline in revenue for the past 3 months. You are required to analyse the reason and further suggest measures to rectify the situation.

**Background Information**

- Company** – Makes only vernier calipers. Facing decline in sales in West India
- Competitor** – No major change in landscape. Company specific issue
- Consumer** – Science labs (90%) and research schools (10%). Company owns only manufacturing, 3rd party retailers and distributors
- Product** – Only one product – vernier calipers. Used to measure accurately the length of objects, up to a precision of 0.01cm (for this model). (Candidate had an idea of what a vernier caliper is. You are advised to get more information if not clear)

**Case recommendations**

- For an immediate action, the client can evaluate if they can source the products from other factories and markets, where this problem is not occurring. They could also evaluate if there are time intervals where the construction does not happen, and they can choose to manufacture only then. In medium to long term, the client can start communication with the building owner where construction is happening and work out a solution. They could also explore manufacturing machines which are immune to such disturbances in physical environment.

**Case tips**

- This was a very tricky case. Identifying “product returns” as a cause for reduced sales was important. Reaching the final cause was difficult but being structured and calm helps.

C: Has there been a change in price, or has the volume reduced

I : The volume has reduced.

C: I would like to consider the issue from demand and supply side. In supply side, have we been able to produce enough for the demand, or has there been any trouble in our supply chain?

I: Our supply side has not changed in the past 3 months. We can assume no problems exist there.

C: I would like to consider the sales as follows:

number of retailers \* average footfall in each store \* fraction of customers enquiring about our product \* fraction of customers buying our product

I: all these parameters have remained the same.

C: Have the returns of our product increased in recent times?

I: yes, the returns have increased. Could you figure out why is it the case?

C: It seems the product is not performing as customer expects. This could be a quality issue. Vernier calipers are supposed to measure accurately. They have a caliper, a sliding mechanism and a reading scale to see the final value.

I: Correct. What could be wrong with the reading scale?

C: There are two functionalities – it supposed to be legible and it is supposed to be accurate. In case the ink fades with time, the user would not be able to read it. In case the measurements on reading line are not accurate, they defeat the purpose of Vernier caliper.

I: That is right. The scale is giving inaccurate readings. Could you figure out why that might be the case.

C: I would like to consider the value chain and understand where the error creeping in. I would consider sourcing of raw material, inbound logistics, manufacturing, out bound logistics, warehousing and finally the retailer. Should I consider any other partner in the value chain

I: That's a complete picture. You can focus on manufacturing. There has been no change in our machine or raw material.

C: Would it be safe to assume that there is a single factory that produces for western India and only that factory has the problem?

I: yes. Only one factory has that problem.

C: I would consider the following parameters for the factory. The people and staff – their training and expertise for job. The process – how the material flows, and other standard operating procedures in the factory. Lastly, the machines – their accuracy and efficiency for production

I: None of those have changed in the past 3 months.

C: It seems the tasks and processes internal to the company have remained the same. I would like to consider the external conditions, how has the environment changed.

I: That is where the problem is. Our factory is located in a building where some construction work is going on. Due to this, there are vibrations which disturb the machine that marks the ink on the reading scale irregular. Due to this our product gives inaccurate reading. Could you give some suggestions to the client?

C: For an immediate action, the client can evaluate if they can source the products from other factories and markets, where this problem is not occurring. They could also evaluate if there are time intervals where the construction does not happen, and they can choose to manufacture only then. In medium to long term, the client can start communication with the building owner where construction is happening and work out a solution. They could also explore manufacturing machines which are immune to such disturbances in physical environment

I: This looks good. We can close the case now.

**Case Statement:**

A farmer who owns apple orchards is facing a downfall in profits. Kindly provide your recommendations for the same.

**Background Information****Trend for the decline:**

2 years

**Company details:**

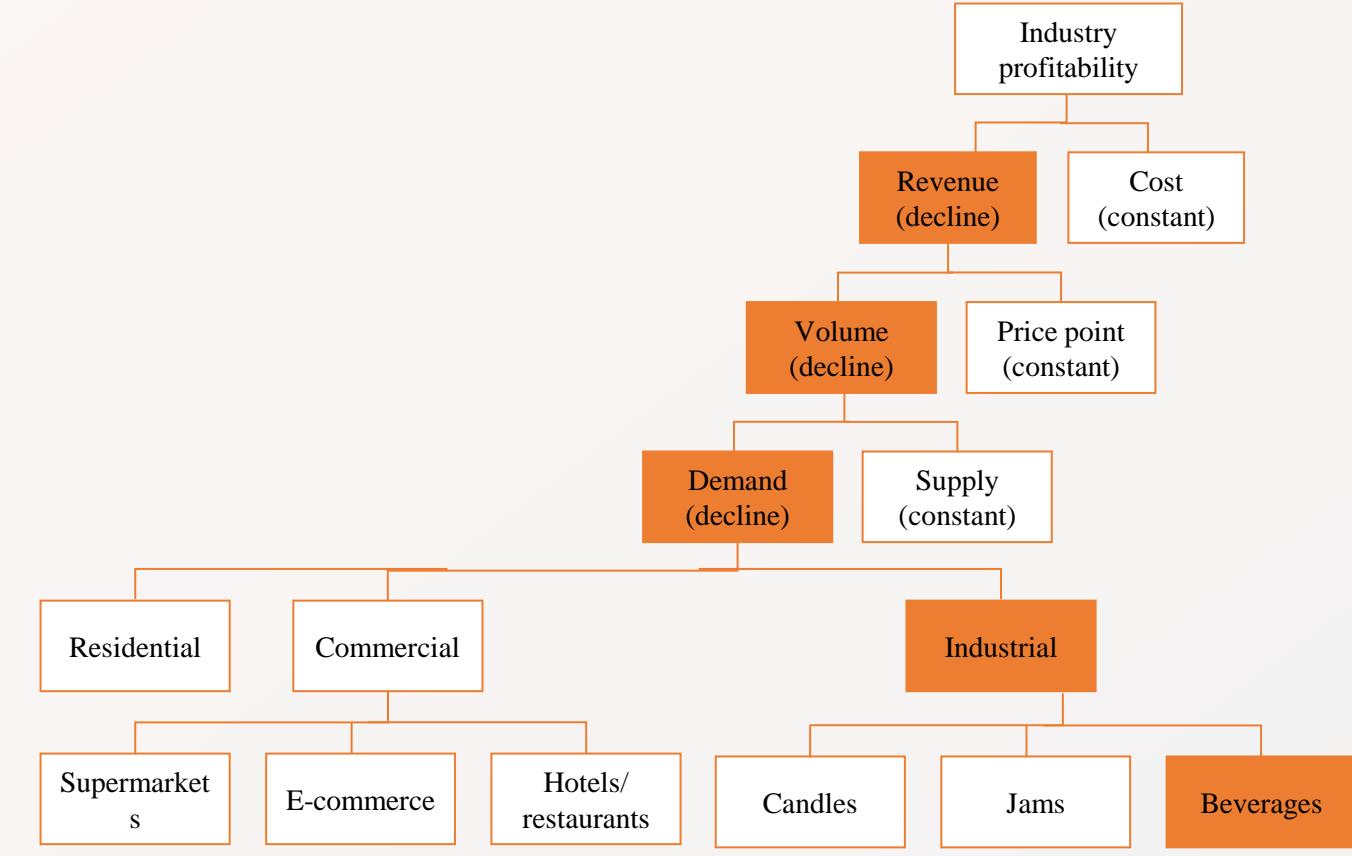
- a) Location: north India - grown in Kashmir due to the cold weather

**Product:**

- a) Only apples.

**Industry:**

- a) All players affected
- b) Industry de-growth for the past 1 year.

**Case recommendations**

- Short term: Go towards new channels. Focus more on the residential/commercial side of business.
- Long term: Diversify into other products if climate and expertise allow.

C: Firstly, I would like to analyze whether the problem is arising due to the supply side (production & distribution) or the demand side, if you could shed some light on that.

I: So, we have 30 acres of land having fixed number of trees implying constant supply of apples from the trees all throughout the year. Then, we provide these apples to our 2 sole distributors, with whom we have had long term relationships with, who then provide to retailers.

C: Okay. So next it seems that supply isn't an issue, but demand is. As it is an industry wide phenomenon, would it be safe to say that our price isn't the issue but rather volumes is, since if price was the issue, we would have been the only firm impacted and would have corrected it within 2 years?

I: Yes, that is a fair point. Our volumes have seen a decline.

C: Is there any particular distributor or retailer who has seen a decline?

I: Both distributors have seen a decline. Though according to you, what constitutes the demand for apples?

C: So, I would like to distribute the demand into 3 headers- residential, commercial & industrial. The reason why I have taken commercial and industrial as 2 different headers is cause in the former, I wish to take industries where apples are used directly- say in the hospitality industry, while in

commercial the apples are processed first and then used- say in making processed foods/beverages. So, is there any particular head which has seen a decline?

I: The beverage industry buyers have seen a major decline, while the remaining demand channels have remained constant.

C: okay so to further analyze this channel, I would look at 4 aspects:

- Product- have the apple beverages seen a fall in demand?
- Price- has the price for such beverages risen sharply in the past?
- Place- have the retailers changed the distribution channels of the drink?
- Promotion- has the messaging of the product changed over years?

I: So off lately, people have started to believe that apple juices have alcohol and have hence seen a decline in sales. You seem to have arrived at the problem, what are your recommendations?

C: In the short term, the client can go for expanding the business in the commercial and residential sectors and try to compensate for the loss in industrial demand. In the long run, he can try to diversify into other products by building the necessary technical and functional expertise.

**Case Statement:**

Client is an apparel retailer in India facing decline in profitability. Find the cause and give recommendations around the same.

**Background Information**

**Trend for the decline:** 3-4 years

**Company details:**

- Location: south and west India; tier 1 & 2 cities
- Year of establishment: 5-10 years

**Product:**

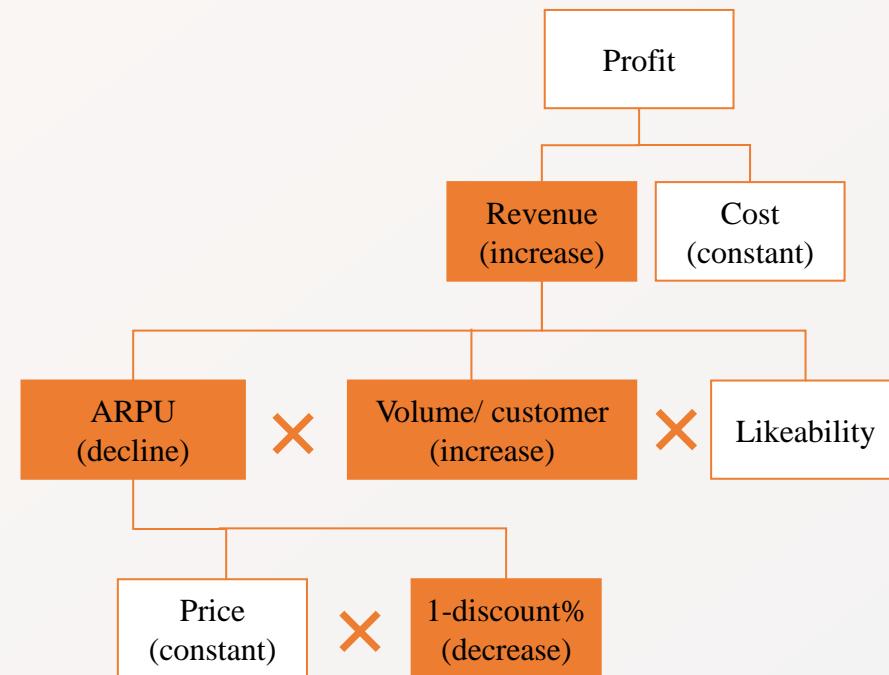
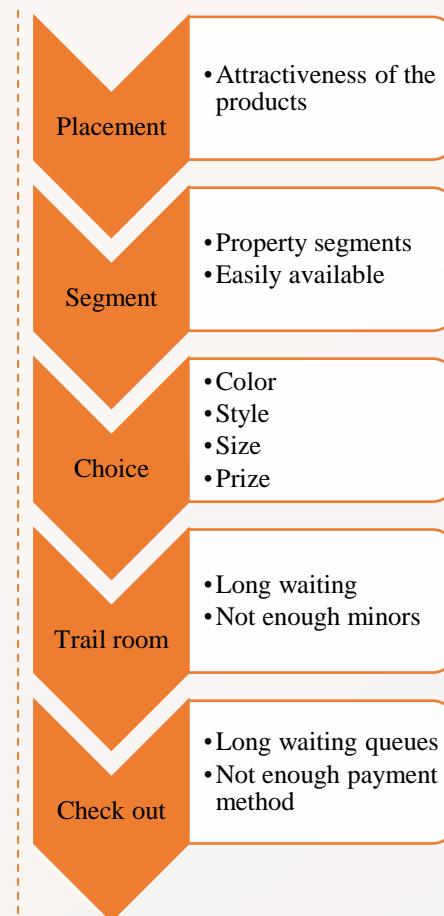
- Multi-brand = 65% & Own brand (manufacturing outsourced) = 35%
- Only garments

**Customers:**

- Affordable mid segment
- Men 30%, women 60%, children 10% (latest market entry)

**Industry:**

- Growth of e-commerce has impacted the industry, but otherwise constant growth seen

**Case recommendations**

Short term:

- Forecast demand in a better fashion; if possible do it store wise.
- Install Inventory management tools.
- Add smaller warehouses for excess inventory (essentially further layer up the supply chain).

Long term:

- Make the shop as a one stop shop for a family- from children to young teens to parents.

C: Could I please get bit more clarity on exactly how does our client work?

I: Our client is an apparel retailer who has multiple clothing outlets across cities. It carries its own brand as well as other brands as well. You could compare it to shopper's stop, but of a smaller scale.

C: Thank you for the clarification. Since our brand has seen decline in profits, has there been any rise in costs for the client or a fall in revenues perhaps?

I: The client has faced a revenue decline.

C: Has the client reduced the avg. price point of its goods or has there been any fall in avg volume?

I: Neither. Think harder.

C: I would like to break down revenue further into this format:

$\text{ARPU} = \text{no of stores} * \text{no of walk ins} * \text{no of customers buying goods} * \text{avg basket size (volume per basket*value)}$

Do we know which head has taken a hit?

I: Upon inspection the client realized that the basket size in terms of value has decreased. Essentially the clothing retail industry works on a very discount heavy model. Approximately 25-30% stock towards the end is sold on heavy discount but for us, 40-45% stock has been selling on heavy discount.

C: Why are we giving heavy discounts? Is it a demand issue or a supply issue?

I: it is a supply issue.

C: I would like to discuss the value chain – RM, inbound transportation, processing (both manufacturing and procuring from other brands), outbound logistics, at the retail shop, and lastly post customer service. Is there any particular head which has seen the issue?

I: Issue seems to be with the retailers.

C: To find the exact reason, I will try to map the customer journey

I: Issue happens to be that there is a stock out of common sizes very often. Due to this, we need to sell the remaining products towards the end of season at deep discounts.

It seems like we have found the problem, shall we move onto recommendations?

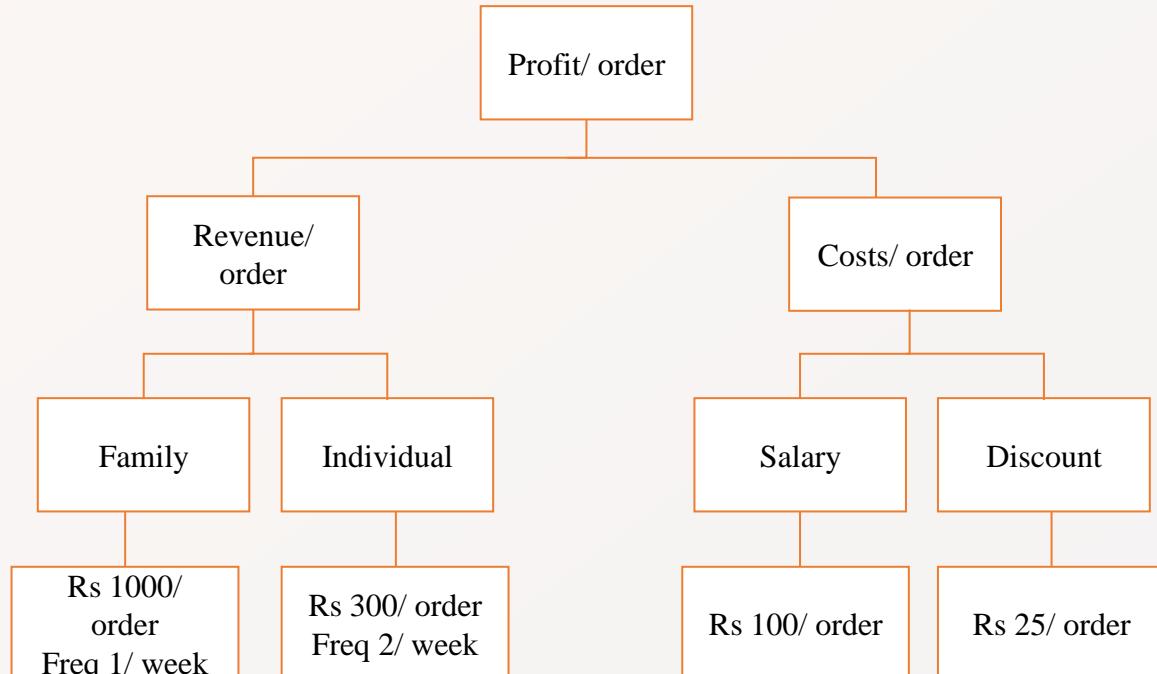
C: In the short term, the client can go for store-wise forecasting, install inventory management tools and add smaller warehouses to absorb the excess inventory (essentially layering up the supply chain). In the long run, the client can work towards making the stores as one-stop-shop, essentially catering to all the segments for a household consumer.

**Case Statement:**

Our client is the food delivery company just like Zomato/Swiggy, currently operating in Indonesia. He is planning to start operations in India and wants to check per order profitability in India.

**Background Information**

- Company is a market leader in Indonesia, has capital and expertise
- India has enough restaurants for our client to function in with Zomato and Swiggy
- Client wants to start in metro cities first

**Case recommendations**

Since the revenue earned per order would be same for all the competitors in India. The costs here are posing an issue. We need to reduce the costs. Since it is a new company, it would have to give good discount coupons to attract the crowd. So, that may not be reduced. We can work on the high costs of Rs 100/order as taken up by the delivery man. We can follow the structure of Uber/Ola shared cabs. The way it works as per route optimization, time reduction and maximum efficiency.

Not much time was given to ask background questions, straightaway went to profit analysis. I divided profit/order to revenue/order and costs/order, first went to analyze the revenue

C: The revenue streams for this business can be divided into revenue earned via orders and advertisements on app/websites

I: Yes, but you may ignore the advertisement part. Revenue earned per order is 20%/order.

C: Ok, I would have to analyze the average order size. So, it is important to understand the customers being targeted by the company here.

I: What customers segments do you think?

C: I think customers can be divided into three categories, families, couples and people living alone. Because we are targeting metropolitan cities first, so people living alone would be a large chunk of our customers

I: Yes, I agree, for now consider, family and individual

C: Ok, average size of a household in an urban area can be taken as 4, right?

I: Yes.

C: So, I would like to take my family as an example. I belong to middle class family of 4. This automatically gives an average order value between upper class and lower class.

I: Is there any other factor which is relevant here?

C: The frequency of ordering food can be taken as one factor. A family will order a smaller number of times as compared to the individual living alone.

I: Right, how will you find out the frequency.

C: As I was taking my family's example. We order 1 time a week. While when I was living alone, I used to order on an average twice a week. Can I move with this assumption?

I: Okay

C: To calculate order size. The order size used to vary if I am ordering snacks or a proper meal. So, on an average my order used to be around Rs. 300. If I consider a family of 4, I can think of  $300 \times 4 =$  Rs 1200 as the order size.

I: Yes, for ease of calculations take it Rs.1000.

C: Okay, so the average order size after considering the frequency of ordering food online, is coming out to be Rs 533.33, which is approx. Rs. 500. So, 20% of Rs 500 is Rs. 100

I: Right, any other factor that could be considered.

C: There would also be delivery charges, like now a day's Covid charges are taken in addition for safety and sanitation.

I: Right, so take your average order value to be Rs 125. Now think of costs.

C: I would like to divide costs into fixed and variable. First, I would start by analyzing the fixed component.

I: Ignore the fixed, as it is a food delivery company, much of the costs can be clubbed into variable.

C: Before analyzing the variable costs/order, I would like to understand the structure company would follow while hiring delivery people. Would the company provide the vehicles such as a bike? Would the fuel costs be included in the salary or would it be given in addition? Would they be given salary based on orders delivered?

I: The salary of a delivery man is Rs 25k/month (fuel costs etc. included), ignore the vehicle costs/EMI etc. And the salary is not dependent on the orders delivered.

C: Since this cost is monthly and not per order, we have to check how much our delivery man costs us per order.

I: How will you do that?

C: I will calculate the number of orders delivered by the person per day.

I: Okay.

C: Next, I did the calculations on the orders received by the restaurant in peak (6hrs) and non-peak (6hrs) hours, and how many delivery men would be required to deliver those depending on the distance between the restaurant and the destination. I considered time as one constraint for the delivery men. And reached at an approximate 10 order/day, which means Rs 100/order (considering he works 25 days in one month).

C: Other variable costs such as app maintenance, marketing costs, additional discount coupons are also borne by the company.

I: Yes, consider discount per order as 5%.

C: So, 5% of Rs 500 is Rs 25. Are there any other costs?

I: No.

C: So, the total costs are coming out to be Rs.125, which is a break even.

I: Now the company is breaking even/order. How can company make profits here? Your final recommendations?

C: Since the revenue earned per order would be same for all the competitors in India. The costs here are posing an issue. We need to reduce the costs. Since it is a new company, it would have to give good discount coupons to attract the crowd. So, that may not be reduced. We can work on the high costs of Rs 100/order as taken up by the delivery man.

I: The salary is as per the market. Our competitors are giving same salary.

C: So, then we will have to increase the number of orders, a delivery man delivers/day.

I: How can you increase it?

C: We can follow the structure of Uber/Ola shared cabs. The way it works as per route optimization, time reduction and maximum efficiency.

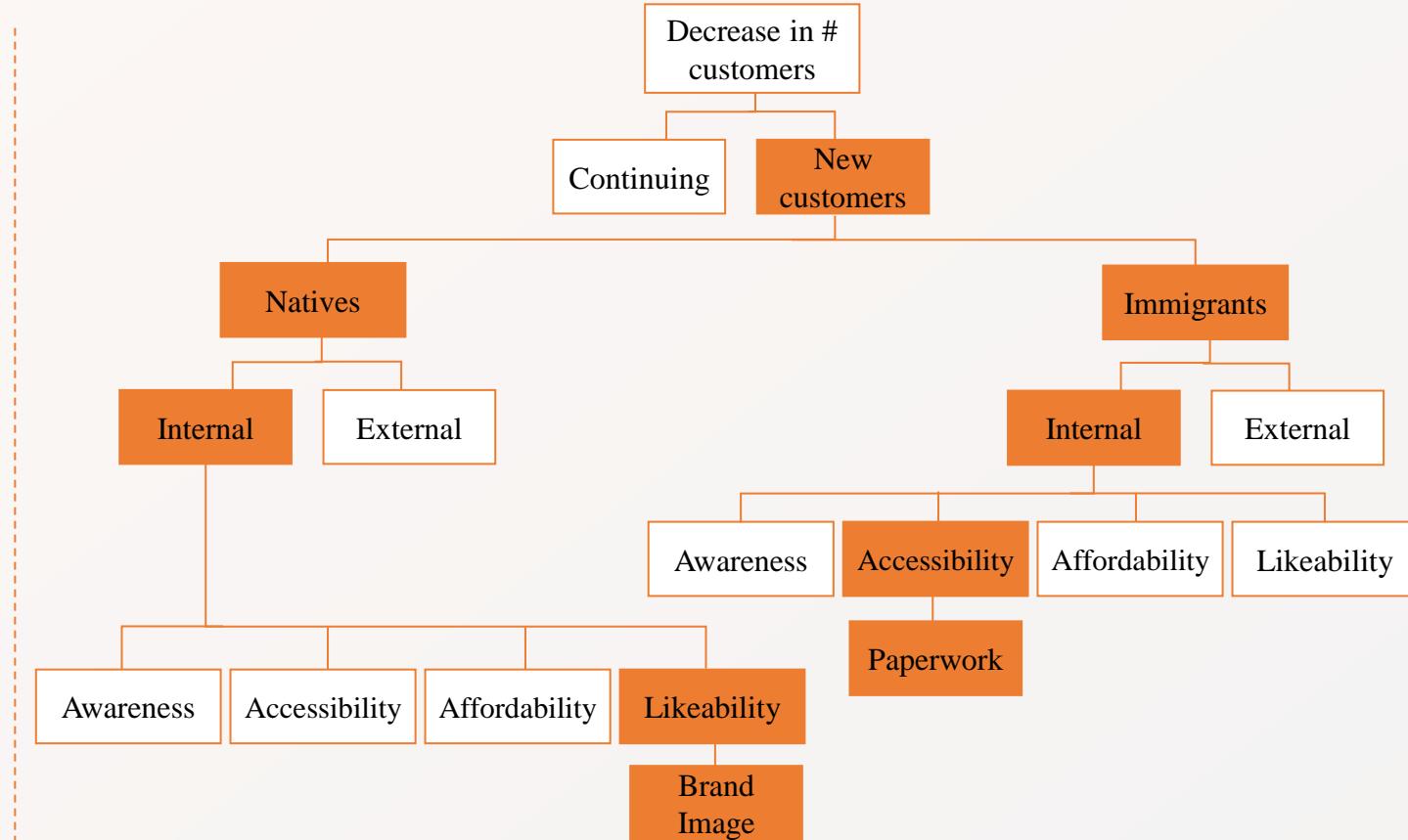
I: Yes, I think we can close the case.

**Case Statement:**

The client is one of the oldest middle eastern banks which has been losing market share recently. Find out why?

**Background Information**

- **Client:** Retail Bank – Assume standard retail like ICICI etc.
- **Competitors:** Mix of both old and new banks – only old ones are losing market share not the new ones
- **Customers:** Retail – Individuals and small businesses
- **Location/Geography:** UAE
- **Products:** Savings a/c, loans, think of all the basic services provided by a bank
- **Timeline:** Seeing a steady decline for the last 10 years

**Case recommendations**

- Reduce the paperwork needed to change the bank for immigrants. In the long term try to make the process fully online and automated.
- Invest in building the brand image of the bank by various promotional initiatives including discounts, loan offers, better interest rates.
- Tie up with governmental bodies to lobby for regulatory push of having one account in the national banks for taxation purpose.

**Case tips**

- Though a profitability case the structure of the case was a bit different from the traditional framework. A good understanding of how to apply the customer journey framework would help in such a case.

C: I understand that the decline is in the number of customers, so I would like to divide this number into two parts – one: the current customers and two: the new customers. Is there any segment where we are seeing a drop?

I: The drop is in the new customer segment.

C: Further, as you mentioned that the bank is active in UAE and from what I understand UAE population has a large share of immigrants. I would like to divide the population into two major segments i.e., the natives and the immigrants? Does that sound fine? And if yes, is there any segment within which the client is seeing a decline?

I: The segmentation looks fine. The client is seeing a decline in both the segments, but the immigrant part is seeing a higher dip. Let's look one by one at both.

C: Ok. So analysing the Immigrant segment let me divide these into two parts internal and external. Internal would entail the whole customer journey and external would cover the issues related to Governmental regulations, legal issues associated with banking for immigrants, or other factors. Is there any particular segment you would like me to explore first?

I: There are no issues from the external factors. Let us explore the internal factors that could affect the bank.

C: Great. So, in terms of the internal reason, I would like to break this down into 4 parts and would like to benchmark those with the other foreign banks that are gaining customers. Does that sound fine?

I: Yes, please go ahead.

C: In internal factors I would like to see how the client performs against the competitors on these four metrics: Awareness, Accessibility, Affordability, Likeability. Is there any specific bucket in which the client is not performing at par with the competitors?

I: So, in terms of Awareness, Affordability the client is exactly doing the same activities as the competitors. In terms of likeability, the products/services are same for all the banks for no issues with that as well. Can you elaborate a bit on accessibility?

C: Got it. So, in terms of accessibility, I would like to see how accessible are services for the immigrant population. Now from what I understand these immigrants might already have accounts in their home country and if those banks are also active in UAE, they would not be willing to change them and do the whole lot of paperwork that would give them access to our client if we do not offer anything different from those MNC banks.

I: Yes, that is exactly the reason for the drop. Can you also take a look at what is happening with the natives? Assume no external factors are affecting that segment as well.

C: Okay, in terms of internal I would again divide that into the Awareness, Accessibility, Affordability, Likeability – from the previous analysis we know that there is no issue with the Awareness and affordability part. For the natives, there will not be any issue with the accessibility part as well. In terms of likeability do we see any difference?

I: Can you please take a guess as to what could be the reasons affecting likeability?

C: Ok So, in terms of likeability, I assume that the new generation of the nation is more inclined to open accounts with the MNC banks because of the brand image that they have.

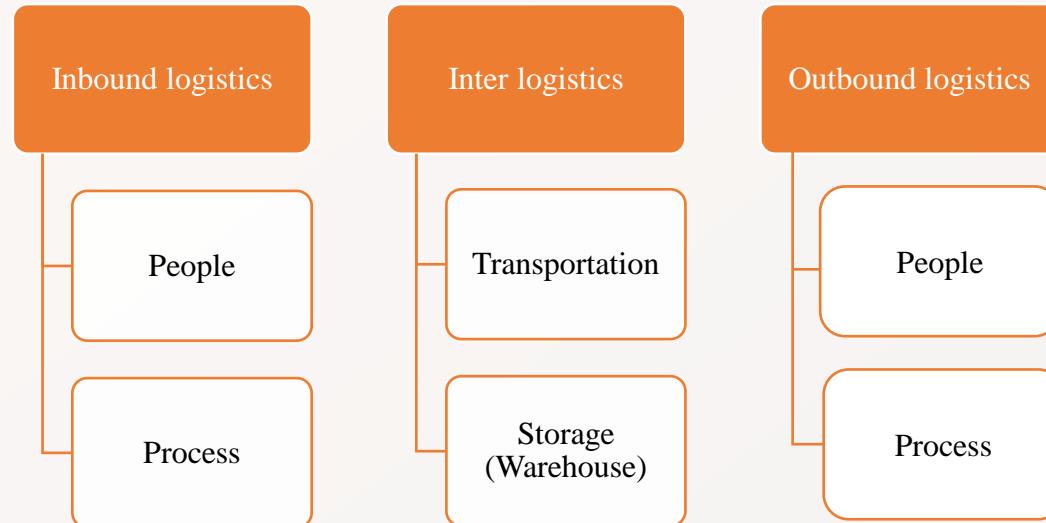
I: Yes, that sounds good, we can close the case.

**Case Statement:**

A big cement player in India is looking to reduce transport and logistics cost to drive profit.

**Background Information**

- **Client:** Largest Indian Cement player
- **Competitors:** fairly competitive market
- **Location/Geography:** Pan India sales
- **Products:** Only cement

**Case recommendations**

- Under the people's head, the client can optimize suppliers as per location.
- Under the process part, the client can Optimize route GPS tracking; provide better incentives to the transporters; procure fuel efficient vehicles.
- Under warehouses, client can take up Size and location optimization and trade-off between the rent of the space and the revenue generating potential; the storage process in the warehouses can also be Automated or digitized.

**Case tips**

- The key point to mention here was the inter-logistics bucket. Apart from that, the interviewer was mainly interested in creative answers. Brownie points for providing good content on the trending topics of digitization and automation in operations.

C: I am a bit new to the Cement industry, would be able to help me gather any insights on how the typical value chain works?

I: Sure, so you can assume that the client buys the raw materials which includes Limestone, coal etc. They process this by heating and convert it into clinker. Which is further processed by grinding and mixing with gypsum and made into fine grains. Once we have the grains, we then pack it in bags and send them off to our warehouses. From the warehouses the cement is transported to the end customers.

C: Thank you so much. That is insightful. So, in case we need to decrease the transportation cost, I would assume that there are three kinds of logistics operations that are taking place. These include inbound logistics, inter logistics (to the warehouse), and outbound logistics. Does that sound right, and do we have any specific bucket that I should look into first?

I: Yes, that is correct. Please go ahead. There is no specific larger cost bucket, we will need to explore each of these. Under each of these let's look at what steps the client could take to reduce the costs.

C: Sure, so just before moving ahead, I would also like to know what are the current modes of transport we are using?

I: We are using a mix of both road and railways – depending on the distance.

C: Understood, so in terms of the roadways do we have our own trucks or are we outsourcing that to the third party?

I: We are currently using a third-party logistics provider's services.

Candidate: Great thank you. Let me now dig into each of the three cost buckets and generate some methods through which we can reduce the costs. For the first, inbound logistics, let me divide that into three parts people and process (route and mode) used. For people we can have a look at both the suppliers involved and people involved in logistics. We can optimize/consolidate the number of suppliers keeping in mind the impact that it could have on our cost of purchase.

I: Sounds good. What more can we do?

C: In terms of process, we can try to make use of technology extensively from ordering at an EOQ level to making our Third-party provider make use of GPS to carry out route optimization. Using these digitization tools, we can also get an understanding of how efficient are the drivers throughout the travel. Now all these points are also valid for our other two logistical cost buckets. But there might be some additional points in the "Inter travel to the warehouse" bucket.

I: Yes, and what would those be?

C: So, as I understand these inter travel will be done using our own truck?

I: Correct.

C: Ok So, I will divide this part again into two parts. One would be the issues with the logistical part – the recommendations for this would be like the ones that we discussed above. The other would be the external issues i.e., the issues related to the operations at the warehouse that could lead to an increase in the costs.

I: That is a great point. Tell me more about the warehousing part?

C: Yes, so since these warehouses are owned by the client, the client can do a trade off analysis of optimizing the location of the warehouse vs the rent that they pay so that it caters to the right demand centers and reduce the transportation cost. The client should also procure more efficient transportation vehicles. The other time-consuming part is the loading and unloading at the warehouse. These can be automated in the long term to make the process more efficient.

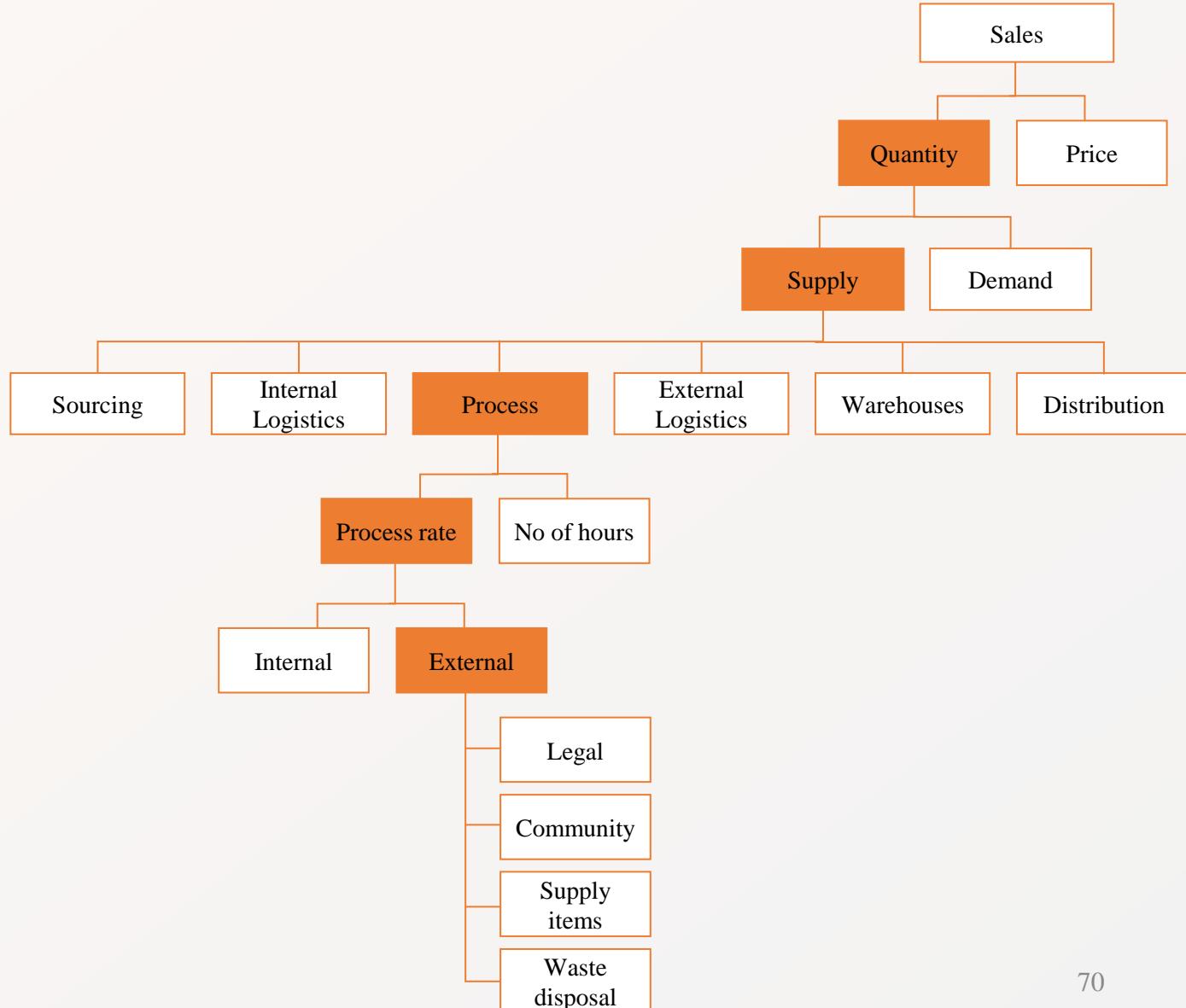
I: These points sound good; we can close the case here.

**Case Statement:**

Your client is a coal manufacturer, and they have seen a decline in the sales of the coal. You've to understand why and suggest.

**Background Information**

- **Company-specific** issue
- Only one **customer** (a power plant). No issues from the demand side.
- **Trend** - Decline consistently increasing over last 1 year, %age decline not relevant.
- **Business process** - Coal ore extracted from the mine, transported directly to plant, cured with water, waste is discarded, cured with a special chemical, waste is discarded, coal is transported to the warehouse.



C: I would like to understand if anything has been affected in sourcing, inbound transport, plant, outbound transport, warehousing, or distribution.

I: Nothing wrong with the mine, the coal quality is same and enough for the next 1000+ years. Similarly, water and special chemical are abundantly available, and there has been no change in its quality. All transportations and warehousing are fine—nothing wrong post warehousing.

C: I will dive in the process directly then. I would like to understand what exactly happens in the plant and what are the labour and machine involvements.

I: Entire process is handled by machines, think of it to be on a conveyor belt on which the process of curing happens.

C: Total production = Production rate \* no of operating hours. Has there been any change in these?

I: Our production rate has gone down.

C: Since it is a conveyor belt process, the production rate should be based on conveyor belt speed. Since we have factored operating hours to be constant, is it fair to assume that the speed has gone down?

I: Yes. Why do you think that happened?

C: I would broadly bucket it into internal and external. Internals would include machine maintenance, limitations from the plant building, anything that the management can change and fix. External would include supply and demand limitations, legal or community factors, etc.

I: Could you think of any other external factor apart from supply and demand but on similar lines. Or maybe, a different twist to supply limitation. Go through the process again.

C: We've discussed that nothing has changed for the coal, water, and special chemical. Only other material involved is waste. Should I investigate it?

I: Yes.

C: Before we proceed, is the decline in production a conscious business decision for the longer term?

I: Yes.

C: Okay, I think that there is some issue with the disposal of the waste. Typically, coal wastes are used as landfill in the quarry from which it is extracted. The curing company's take a license for the same.

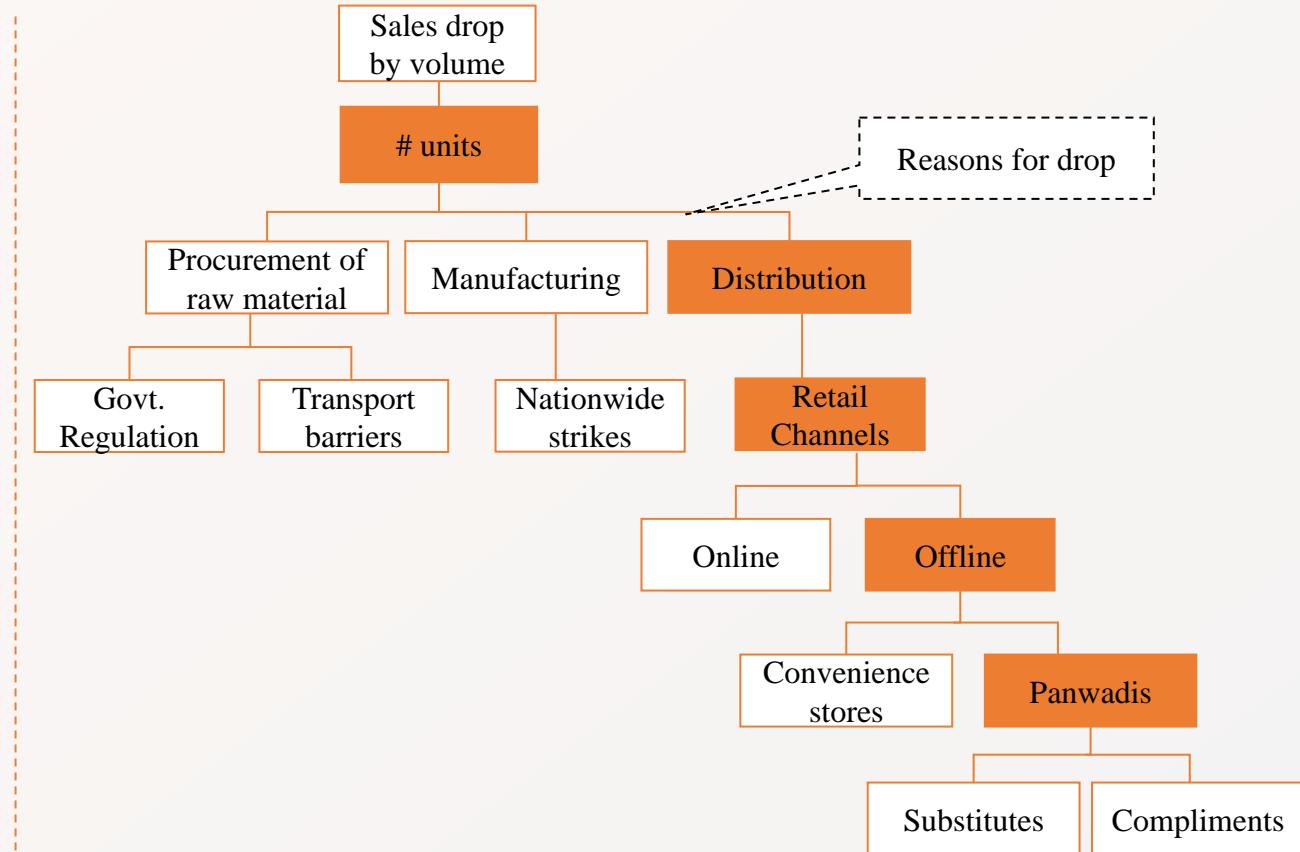
I: Right, the landfill we are using are about 90% filled, and the client has no other dumping ground. The business has slowed down to buy time to find an alternate landfill.

**Case Statement:**

Your client is a candy and toffee manufacturer who is experiencing a decline in sales for past 2 months. Find out the reason why?

**Background Information**

- Client:** Present across the value chain i.e., procurement, manufacturing, and distribution
- Competitor:** Highly commoditized market with little or no product differentiation. So, no competitive advantage
- Consumers:** Across the age group. Children consume it for fun, adults as a supplement
- Product:** Toffees and candies like mango bite usually costing 1 or 2 rupees

**Case tips**

- After encountering the phenomena as industry wide, dropping the individual marketing techniques can help reduce the efforts as they won't be changing the outcome.
- While looking at the macroenvironmental factors always remember to include the public awareness and recent events going on in the field, that might enhance the appeal of the case.
- Don't be prejudiced with such cases as you might have read a similar one before. It is a trick used to judge you over the same.

C: Sure, to reiterate the problem our client is a candy and toffee manufacturer who is facing a decline in sales for past 2 months. Is it correct?

I: Yes, that is correct.

C: Okay, to understand the situation better, I would like to ask whether our client is only manufacturing the product, or is it present across the value chain? Also, is it dealing in the domestic markets only or international markets too?

I: It is present across the value chain and consider domestic markets for now.

C: And I assume that the products that we are offering are 1 to 2-rupee candies and toffee available in the convenience stores, am I right there?

I: Yes, that is correct.

C: Okay, so is the decline in sales an industry wide phenomenon or client specific?

I: Good Question, it is an industry wide phenomenon.

C: Interesting, and by decline in sales we mean decline in volume or decline in value?

I: It is decline in volume of sales.

C: Okay, I would like to structure my thoughts here for 10 seconds before continuing with the analysis.

I: Sure, go ahead.

C: Okay, keeping in mind that it is an industry wide phenomenon, I would like to analyze the situation across value chain made up of procurement, manufacturing, and distribution

I: Please, go ahead.

C: So, is there any barrier in procuring the raw material for manufacturing our product like government regulations or transportation barriers?

I: No everything is fine on that end.

C: Okay, has the manufacturing being restricted in some way due to labor strikes or loss of workforce nationwide?

I: Good question but there has not been any phenomenon nationwide that can lead to hinderance in manufacturing.

C: Then I assume that the problem lies on the retail end as the cost of manufacturing would also remain same. I would like to dig deeper into the same. Is it a correct assumption?

I: Yes, go ahead.

C: Do we have any information regarding our presence in online and offline stores?

I: Yes, we are present both on online platforms and offline stores.

C: Okay, is there any particular channel that is facing the decline in these?

I: Yes, the offline channel has been facing all the decline.

C: Interesting, I would like to divide the offline stores into two sections here, one can be the large shops or convenience stores and the other can be makeshift outlets

I: Sure, let's call the makeshift outlets *panwadies*.

C: So, are we facing decline in sales for both sections?

I: No, the convenience stores are selling them as before but the *panwadies* have observed a drastic decline in sales.

C: Interesting, here I would like to divide the sales on *panwadies* in two parts and look into them separately, one is the number of customers that are visiting the shop and second is the number of units of candies bought per customer. So, has the number of customers declined due to some awareness in the market or is there a decline in the number of candies bought per customer?

I: That is a good observation, the awareness has increased but we haven't lost any sale because of that and the number of customers visiting the shop are same. Yes, candies bought per customer have seen a decline over the period.

C: Okay, since the number of candies per person has declined it can be due to the impact on complimentary or supplementary goods available in the market. So, is there any substitute available now that was not present before that people are preferring over candies?

I: No there is no substitute to candies that has been introduce in past 2 months.

C: Okay, so looking from a consumer perspective here, most of the people visit *panwadi* to smoke and thus buy candies or toffees as mouth fresheners. It seems like a complimentary good problem where there can be an issue with the cigarette sales.

I: Yes, what about them?

C: What I can think of either their price has changed, or their distribution has been hindered. Should I investigate any of these?

I: Yes, there is an issue with the price of cigarettes. Can you tell me the reason how can that impact our sales?

C: Yes, so most of the time, in exchange of change, shopkeepers give toffees to the customer. It might be a reason that the price of cigarette has been converted to a multiple of 10 so no change is required. Also, it might be that the flavor of cigarettes has been changed and they contain mint flavor in them only.

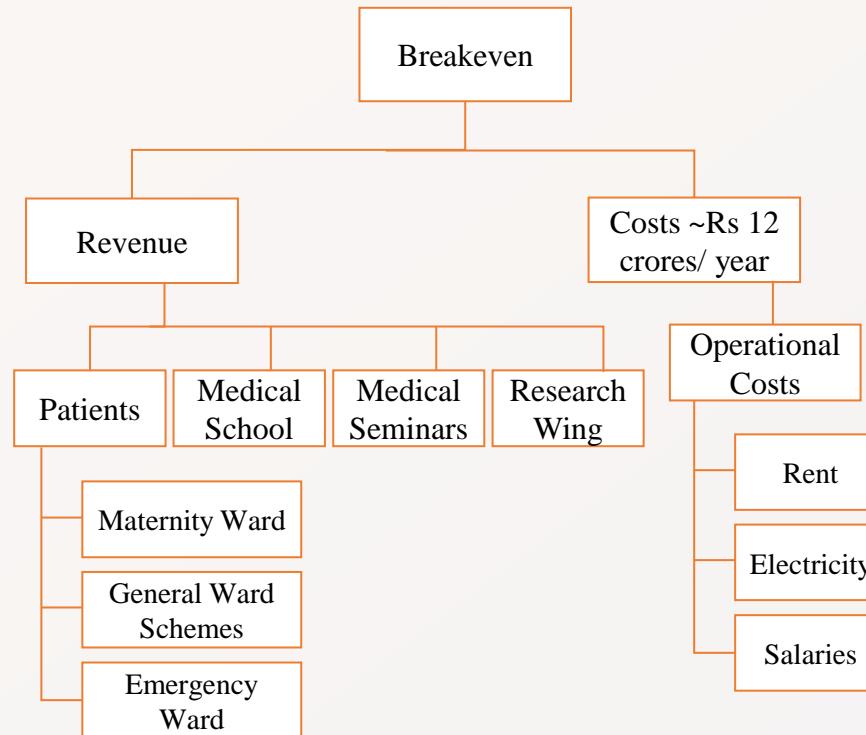
I: Great! Although the first reason is correct that the price of cigarettes has changed from 8 to 10 rupees per piece and that is why there is a decline in sales, but I like the second reason too. We can end the case here.

**Case Statement:**

CEO of a hospital has come to you. His hospital board will fire him if they do not break-even this year. He needs your help for the same. What do you suggest?

**Background Information**

- **Client:** Multi-specialty hospital
- **Products:** Healthcare services
- **Competitors:** Other hospitals
- **Timeline:** 6 years
- **Patients:** Pregnant women, emergency cases & general sickness
- **Location:** NA

**Case tips**

- Interviewer was trying to test the candidate's ability to think on feet.
- Be careful with the formula and calculations.

**Case Statement:**

CEO of a hospital has come to you. His hospital board will fire him if they do not break-even this year. He needs your help for the same. What do you suggest?

	Maternity	General Sickness	Emergency	Total
No of beds	200	200	100	
% occupancy	80	60	30	
Rate/ bed	500	1000	2000	
Revenue	24000000	36000000	18000000	78000000
Industry std % occupancy	80	80	60	
New revenue	24000000	48000000	36000000	108000000
New rate/ bed	750	1000	2000	
Final Revenue	36000000	48000000	38000000	120000000
			No of days	300

**Case tips**

- Interviewer was trying to test the candidate's ability to think on feet.
- Be careful with the formula and calculations.

C: Since it is a multi-specialty hospital, I am assuming that it has separate departments for gynecology, cardiology, neurology, general physician etc.

I: Well, for this case, assume only maternity ward, general sickness ward and an emergency ward.

C: Okay. Since the hospital is not able to break even, I would like to analyze their revenue streams and cost centers. For a hospital, patients are their major source of revenue, others could be research wing, medical school (since many medical schools and hospitals run together), medical seminars etc.

I: Good. But, for your convenience, consider only patients as the revenue streams.

C: Sure. Looking at the costs, it would include operational costs like rent, electricity etc. and salaries of doctors, nurses and administrative staff.

I: Yes. The costs incurred by the hospital is Rs. 12 crores/year. Assume it includes all the costs that you have mentioned. How do you think the revenue of the hospital would be calculated? What factors will be included? Can you give me an equation for the same?

C: When we talk about maternity and emergency ward, we know that the patients would stay overnight and occupy the bed, but for general sickness, the patient might not stay in the hospital and their revenue would come only from the doctor's consultation.

I: That's a good point. But for the sake of simplicity, assume that the general sickness ward patients also stay overnight.

C: Okay, then I believe the revenue would be dependent on the no. of beds available in the hospital among all the wards and their percentage occupancy.

Therefore, Revenue = No. of beds x % occupancy x Rate/bed x No. of days/year

C: So, do we have any figures about the number of beds, % occupancy etc. in order to calculate the revenues.

I: Yes. Maternity ward has 200 beds with an 80% occupancy. Rate/bed is Rs.500.

General sickness ward has 200 beds with a 60% occupancy. Rate/bed is Rs. 1000.

Emergency ward has 100 beds with a 30% occupancy. Rate/bed is Rs. 2000.

C: So, for the ease of calculation, I am taking no. of days/year to be 300. The current revenue is Rs. 7,80,00,000 which is Rs. 4,20,00,000 less than the costs incurred by the hospital. (Refer the case workings to see the values.)

Since this hospital is not able to break even, I would like to understand the hospital industry a little more. Do we have enough number of beds? Are the occupancy rates of our hospital at par with the industry trends? Are our prices comparable to those of industry? Are other hospitals also facing a similar problem?

I: No. The industry standards for occupancy for maternity wards is same. But for general sickness ward it is 80% and for emergency ward it is 60%. Our prices are at par with the competitors.

C: Since the % occupancy for general sickness ward and emergency ward is less, we should look at them one by one and try to understand the issue here. First, lets look at the General sickness ward. If we look at the patient journey map, the two important touchpoints would be doctors and nurses. Are we understaffed on either of them?

I: Yes, we are understaffed on nurses and that's why we have to sometimes turn away patients. What do you suggest we do?

C: We can hire more nurses, but that would lead to an increase in the costs.

We can increase the shift hours of the nurses in order to ensure better service to patients.

I: That won't be possible as they are already overworked. Can you think of anything else?

C: Since most of the nurses' job requires observing the patient, we can leverage the CCTV network to monitor patients in a common room and nurses can go and cater to the patients as and when required.

I: That's a good suggestion. Moving on, let's look at the emergency ward. Why do you think the emergency ward is under-utilized? Apart from shortage of nurses what do you think could be a possibility?

C: When a person meets with an accident, an ambulance carries them to the hospital where the doctors and nurses take care of the patient in the emergency ward. There is specialized equipment to conduct special tests like X-RAY, MRI etc.

Since this is a multi-specialty hospital, I am assuming that the specialized equipment is present in the hospital. Do we have a smaller number of ambulances to bring the patients to the hospital?

I: Well, ambulance fleet is not maintained by the hospital. It is maintained by government and the drivers have a list of all the nearby hospitals in order to take the patient to the hospital at the earliest.

So, the problem is that list is not updated for more than 50% of the ambulances and hence drivers do not know about our hospital and are thus not bringing patients to us. How do you think we can solve this problem?

C: I think we should contact the government agencies which oversee it and get the hospital name updated on the list.

I: Fair enough. Now assume that by following the suggestions that you gave we are able to reach the industry standards of occupancy. Calculate the revenue again.

C: The revenue comes out to be Rs. 10,80,00,000. (Refer case workings to see the values)

I: So, we are still not able to break even. Now what do you suggest we should do?

C: In order to break even, we should introduce more facilities in the hospital, specialized departments like oncology etc. This way we can create an extra revenue stream.

I: That is a good suggestion, but that would require capital investment as well which would increase our costs. Can you think of something that can be done with the existing infrastructure so that we can charge extra on the existing services we are offering?

C: In the maternity ward, we can introduce stem cell preservation after birth. We can charge some premium for this service and many people are preserving stem cells these days in order to treat life-threatening diseases in future.

I: Good suggestion. Suppose we introduce this and now we can charge Rs. 250 extra per maternity ward bed. Can you recalculate the revenue? Will be able to break even now.

C: Yes. (Refer case workings for the values.)

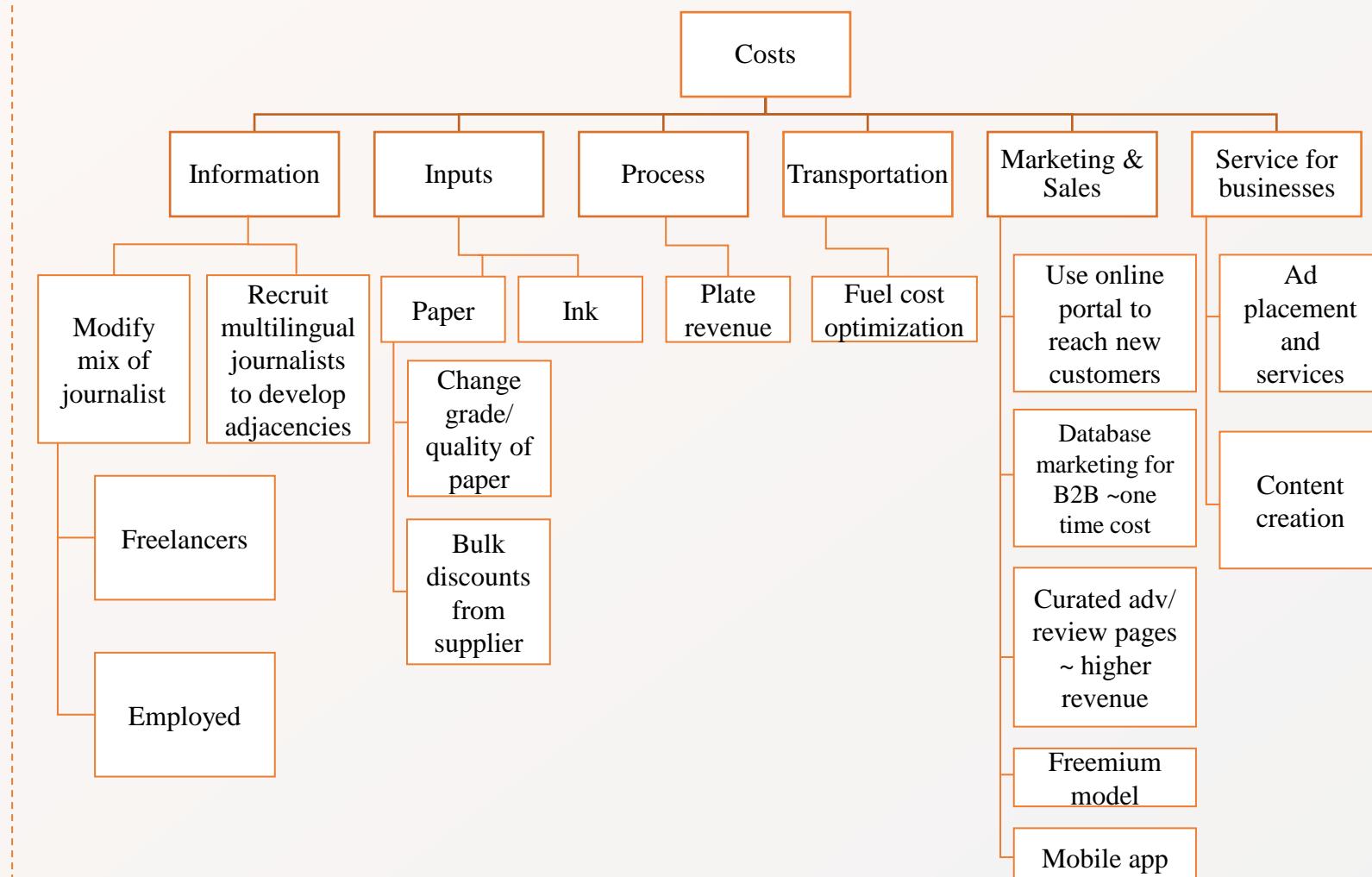
I: Thanks. We can close the case here.

**Case Statement:**

Your client is a newspaper company. He is facing the issue of rising costs and seeks your help to reduce costs and explore revenue sources.

**Background Information**

- **Client:** Regional newspaper manufacturer
- **Location:** South India
- **Products:** English & Regional newspapers
- **Competitors:** Other newspaper players (have lower costs)

**Case tips**

- Accommodate the interviewer's inputs.
- Analyze the value chain of the newspaper industry.

C: In which all languages does the client sell newspapers?

I: They sell English, Hindi, Telegu and Tamil newspapers.

C: Do they want to reduce the costs for all the languages or any particular language?

I: They want to reduce costs for all language papers.

C: I would like to understand where do we lie in the value chain –are we only manufacturing the newspaper or are we selling and distributing it as well?

I: So, we manufacture and send it to our distributors who then sell it to end customers.

C: I would like to evaluate the different costs involved in this process –

collection of information, printing (paper, ink etc.), transportation etc.

I: In printing; plate process is used wherein different plates are used every day and discarded at the end of the day.

C: Can a plate be reused?

I: Yes. It could be looked at as every language uses different plate. It could bring about significant cost reduction.

C: To reduce costs we can –change the grade of paper/ink used, hollow printing technology to save on ink, reuse plates, optimize work schedule of staff for better efficiency, employ freelance and multi-lingual journalists to develop adjacencies etc. (Refer case structure)

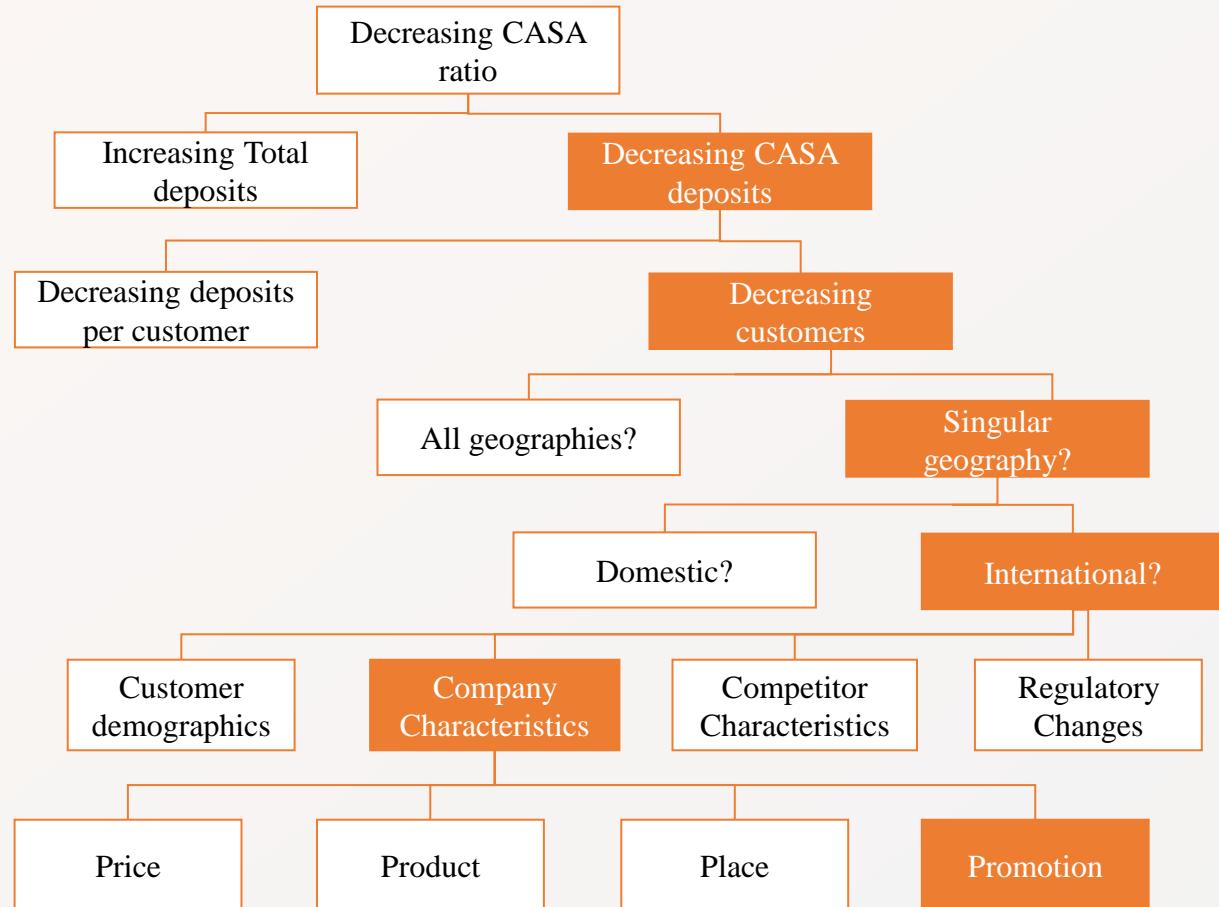
I: That's right. We can close the case here.

**Case Statement:**

Your client is a bank chain in Dubai that has observed a decrease in its Casa Ratio for the past six months. Please determine the reasons for the same and suggest measures to counter it.

**Background Information**

- **Competitors:** Other banking chains
- **Geography:** Spread across Dubai
- **Consumers:** Businesses and Individuals (Should be clarified with questioning)

**Case tips**

- The case required one to look at international clients. This can be gauged by digressing into the kind of customers the business is serving.

C: Can you help me by understanding what Casa Ratio Means?

I: Yes, Casa Ratio is the ratio of deposits in current and savings account to the total deposits with the bank.

C: So, are the savings and current deposits decreasing with the total savings remaining fairly constant?

I: Yes, that is what seems to be happening.

C: Is it because of reduction in customer deposits or reduction in customers?

I: The deposits per customer haven't diminished. The customers overall have been decreasing.

C: Understood. I would now like to understand a few things about the business in general. Is the problem visible in all branches or is it localized to only a certain geography?

I: The problem that we see is only in a singular branch in a relatively posh area in Dubai.

C: Do we see the issue of decreasing CASA for any particular kind of client?

I: Yes, the issue is only for the individual client.

C: Before moving further to customer segments, I would like to understand if there has been any change in the customer demographics in the area?

I: No, the demographics have remained fairly constant.

C: Okay, what kind of individual customers do we cater to?

I: The client caters to both international and local customers. The decline in customers is primarily in the international customers' segment.

C: Understood, I would now like to determine why do we see a reduction in the international customers.

I: Okay, go ahead.

C: I would like to look at the factors affecting customer perceptions such as changes in the client's company, differentiating factors of their competitors, changes in consumer demographics and any regulatory changes that may be affecting their sales.

I: Seems like a fair approach. I can tell you that the client has seen no noticeable changes on the side of competitors. Additionally, consumer demographics have remained more or less the same and there have been no new regulations.

C: This points to an issue in the said branch only. Am I right in assuming the same?

I: Yes, you are right.

C: Thank you. I would like to understand the changes in the products and services in the past six months of the particular branch, if there are any?

I: There have been no changes in the products and services of the branch, and they are as per industry standards.

C: Okay, has the location of the branch shifted somewhere in the same location so that it may be causing issues with accessibility?

I: No, the branch has remained where it was.

C: Understood. Is it safe for me to assume that there have been no pricing changes given the branch is a part of a larger chain of banks?

I: Yes, the assumption is correct. What else could be the reason?

C: Given that Product, Place and Prices have remained the same, it points towards a promotion issue. Have we seen any changes in the way we promote the branch?

I: Yes, we did make a few promotional changes where we changed the banner to the local language.

C: Yes, that could be a reason for decline in the number of customers.

I: Yes, that is correct. Can you now suggest some measures to improve the same?

C: Yes, we can begin by putting an alternate signboard in English as well so that the international customers can recognize the branch. Also, given that

they are international customers; we can strengthen our internet banking facilities as well so that they do not have to visit the branch for services that can be done from the comfort of their homes.

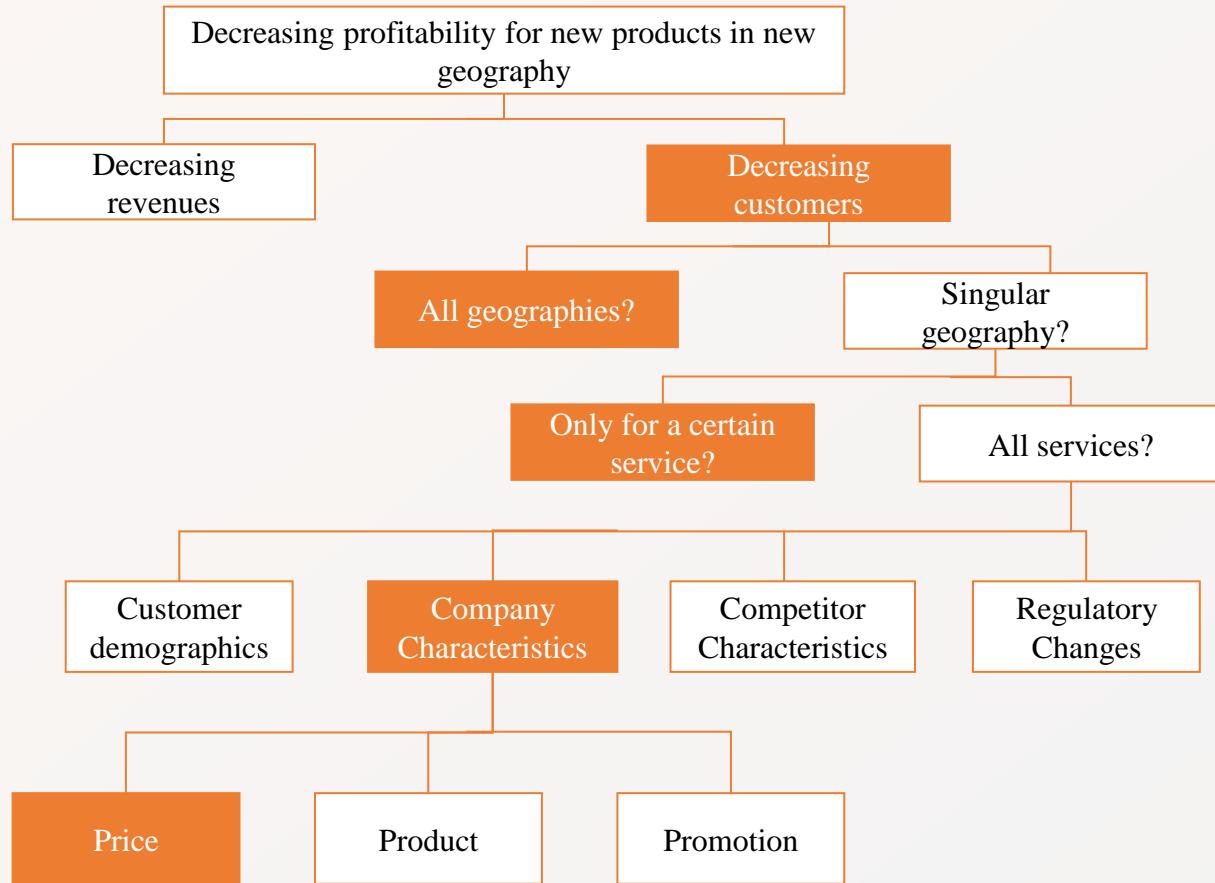
I: Yes, these two recommendations sound fair and something that we can look at. Thank you, we can close the case now.

**Case Statement:**

Your client is an auto-chain retailer. Earlier they had 10 stores. They have now expanded to newer stores in newer cities but have seen a decline in profitability. Can you help them figure out why this is happening and provide recommendations?

**Background Information**

- **Client:** Auto-chain retailer
- **Competitor:** No major changes
- **Consumer:** Automobile Users
- **Time Frame:** A few months

**Case tips**

The case here required one to digress through the client's products as sometimes, just one product segment can be the issue. This when identified makes the case relatively simpler to solve.

C: Okay, as I understand, our client is in the retail part of the service chain. What are the newer geographies he has expanded to? How are they different from the previous geographies?

I: The newer geographies are tier 2 and tier 3 cities. Previously, the client had presence in the major cities in the country.

C: The profitability has decreased. Can you let me know how has it decreased? Is it the revenues that have gone down? Or have our costs increased?

I: The cost has definitely grown given we have opened new stores. However, the revenues have not really grown in tandem.

C: So, as I see it, I should be focusing my attention on the reduction in revenues. Is that fine?

I: Yes, that should be the way to go.

C: Thank you. Now I would like to know about the products our client sells.

I: Good question. Currently, our client offers two kinds of services: 1. Off the shelf auto parts. 2. Auto services themselves.

C: What kind of vehicles does the client service?

I: The client services majorly two kinds of vehicles. Cars/Scooters/SUVs/MUVs (smaller vehicles) and larger vehicles such as buses/trucks.

C: Now that we have established the business, I would like to know is there any particular service that sees the unhealthy revenue growth?

I: Yes, the auto-parts seem to be doing well. It is the Auto-service segment that sees no revenue growth.

C: Understood. Is there a particular vehicle type that the client sees the low revenue income in?

I: Yes, it is the truck/buses segment that show the low revenue.

C: Thank you, that helps. Can you let me know the reason for the lower revenues? Is it that customers are low or have the market prices gone down?

I: The market prices have remained the same. However, the customers haven't been as much as the client expected.

C: Understood. I would now like to enquire why the inflow of customers is low. For this I would like to drill down into Customer Demographics, our Company, our Competitors and Regulations.

I: There have been no changes in the Customer Demographics, Competitors and neither have there been any changes in regulations.

C: Okay, so I will focus on the aspects of our own company. Now I will look into Products, Price and Promotions to get a deeper understanding of the issue.

I: Sure. The client's promotions did not reduce or change drastically. What do you mean by looking at Products?

C: By products, I mean looking at certain aspects of the Automobile Servicing such as Quality and Customer Interaction issues relating to customer retention.

I: Okay. No, the client does not see any changes there.

C: Then the issue should lie in the pricing area. Is the client pricing differently than the market?

I: Yes, the client prices automobile servicing for trucks/buses higher than the market. Can you tell me why the truck drivers do not tend to take our servicing in newer cities?

C: Yes, they directly may be looking for secondhand trucks at such costs or simply getting single services by local mechanics.

I: That is right. Can you let me know the recommendations now?

C: Yes. In terms of long-term recommendation, I would advise a membership program so that customers may be retained to provide as well as drive in some revenue with membership fees. For a short-term recommendation, I would advise reducing cost to the market value so that we can start getting in customers.

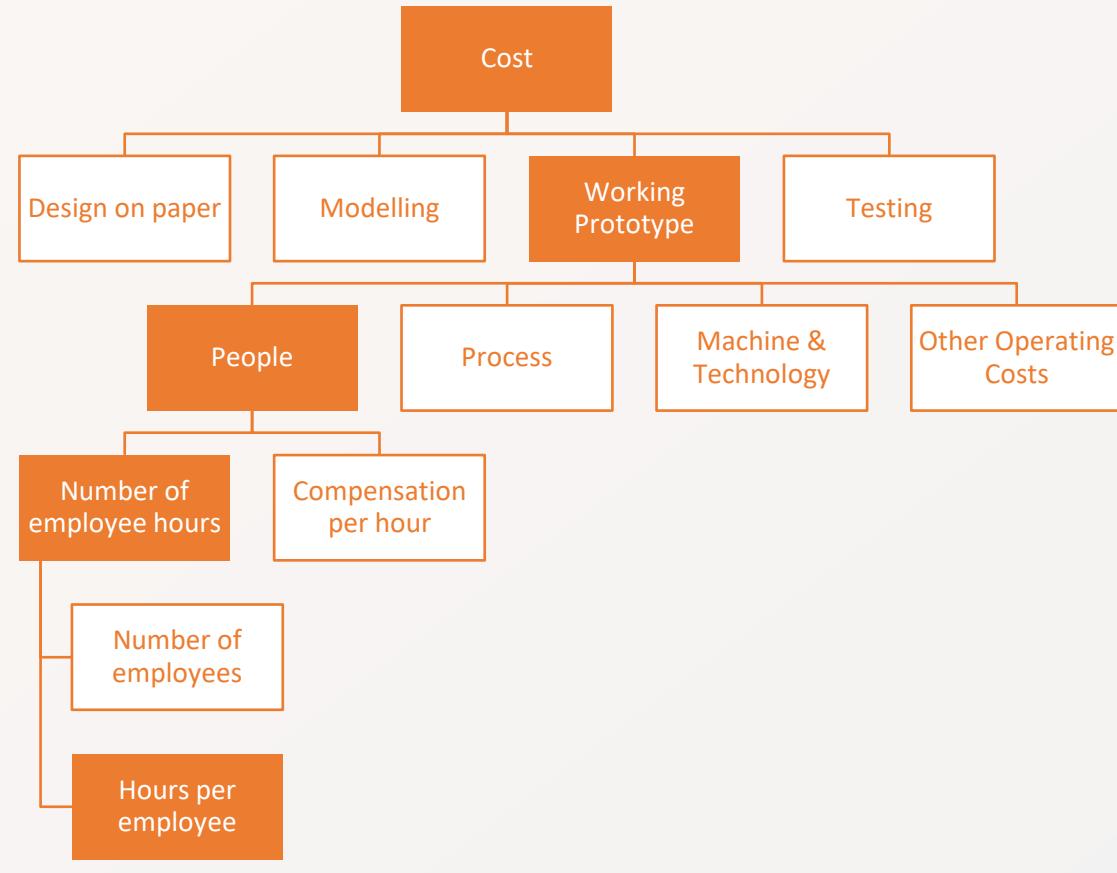
I: Thank you, we can close the case now.

**Case Statement:**

An automobile company is facing very high costs in their R&D department. Give them recommendations on reducing the same.

**Background Information**

- **Client:** Indian automobile manufacturer
- **Competitors:** Lower costs of R&D as compared to the client
- **Location:** India. R&D department based out of Pune, Maharashtra

**Case recommendations**

- Asking steps involved in an unknown industry helps.

C: Can you tell me something about the client? What kind of automobiles it manufactures? Where is it based out of ?

I: The client is an end-to-end automobile manufacturer. They manufacture 4-wheeler vehicles and trucks. They're based in India. The R&D department is based out of Pune.

C: Okay. Can you tell me why the clients wish to reduce costs? Is it because of higher costs in comparison to competitors, or is there some other motivation? Also, by what % and within how much time do we want to reduce costs?

I: Client's costs are higher than competitors. They want to reduce costs by 20% within a span of 3-4 years.

C: Okay. Now coming to the operations within R&D, I can think of two major ones: first for development of new products and second would be for enhancement of existing products. Is there any other operation that I am missing, or any particular that I should look at?

I: Good question. That's correct. These are the two. The costs are primarily high in the new product department. We can focus on that for this case.

C: Sure, thank you! I do not have much experience within this industry. So can you help me with the steps/ subprocesses involved so that I can look out one by one?

I: Sounds fair. So, the following steps are involved: design on paper, modelling, working prototype and testing.

C: Okay, thank you. So, you mentioned 4 major steps. To reduce costs as per the industry standards, I'll first try to figure out where exactly are we exceeding the costs and then come up with recommendations.

I: Sounds good.

C: Okay. So I will go through each step one by one and compare them on the following 4 parameters with respect to the industry: People, process, machines & technology, other operating costs (like land, electricity, etc.). Should I go ahead ?

I: Sure.

C: Ok. I will first look at the design on paper. Are our costs higher for this step ?

I: No.

C: Ok, is there a particular step I should look at ?

I: Step 3.

C: Great. Step 3 is development of a working model. I will look at the 4 parameters. Are we following an efficient process? Is the costs for people higher?

I: We spend more amount on the people involved.

C: Okay, is the compensation paid by us higher?

I: No.

C: Then I can think of two factors due to which we could be facing higher costs. Either we have more people or our people are working greater hours.

I: The people with us are working much more for the same deliverable. As an industry standard, one model takes around 12 months. We are taking 24 months. This is why the cost is higher. Can you give some recommendations now ?

C: Sure, but first, I want to understand the reason for this drastic difference.

I: Sure, our design team is operating out of Germany, and the modelling team is in Pune, so there's lack of coordination.

C: And why are they based in Germany?

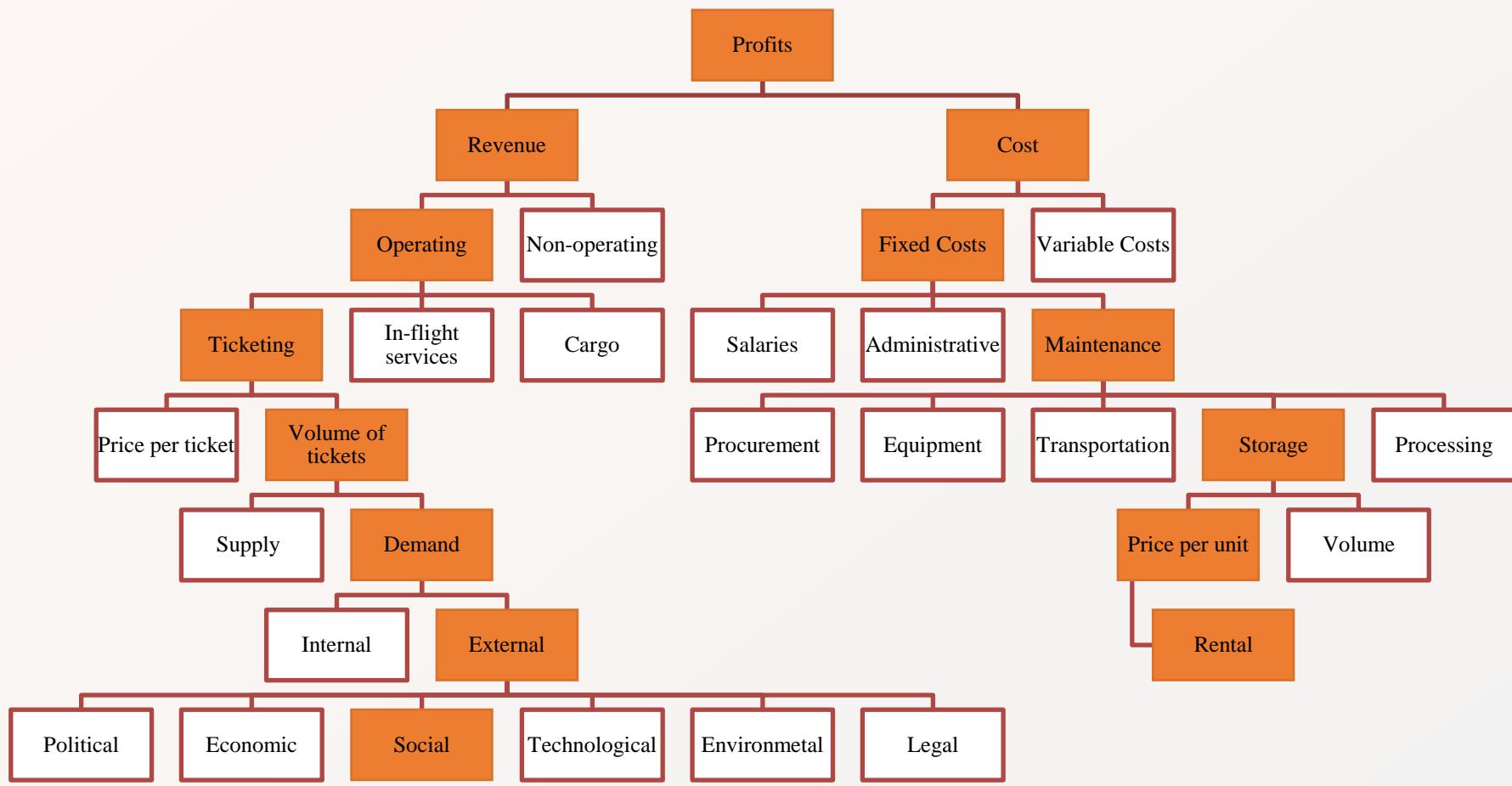
I: The client couldn't find efficient designers in India back when the plant was established. Since then, it has been working like this.

C: Okay, thank you. So, to resolve this problem, I'd look at two possible ways. We can either enhance the coordination between Germany and Pune folks or we can setup the design team to India. For the first way, I'd suggest mandatory monthly/quarterly visits by the design team to India. There can also be unplanned visits immediately. The process for the same should be very efficient. Going by the second way, to setup design team in India, we can either bring the German folks to India, or we can hire people from India itself with supervision from a few senior German leaders. Fields like design have been gaining popularity and we can expect to find good talent.

I: Ok, that'll be all. Thank you !

**Case Statement:**

Your client is an airline company facing decline in profits.

**Case recommendations**

- Thinking out loud will help narrow down the problem faster.
- Verify at each step if you are moving in the correct direction.

I: Your client is an airline company facing decline in profits.

C: I would want to understand the client's business. What kind of flights does the company run, magnitude of the problem and the timeline?

I: The company is a low-cost airline carrier which operates only domestic passenger flights. The profits have declined by 15% in the past two years.

C: Alright, and has this decline been in any specific geography?

I: No. The decline is uniform throughout the country.

C: How many competitors do we have and are they facing similar problems?

I: We have 4 major competitors and they have been facing similar decline.

C: Okay, what is the quantum and timeline of the decline?

I: Yes, they faced a decline of 10% in the past 6 months.

C: I'll like to analyze the profit structure of the company and break it down into revenues and costs which are the two components of profit. Has there been any change in any of these recently?

I: The revenues have gone down by 10% and the costs have increased by 5%.

C: Would it be fair to assume that the decrease in revenue is an industry wide issue while the increase in costs is client specific?

I: Yes, that is a fair assumption to make. Let us focus on the revenue first.

C: Passenger services, inflight sales and cargo are some of the major revenue streams I can think of. I wanted to confirm once that have the revenues gone down for all of them or for any one of these.

I: Yes, those are the major sources of revenue and the decline in the revenues has been uniform throughout all the streams. Let us focus now on the revenue generated from sale of tickets.

C: I would break them down into price per ticket and volume of tickets sold. Has there been a decline in either?

I: The prices have remained constant focus on the volumes here.

C: This could be because of supply side issues, where the demand exists but the client has not been able to meet it, or a demand side issue with the problem at the consumer's end. Could you help me understand, on which side is?

I: The client believes that there has been a fall in demand.

C: Alright then This fall in demand can then further be attributed to internal factors or external factors. Since the fall in demand is an industry wide trend. I would like to focus on the external factors first. Would that be okay?

I: Sure, go ahead.

C: There are 6 lenses I'd consider, i) Political, ii) Economic, iii) Social, iv) Technological, v) Environmental, & vi) Legal. Has there been any change in the government policies, people's purchasing power, taxation policy, inflation, possible economic slowdown or the preferences of people?

I: What do you mean by change in preferences? Do you have examples?

C: People might find other means of transport more suitable for travel or they might not be comfortable because of safety concerns.

I: Right. The people are scared to travel because there has been a viral eye infection spreading throughout the country for the past 6 months which is the reason for reduced travel. I would now like you to analyze the costs.

C: Costs can be further broken down into fixed and variable costs. Salaries, administrative costs and maintenance costs are some fixed costs I can think of.

I: The maintenance costs have gone up recently

C: I can further break down maintenance costs into procurement of raw materials and equipment costs, transportation costs, processing costs and storage costs.

I: Yes, the storage costs have increased.

C: Storage costs can be broken into price per unit and volume of units. Either the cost of storage could have increased or the number of stored spare parts.

I: That's right the cost of storage has increased because the vendor has increased the rental by 50%. Now that you know the reason of the declining profits, can you suggest some recommendations to overcome the same?

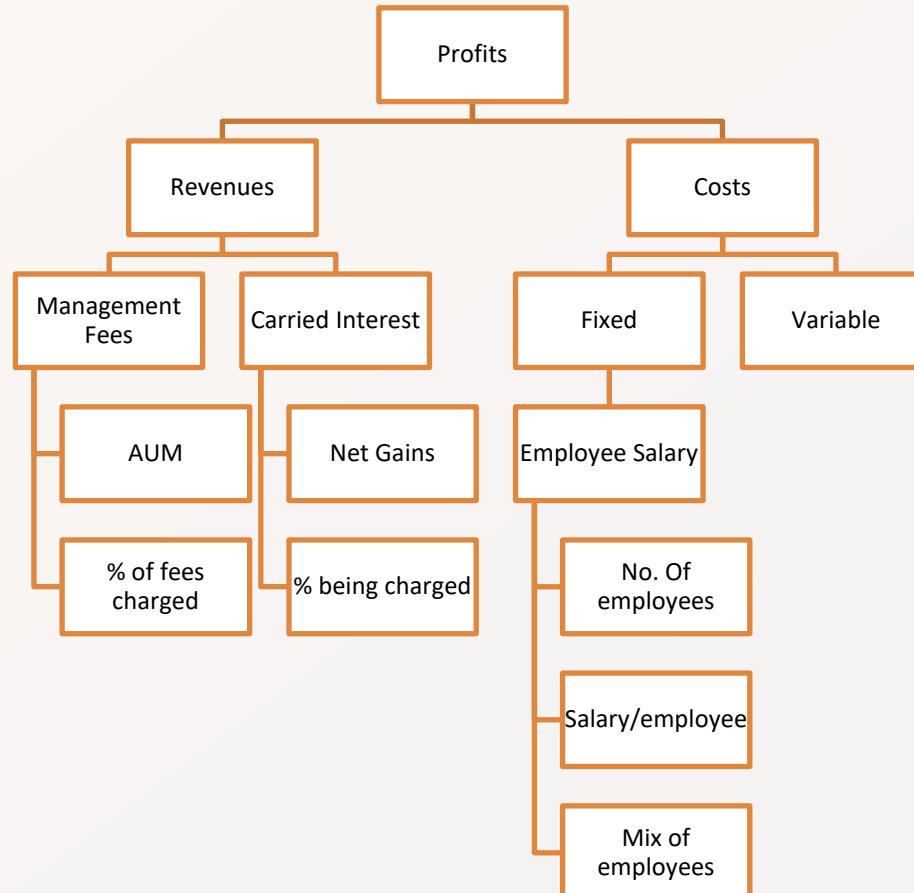
C: In short run, 1) Increase passengers testing pre-boarding, 2) Launch positioning campaigns to relate safety to travel, 3) Reduce frequency of operational flights as per occupancy rates and 4) Negotiate reduced storage costs. In the long run, we can 1) Switch vendors and 2) Incorporate just-in-time procurement system.

**Case Statement:**

Your client is a Hedge Fund and they have seen a decline in its profits. They have asked you to find the reason and come up with solutions for them.

**Background Information**

- **Client:** US Based Hedge Fund investing in Equities
- **Competitors:** Other Hedge Funds around the US who have done well during the period of our decline
- **Time Period of Decline:** 2 years
- **Magnitude of Decline:** 5%

**Case recommendations**

- Calculations form an important part of the case solving so be quick with calculations
- Breaking employee salary into volume (no. of employees), value (Salary per employee) and variety (employee mix) is important

C: Okay, seems like an interesting case. Before proceeding, I'd just reiterate the statement once, just to ensure that we are on the same page. Our client is a hedge fund facing a decline in profits and they want me to analyse the same, right?

I: Yes right! You can proceed with the case.

C: Okay, so I would like to understand the client first and the industry in general. If I'm right, a Hedge Fund is like a Mutual Fund in which majorly HNI's invest since the amount being invested is very high. And just like a Mutual Fund, there is a fund manager who invests the money on our behalf, right?

I: Yes, your understanding about a Hedge Fund is correct. You may go ahead.

C: Okay, now I'd like to know what exactly is the time period we are talking about (COVID/Pre-Post COVID), where exactly is our client located, what is our AUM, what kind of assets we invest in, since when have we seen the decline happening and if we are aware of the magnitude of the decline?

I: Okay. We are a US-based fund, and we invest majorly in Equity markets i.e. NASDAQ and NYSE. The decline has been happening for 2 years now and our profits were steady till 2019 but in 2020 and 2021, our profits have gone down by 5%. This hasn't been faced by any other player so you can maybe ignore the effects of COVID. Our AUM in 2019 was 1600, in 2020 was 1800 and in 2021 was 1900.

C: Okay makes sense. Now I'll break profits as a function of the difference between revenues and costs. A decline in profits can be due to a decline in Revenues, an increase in costs, or an interplay of both factors. So is our client aware, where exactly are facing the issue?

I: So, there is an issue with both Revenues and Costs.

C: Okay so I'll start with the revenues side of it. The major revenue streams that I could think of over here are: (i) Management Fees charged by the Hedge fund and (ii) Any profits made on the invested money in the Hedge Fund. Am I missing out on anything?

I: You have identified it correctly. Just to clarify, Management Fees is a fixed fee paid on balance of AUM. The share of investment that you were talking about, that is known as Carried Interest and it is charged @20% of all gains in excess of a Hurdle Rate of 15%. Focus on both the revenue streams.

C: Okay makes sense. I'm sorry but I'm not sure how the Hurdle Rate works. Can I get some clarity on that?

I: Sure. hurdle rate is a minimum acceptable rate that the investors expect from the fund. So, when the fund is giving a return on more than 15%, you get 20% of the gains that the firm has earned. In case returns are less than 15%, you don't get anything.

C: Okay, clear now. Okay starting with the Management Fees. It would be a function of AUM and % of fees we are charging. AUM, as we discussed has gone up. My hypothesis is that the % rate we are charging has gone down. It may be due to any company policy change, any change by the competitors, or any new demands by the customers.

I: Yes, you are correct! % of fees being charged has gone down from 2% to 1.5% owing to the demand of low-cost investment opportunities by the investors.

C: Okay, and in order to calculate any change in the carried interest, we would need to find out the net gains for which we would be needing the costs. So, firstly I'll move ahead with the cost side to it. Costs can either be fixed or variable in nature. Fixed costs would include infrastructural costs like those of physical and digital infrastructure, operational costs like employee salaries, marketing costs and admin costs and finally other costs like interest payments if any. Variable costs would include costs like salaries dependent on returns etc. Is our client aware, where exactly are they facing the issues?

I: This seems like a comprehensive enough break up. We have seen an increase in the fixed employee salary costs.

C: Employee salaries can be a function of the amount of salaries we are paying, the number of employees that we have and the mix of those employees. Is our client aware of the root cause of the issue?

I: Yes, you have identified it correctly. The issue lies with the employee mix. The number of Analysts that we hire have gone down while the associates have gone up. This is because we want a better professionally managed portfolio which gives investors the trust that they want while investing in us.

C: Okay! Would you like me to do anything else now?

I: Yes. Now use the data that I'm about to give to calculate the actual decline in profits that have incurred to us. So, as you know, the AUM details are 1600, 1800 and 1900 across 2019, 20 and 21. The Return we generated on the investments across the 3 years was 20%, 12.5% and 5%. Talking about the employees, we have reduced the number of Analysts from 12 to 9 and increased the number of Associates from 9 to 18 from 2019 to 2020 and 2021. Analysts are paid 200 per year and Associates are paid 300 per year.

C: Okay! I'll take some time to calculate the revenues and costs. For costs, is it fair to ignore any other kind of costs than the employee costs?

I: Yes, fair!

Particulars	2019	2020	2021
AUM	1600	1800	1900
Mgt. Fees (a.)	32 (@2%)	27 (@1.5%)	28.5 (@1.5%)
Returns Gen.	320 (20% given)	225	85
Carried Int. (b.)	64 (@20% of returns)	0	0
Revenues (a + b)	96	27	28.5

Particulars	2019	2020	2021
Analyst Cost	2400	1800	1800
Associate Costs	2700	5400	5400
Total Costs	5100	7200	7200

C: We can clearly see how revenues have been going down drastically and costs have gone up by a huge percentage. (All calculations are done using numbers given in the case, by the interviewer)

I: Yes exactly. We can close the case for now. It was a good discussion

**Case Statement:**

A company that produces mint candies has seen a decline in profits generated over the last 3 months

**Background Information****Trend for the decline:**

3 months

**Company details:**

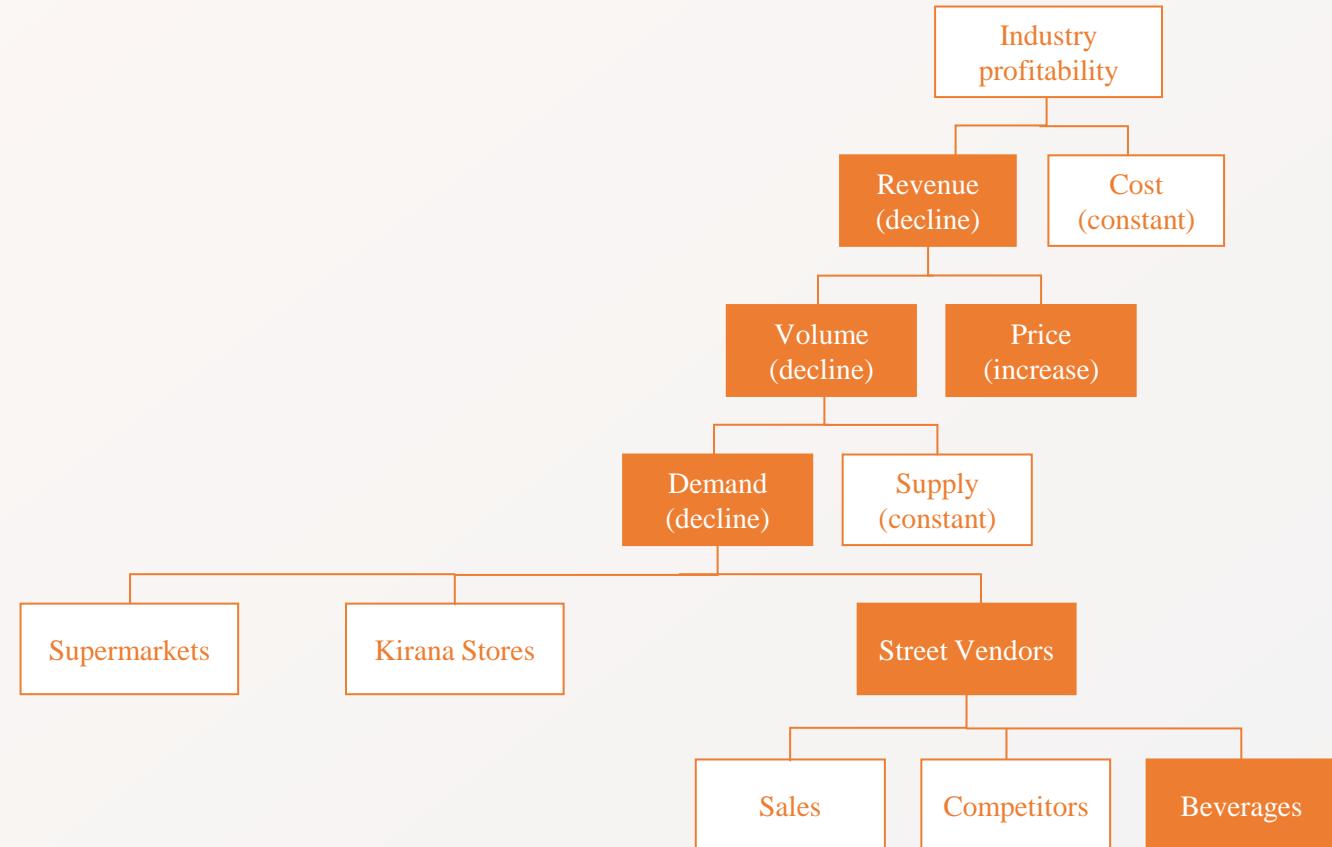
- a) Location: South India – company that produces mint candies

**Product:**

- a) 3 types of mint candies.

**Industry:**

- a) Only the manufacturer affected.
- b) Impact seen in one segment
- c) Other two segments are realizing higher profit margins

**Case recommendations**

- Identify the various customer pain points based on customer journey map.
- Follow the journey map to look for disruptions.

I: Client is an established manufacturing company that presently produces mint toffees in three different flavors. Over the past three months, the company has been seeing a decline in the net profit figures. Analyze the case and arrive at a conclusion.

C: Firstly, I would like to analyze whether the problem is arising due to the supply side (production & distribution) or the demand side, if you could shed some light on that.

I: So, the company has been established for over 5 years and has distributors who sell the products in three different segments and percentage sales have been provided below.

Supermarkets : 25%

Kirana stores: 35%

Street Vendors: 40%

The company has been seeing a decrease in sales of over 70% in the street vendors segment alone, while the other two segments have been generating higher margins. Competitors in the same segments have not seen a decline in profits.

C: Okay. Since only the client has seen a decrease in sales, can you provide some inputs on whether any changes have been made in the production process or in the pricing of the toffee.

I: Yes, based on customer surveys conducted, inputs were received on increasing the size of the toffee to add a higher percentage of jelly filling in it.

C: Can you shed some light on whether any pricing revision was done

I: After increasing the size, the price of the toffee was also increased from Rs. 1 to 2.

C: Post making this price change, what were products and the customer's reactions to the new products and how did it affect sales?

I: This increase in size and filling has been well received by the customers as well seeing a 20% increase in sales in the supermarket and Kirana store segments.

C: Since post making this change, we are seeing a drop in sales, the process of how the product is sold in street vendors would have to be looked at extensively. I will start by analyzing the causal reasons behind sales among street vendors.

I: Sure, that seems like the right approach, please continue?

C: So, while customers go to supermarkets and Kirana stores with the intent of buying toffees, the number of people going to street vendors to buy the same is relatively less. Based on customer requirements of going to street vendors, it is generally to have snacks like samosa with tea. The average price of a samosa is Rs 7 and that of tea or coffee is Rs 10. When customers normally buy 2 samosas and one tea, they end up spending Rs 34 and it is common for vendors to give Rs 5 plus a Re 1 toffee as change. Since the price of toffee has been increased to Rs 2, the vendor would not be able to give the same toffee along with the change and it is unlikely that customers would want to purchase 3 toffees instead.

I: Perfect, the analysis performed is spot on. To address what you would you recommend.

C: Since customers in supermarkets and Kirana stores are responding positively to the new product, while street vendors are not, the optimum solution would be to manufacture both types with sales targeted at the specific customer bases.

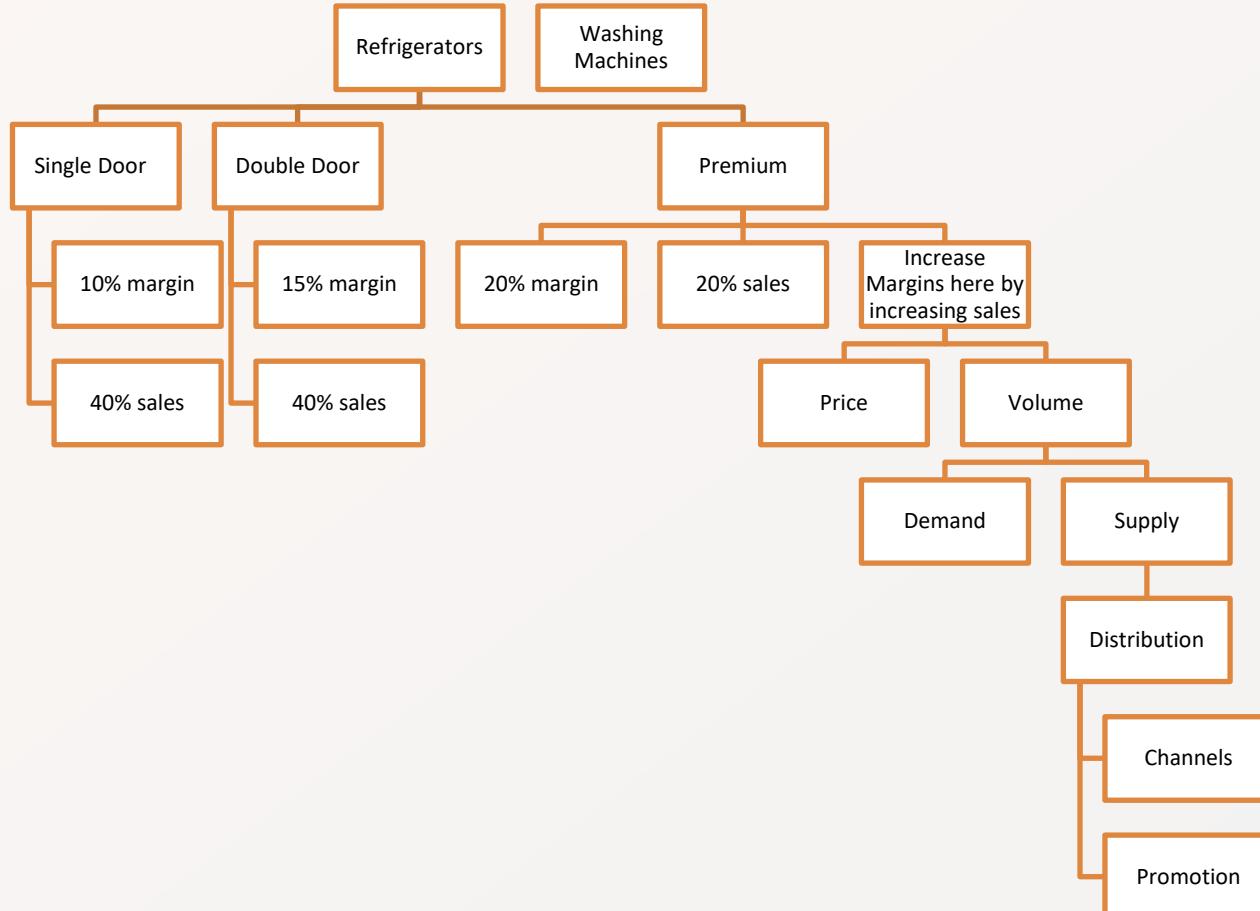
I: Yes, the solution seems apt for this. We can end the case now.

**Case Statement:**

Your client is an Indian home appliance company specializing in washing machines and refrigerators. It wants to increase the margins on its refrigerators.

**Background Information**

- **Client:** Manufactures products and sells it through third party distributors. 3 types of refrigerators are manufactured.
- **Time Period of operations:** 10-15 years
- **Magnitude of Decline:** 5%
- **Competition:** 7-8 competitors with slightly higher margin than ours.

**Case recommendations**

- Identifying Product Mix becomes an important part of case solving

C: So just to reiterate the client is an Indian home appliance company, and it wants us to suggest ways to increase margins only for its refrigerators, right?

I: Yes right! You can proceed with the case.

C: So, before I go into suggesting solutions, I would like to understand the company a bit more. Does it operate only in India? Where does it lie in the value chain? How long has it been in operation?

I: The Company has been in operation for the last 10-15 years and is an established player. It only operates in India. It manufactures the products and sells it through large and small distributors and ultimately through third-party retail outlets.

C: So just so I understand correctly, the client doesn't own the end-to-end supply chain, it just manufactures the products and margins are dependent on the sale to distributors?

I: Yes, that's correct

C: Understood. So what kind of refrigerators does the company manufacture? I'm assuming it would be different types of refrigerators, having different uses and margins, targeting different customers?

I: Yes, so the company produces 3 types of refrigerators – Single door, Double door and premium – having margins 10%, 15% and 20% respectively.

C: And do we know about the product mix? In terms of sales?

I: Yes, so the product mix is 40-40-20 for the single door, double door and premium refrigerators respectively.

C: Okay. I would like to understand the target customers for this product. Would it be fair to assume, the premium segment would be high-income urban customers?

I: Yes, that's a fair assumption. The single door is the cheapest and is bought by low- and middle-income segments while the double door is predominantly for middle-income and high-income segment.

C: Okay. And what is the competitive landscape like in this market? Is this a price-sensitive market? Are the products differentiated? How many competitors are there?

I: So this is an extremely price-sensitive market, and assume we cannot increase prices to increase prices. There are 7-8 other competitors.

C: Now that I have gained an understanding of the client and the market, I would like to understand why the client wants to increase the margins. Is it need-based or purely aspirational?

I: The client would like its margins to be in line with competitors which are 1-2% higher.

C: And is there a specific timeline by which the client expects to increase margins?

I: You can consider around 1-2 years

C: So, considering the market is price sensitive, there would be more or less similar price for products of different companies and differentiation would be based on products and product features. Is that a fair assessment?

I: Yes, that's fair.

C: And considering the client's margins are lower than competitors' margins with similar price, the clients' costs are higher than the competitors?

I: No, the client is best in terms of efficiency and cost

C: Okay so considering the client is leading in terms of cost efficiency, I would like to focus on the product mix of the company. And although the cost is already the lowest among peers, I would still like to explore whether there are any opportunities to further reduce the same.

I: Why don't you focus on product mix part only?

C: Sure. Currently, the client is operating at a 14% margin, and the target margin is 15-16%. The single-door fridge is sold at a margin of 10% while the double is sold at a 15% margin. Increasing the sale of either would not help the cause. So, I think the client should focus on increasing the sale of its premium refrigerators having a 20% margin. Is that a fair approach?

I: Yes. How can the client increase the revenue of the premium refrigerators?

C: While increasing sales, considering we can't increase the price, I will focus on increasing sales volumes. In doing so, I would like to understand a bit more about the product features and the perception of the product. Is the client's premium refrigerator lacking in some features as compared to competitors?

I: No, the features are best in the that segment

C: So, if price is similar and features are better and still sales are low, it would probably mean there is an issue with the distribution or the communication of these product features. I would first like to focus on the distribution aspect – mainly online and offline. So, if the Company does not sell its products through the online channel, then that is one thing that it can expect considering a lot of its consumers would be urban high-income consumers. They could use 3rd party platforms or even their own website for the same. The Company can look at optimizing its distribution chain and target areas with a bigger target audience and can expand into Tier 2 cities as well to acquire more market share. It could look at introducing more of its own stores and showrooms, which would enhance the brand and help connect with the urban consumers. Does that seem fair?

I: Okay that's good, you can go ahead

C: Next I would like to focus on the promotional strategy of the company. And I would like to divide that again into online and offline channels. The Company can use online channels to connect with younger audience and young families to promote its products. When it comes to sales through brick-and-mortar stores, it can use targeted ads, hoardings, billboards, loyalty benefits for customers while exchanging their existing refrigerators, and having own sales team in

premium retail stores to push its products. The Company can also target newer customers in Tier 2, Tier 3 cities to expand volumes.

I: Okay that's fair enough. Anything else you can think of?

C: One more thing the Company could do is regarding the actual purchase of the product. It can add more financing options for customers that would help customers to easily finance these big purchases

I: Okay that's fine. Now assume the client adopted these strategies and it doubled the sales of its premium refrigerator. Now what is the overall margin, other sales being constant.

C: 15%

I: Now the client wants to increase the sales of its washing machines, and it has approached you again. You have a proposal ready that you are going to present to the management. How would you structure that proposal?

C: Do you want me to give a strategy as well or just the structure of the proposal?

I: Just the structure.

C: Okay. I will have the first section explaining the current variants of washing machines of the client, historical sales growth, profit and volumes. The second section would focus on industry growth, competition level, and growth drivers. The third section would deal with growth opportunities and possibilities for the client specifically, based on the above 2 sections. Fourth would be the challenges in implementing solutions listed in Section 3. The final section would focus on final recommendations based on Sections 3 & 4.

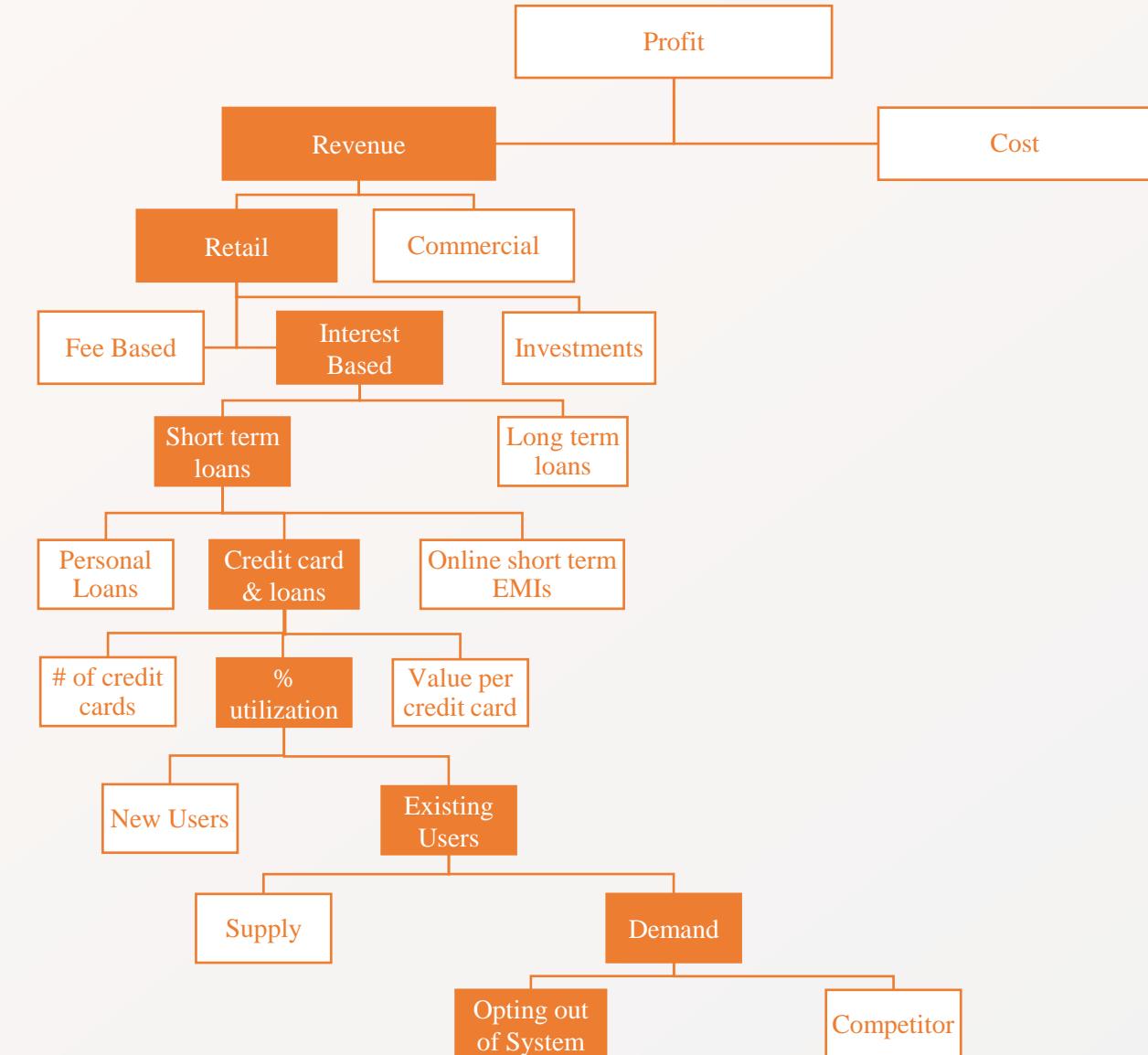
I: Okay that's what I was looking for! I think we are done here, so thank you!

**Case Statement:**

Your client is an Indian Banking giant, that is facing a decline in profit for the last 6 months. Analyze the problem and provide recommendations

**Background Information**

- **Percentage decline** – 5-10%
- **Time period** – 6-8 months
- **Company** – Indian Bank
- **Competitors**: Market leaders. We have 3-4 competitors, but they are not facing a decline
- **Geography** – Pan India



I: Your client is an Indian Banking giant, that is facing a decline in profit for the last 6 months. Analyze the problem and provide recommendations

C: Great, so before going forward I would like to understand the company a little more. Which sector of banking does it operate in? Is it private or public?

I: It is a national private bank with a presence all over India.

C: How much is the decline in profit? Are the competitors facing a similar decline? Is there any regional bias in profitability?

I: It is seeing a 5-10% decline in profit across India and competitors are in fact seeing an increase in profits.

C: I think I have enough information to break down the problem. Let us look at the revenue and costs of the company to isolate the problem.

I: The costs have been constant, but the client is seeing a decline in revenues.

C: Great! Banks typically have retail and commercial segments. Is this same for our client ? If so, which segment is facing the decline ?

I: Good approach, the client has both segments and is facing decline in retail segment.

C: We can divide revenue from the retail segment into fee-based, interest-based, and investments based. We can look at each segment one by one to see.

I: We can look at interest-based streams of revenue first. In particular, short-term loans.

C: Okay, in short-term loans I understand we have personal loans, credit cards & EMIs. Am I missing any segment?

I: No, this is pretty comprehensive for retail customers. Our client is seeing a decline in revenues from credit cards.

C: Great! I would like to break revenues from a credit card into a formula – Rev = #of credit cards x % Utilization x Value Per Credit Card Am I missing any components? If not, I would like to dig into each component to see where we are seeing a decline.

I: No, the formula is good. We are seeing a decline in # of credit cards in circulation.

C: I understand number of credit cards can be divided into new cards issued + old cards still in circulation.

I: Correct, so we have no problem selling new cards, but our churn rate of older cards is very high when compared to our competitors.

C: That is interesting. So, I understand there can be either a supply or demand issue. But I feel since we are able to sell new cards, it is not a supply issue, and would like to focus on the demand side.

I: Good observation, go ahead.

C: So, I understand demand could further decrease because of either competitor action or customers simply going out of the credit card system. However, since our competitors are seeing an increase in profit, I would like to rule out the second and focus on the first.

I: Go ahead.

C: Okay so we can break down the decline in demand due to competition further into need, accessibility, awareness, affordability, and customer experience. But since we are seeing an increase in new credit card acquisition and an increase in churn rate, I think there is a problem in customer experience and would like to focus on it.

I: That sounds good, go ahead.

C: I would like to break customer experience into pre, during, and post-usage.

I: Okay, you can look at post-usage experience.

C: Okay so in post-usage experience, I would think of the renewal of cards. I would divide that into awareness of the renewal process, the process of renewal, and pricing issues.

I: Great. So, we have recently changed our mode of notification due to which customers are not aware of their renewal deadline and thus miss out on it. Why don't you suggest some solutions?

C: That's good. Before going ahead with solutions, I want to know more about the change in the notification. Was it an internal issue from our side or some external change like privacy regulation or OS update on devices?

I: Great you asked but we don't have data on that. You can focus on the solutions.

C: Okay so I will look at multiple factors. In the short term, we can change the renewal period so that more people get more time to respond. Secondly, the client can add permission settings or add renewal alerts to the monthly billing reports to increase awareness.

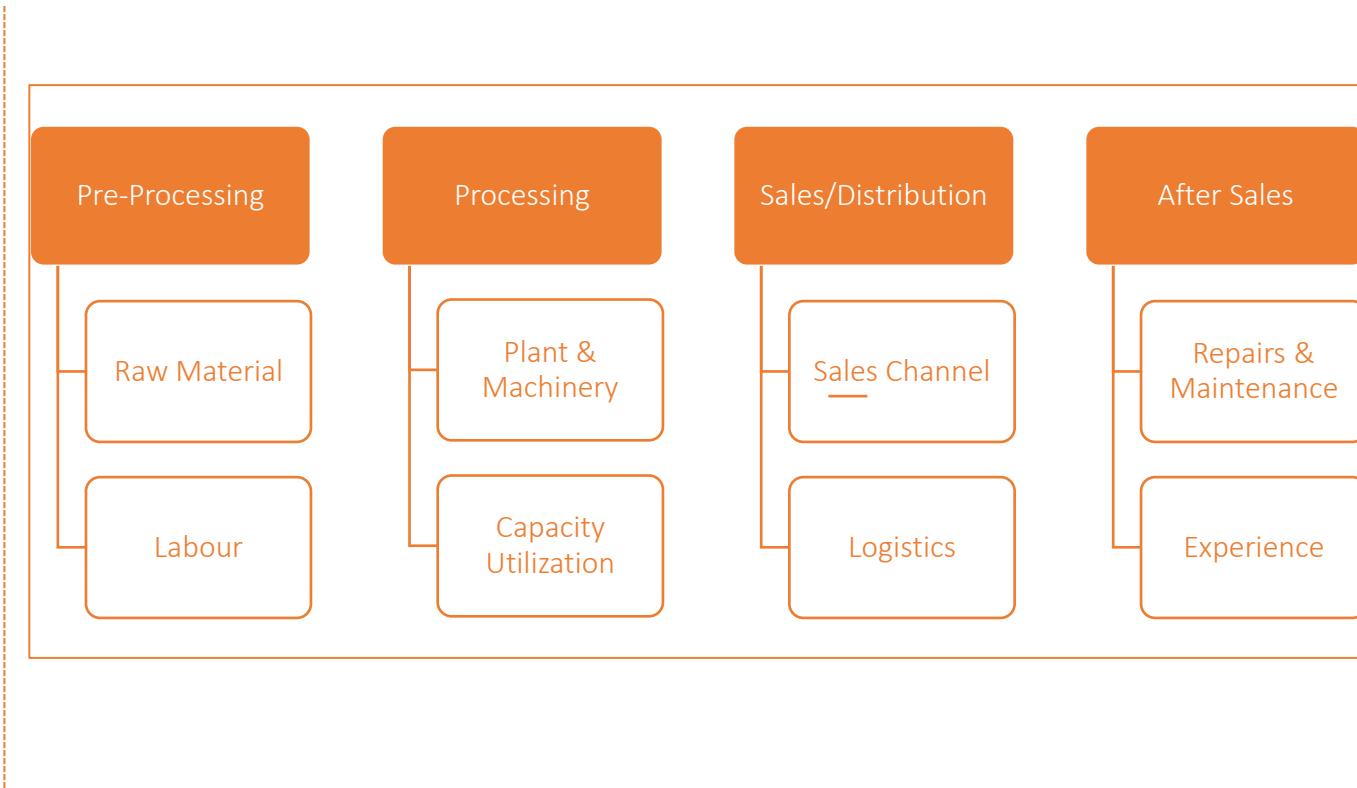
I: Okay that's enough. We can end the discussion.

**Case Statement:**

One of our clients, a tractor manufacturing company is seeing a decline in their profits. Diagnose the problem.

**Background Information**

- **Client:** Top 3 Tractor Manufacturing Firm
- **Competitors:** fairly competitive market
- **Location/Geography:** Pan India sales

**Case tips**

- The key point here was that based on the geography, the needs of the consumers would differ - thus, a small farmer from the Southern Part of the country would have different needs as compared to a small farmer from Punjab or Haryana.
- You should always try to divide the solution into 2 or 3 buckets (Short Term, Medium Term & Long Term or Short Term & Long Term).
- There should have been a deeper dive into costing – factors like transportation costs, processing costs, marketing costs were not taken into account.

C: Sure, since how long have we been seeing a decline in the profit? And how much decline have we seen?

I: So, we've seen around 18% decline in profit and the market share has been declining since the past 3 years.

C: And have our competitors also seen a decline in profits? Or is it a company specific issue?

I: We haven't heard about our competitors facing a decline in profits.

C: Alright, since the profits are declining, it could be due to increasing costs or decreasing revenue. have we been seeing a decline in our revenues?

I: Yes, we've seen a decline in our revenues.

C: Alright, Can you share some insights on the company's product mix?

I: So, our products can be best classified based on HP:

HP	Revenue(%)	Growth
<20	10%	Stagnant
20-40	50%	Declining
40-50	20%	2 <sup>nd</sup> Fastest
>50	20%	20%

Candidate: Great thank you. From the first look, the first 2 buckets – contribute to 60% of revenue – however, the growth has been stagnant and in the second segment declining. I would want to deep dive into these 2 buckets first.

I: Sure, go ahead.

C: Alright, I also want to understand more about the customer base? Specially for the first 2 buckets.

I: So, basically, we cater to dealers' companies, small-time tractor vendors as well as direct consumers. For HP 20-40, our major consumers are farmers.

C: So, I would like to divide the process into 3 parts – Pre-Processing, Processing, Sales/Distribution and After-Sales. Are we witnessing a loss in demand, or should I consider evaluating the manufacturing capabilities of the plant?

I: Our manufacturing process is at par with the competitors, and we are able to meet the demand with ease, but there has been a decline in the demand.

C: And have there been any changes in our price or the price of the competitors?

I: No, there haven't been any changes that we are aware of.

C: So, since price and quality do not seem to be the issue, I would like to focus on understanding why there is a loss in demand in this segment. For this, I would want to conduct a Need-Gap analysis to understand if we're meeting the customer's demands. Do we have any information about if the consumers (small farmers) are satisfied with our product?

I: For most parts of the country, we have had no complaints. However, a major segment of our consumers is based in Northern Part – Punjab, Haryana, UP & Bihar. And we have received feedback that the consumers here are not satisfied with the performance of the tractor.

C: That's interesting. Since the customers are not satisfied with the performance of the tractor, the issue could lie with the fact that they are using lower HP tractors.

I: Yes, that makes sense since consumers here are opting out of buying lower HP tractors. What would be your solution?

C: Since we have the manufacturing capabilities, we need to offer 40-50 HP & >50 HP tractors in these areas. Thus, we need to reduce the number of smaller tractors and increase the production of 40-50 & >50 HP tractors.

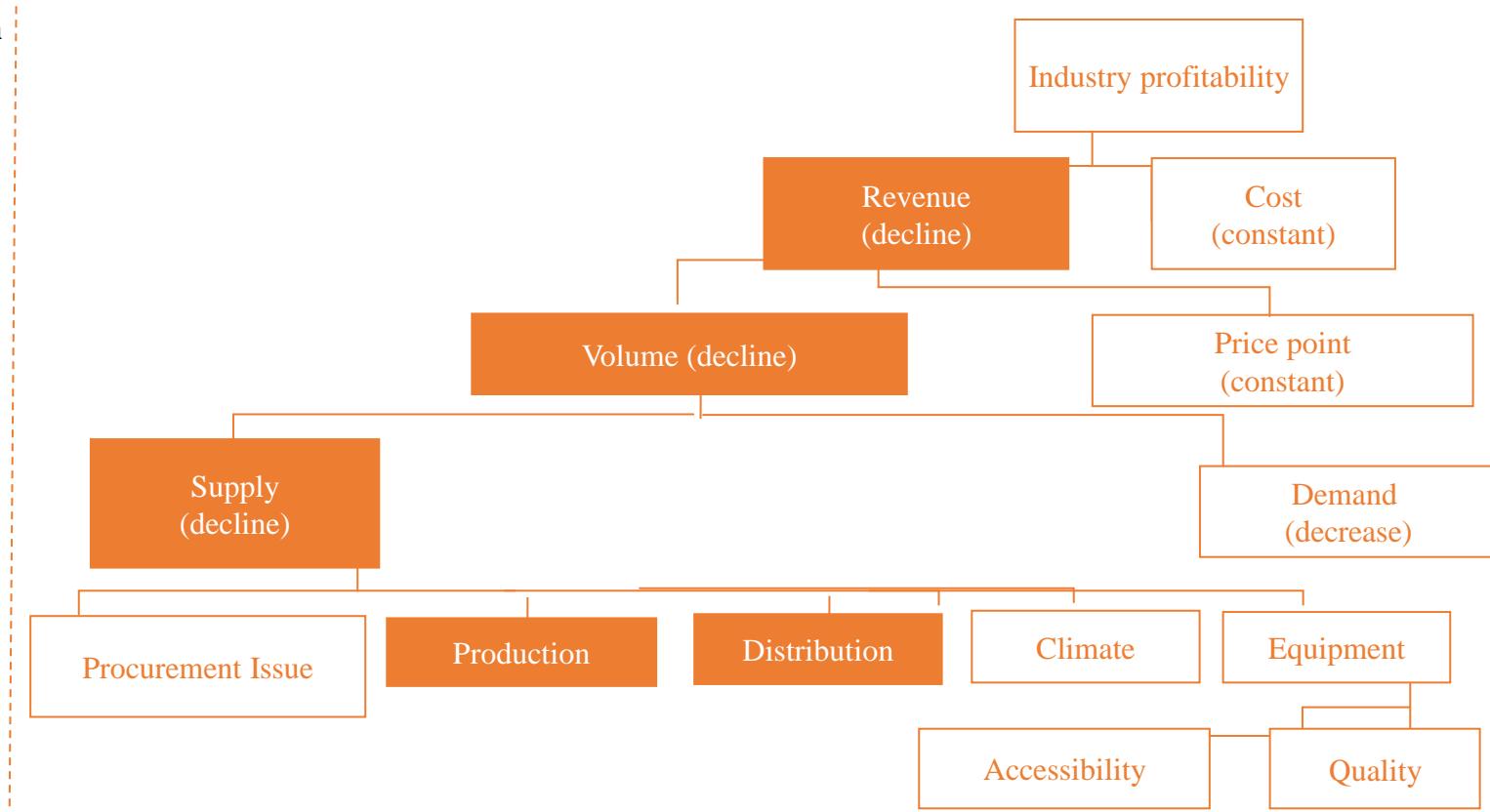
I: Alright, thanks. We can close the case here.

**Case Statement:**

One of our clients, a tyre manufacturer company is seeing a decline in their profits. Diagnose the problem.

**Background Information**

- Client:** Top 3 Tyre Manufacturer
- Competitors:** fairly competitive market
- Location/Geography:** Pan India Sales

**Case tips**

- The case could've been made simpler by following— Need, Awareness, Accessibility, Affordability and Experience approach. This was mentioned by the candidate, but post accessibility – the other factors were not discussed.

C: Since how long have the profits been declining?

I: We've seen a 30% decline in profits in the past 8-9 months.

C: That is a significant decline. Can you walk me through the clients' business model?

I: Our sales of tires can be classified into demand from original equipment manufacturers (OEM) and replacement market (RC). We have a pan-Indian presence.

C: Noted, and are we seeing a decline across both markets?

I: We are witnessing a decline in both markets but slightly higher in the RC market.

C: Alright, also is the issue of declining profits an industry-wide problem?

I: No, the problem seems to be with our company.

C: Since the issue is limited to our company, and the profits are declining, that could be because of lower revenue or higher costs. I'd like to evaluate declining revenues first.

I: Sure, go ahead.

C: Has there been any major change in the pricing?

I: No, the prices have remained mostly constant in the past year.

C: What about the no. of customers? Have our volumes decreased?

I: Yes, there has been a loss in the number of customers.

C: So, for this, the factors that I would like to consider are Awareness, Accessibility, Affordability and Customer Experience.

I: Okay, go ahead.

C: Starting with Accessibility, are we seeing any issues in terms of our tires being available to the customers?

I: Yes, in fact, we have had complaints about our products being unavailable at several dealerships.

C: And are these dealerships concentrated in a particular city or area? Or are they spread across?

I: The complaints can be traced mostly to a specific area near Kolkata.

C: Alright, Now that we've identified the root cause behind the drop in demand as lack of product accessibility, it seems that the supply of our tyres to these dealerships needs further scrutiny, have there been any changes in the distribution channels?

I: Yes, we changed our transportation partner as the current vendor offered us a discounted rate as the earlier vendor was charging a much higher rate. However, as a result, we are witnessing a delay in shipments.

C: Understood, I would like to analyze the reason there is a delay in transportation. It could be because the vendor is taking a longer route to deliver the goods maybe because of delivering other goods along the route. Or they wait to get a specific number of shipments and only then send them.

I: Yes, since the vendor is charging us a lower rate they send our shipments along with other shipments, thus causing a delay. What would be your solution?

C: Ok so, in the short term the solution would be to send across a higher volume of shipments at once to the main hubs in Kolkata so that there isn't a long delay in availability in lieu of a little higher warehousing cost. In the long run, we could negotiate a contract with the vendor to supply to more areas with the vendor at similar costs but guarantee a faster delivery by sending our shipments regularly.

I: Alright, but do you think it would be beneficial if our warehousing costs increase significantly and offset the increase in revenue?

C: Yes, so even in the short term, to bring profits back to earlier levels, I would also like to look at possible avenues of cost reduction in warehousing costs.. The client can do a trade-off analysis of optimizing the location of the warehouse vs the rent that they pay so that it caters to the right demand centers and reduce the transportation cost.

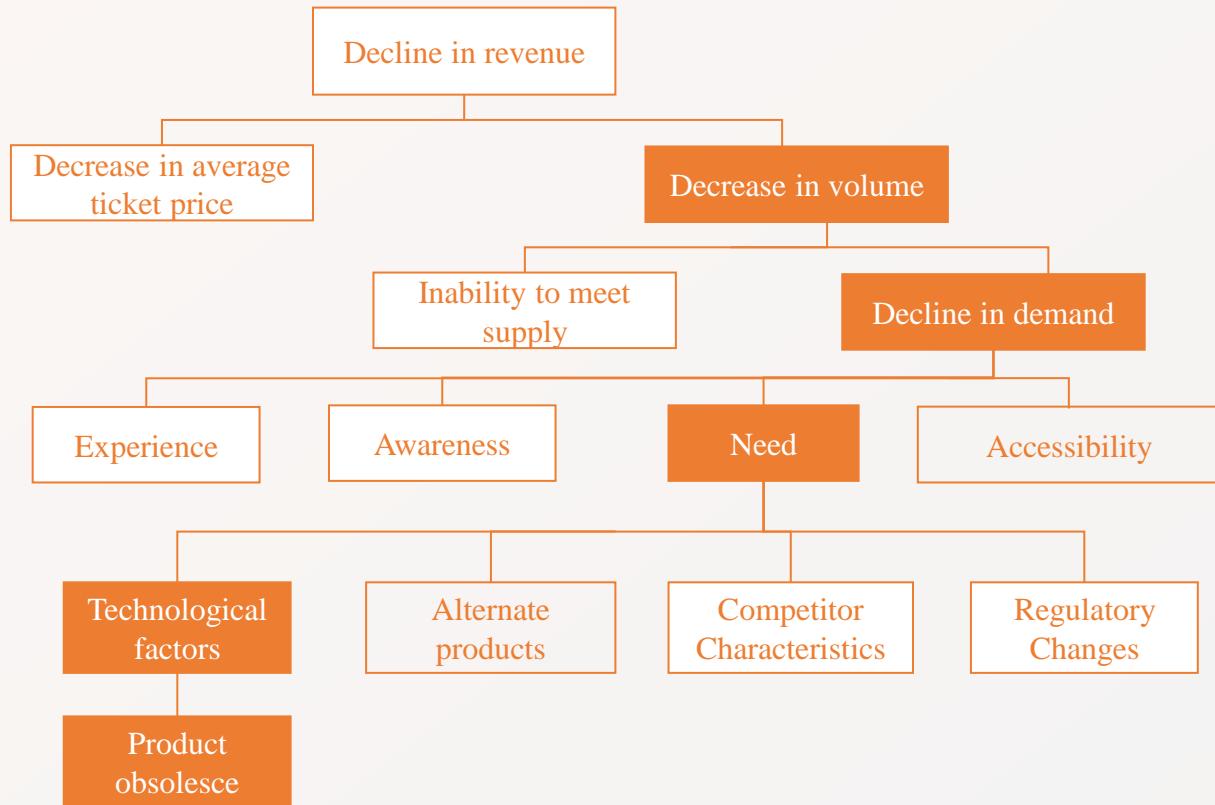
I: These points sound good; we can close the case here.

**Case Statement:**

Your client is a global medical device manufacturing company. They are witnessing a decline in revenues for the past 3 years in their India Business unit. They want to understand the reason and want you to recommend a plan to stop the decline of the revenue.

**Background Information**

- **Geography:** Global firm with India BU having problems
- **Consumers:** Labs and hospitals which require surgical and diagnostic equipment.

**Case tips**

- The case required one to look at multiple avenues of the cause of decline in revenues. While recommending solution, firm's global competencies can be leveraged to solve domestic issues.

C: Sounds an interesting problem, I would like to begin by understanding more about the company and its India Operations along with understanding the competitive landscape of medical device market.

I: Sure, in India, the firm uses Make in India approach. The make and assemble machines and machine parts in the country and provide products for global as well as domestic sales. They are among the top 3 players in the market, but due to declining revenues, which the other companies aren't, they are at the risk of becoming a minor player in the market. They offer diagnostic & surgical equipment to hospitals and labs across India.

C: If competitors are not the decline in revenues, I can conclude that it is a firm-level problem and not market level problem. Also, what is the decline witnessed by the firm and in which products?

I: Yes, that is what seems to be happening. For the second part, they have seen revenues drop by 4-5% across all products.

C: Now I would like to proceed by analyzing the causes of decline for the India unit by breaking revenues into volumes of sales and average ticket price of sale. Where is the firm facing problem ?

I: The firm is seeing decline in volume of sales.

C: Understood. I would now like to find the cause in sales volume. For the same, I would be looking at issue through 2 views. First, whether the firm is able to supply the required demand and second, whether the demand for the product has dropped.

I: The only problem that we see is that the demand for the products has declined.

C: Now to understand the reason for decline in demand, I would like to focus my analysis on 4 factors which are, decline in awareness of the product, drop in the need of the product, degradation in quality of purchase and product and finally, the accessibility of the product to the end user. Any other factor which you would like me to consider ?

I: That is a comprehensive list; I would like you to focus on the need for the product that is going down.

C: Sure, since the need for the products, has declined, the drop can be attributed to multiple factors. To call the elements are technological factors that have rendered products obsolete. Secondly, alternate products can cut down the need for the product. Thirdly, competition could be a potential factor, and finally, regulatory changes might have mandated the change in market dynamics

I: It seems like a fair approach. I can tell you that the client has surveyed marketplaces and received a review that the competitors are providing technologically superior products. Also, the client's firm has been unable to keep up with technological advancement. This might seem to be the cause of the decline. Can you recommend a plan for the client to cope with the issue?

C: Sure, I would like to recommend a two-fold plan—one for short-term tenure and one to sustain in the long term.

I: Sure, go ahead with it.

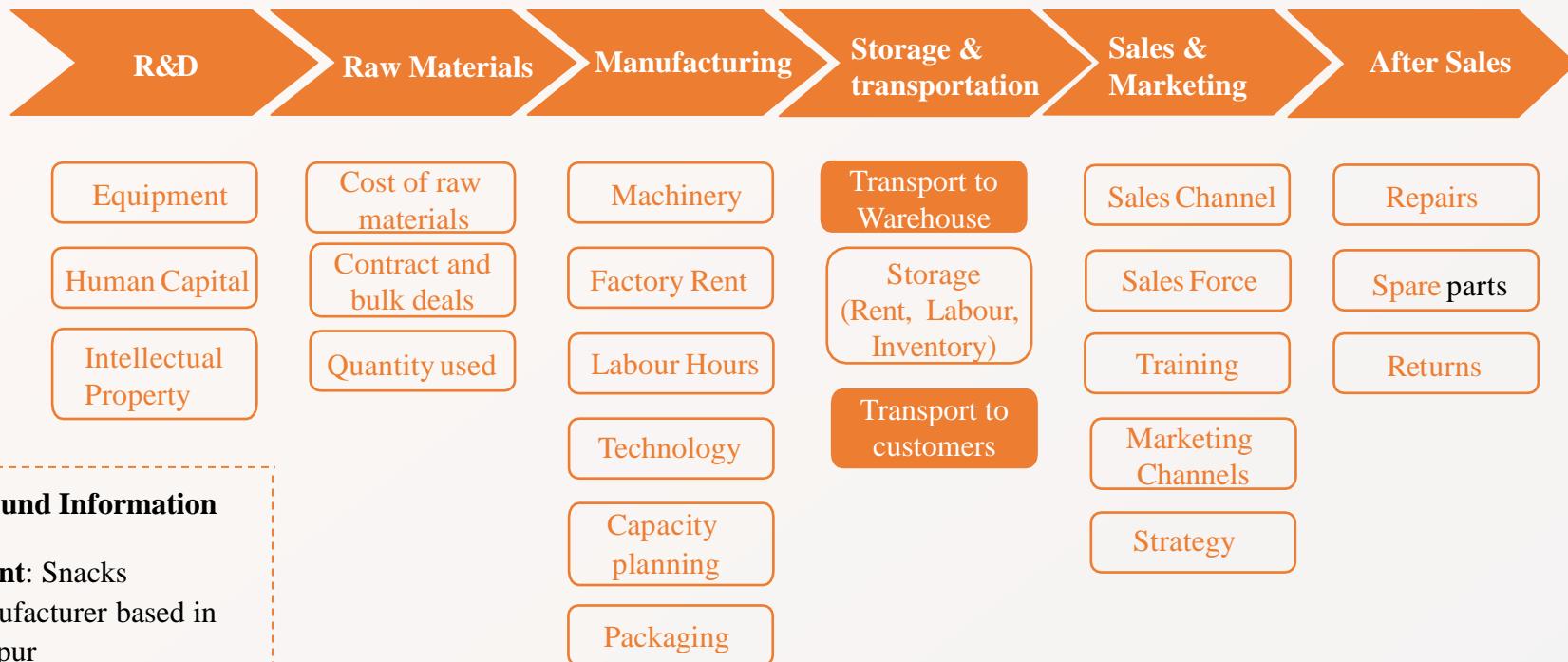
C: For the short term, since the Indian market has advanced technologically for the present products, we can scout for markets where our products are technologically advanced or fit to operate. Asian and South American growing needs can be a good idea for doing the same. To reduce costs in India, the clients can optimize resource allocation in areas with higher sales. In the long term, to stay relevant in the Indian market, the firm needs to invest in making technological progress to improve its product line

I: That seems to be a very comprehensive list of suggestions with a concrete plan. We can close the case here.

C: Thank you, Sir!

**Case Statement:**

Your client is a snacks manufacturing company. They are witnessing a drop in profits since the past 2 years and want to find the reason for the same.

**Background Information**

- **Client:** Snacks manufacturer based in Nagpur
- **Competitor:** Multiple competitors
- **Time Frame:** 2 years
- **Geography:** Pan- India sales and distribution

**Case tips**

This case is a good example of utilizing value chain analysis in finding the underlying issue. While making recommendations ensure that options which you provide are feasible and MECE in the context of the case.

C: Before trying to find the cause of the decline in profitability, I would like to ask a few questions to understand the case at hand better.

I: Sure, go ahead!

C: What are the product offerings, and in which all parts of the value chain is the client present?

I: The client offers multiple chips and snacking options. They are present pan-India and present across all parts of the value chain.

C: So, as I see it, any snacks manufacturer will be a client competitor. Also, what is the drop in profits they have witnessed

I: They have seen a drop of around 6-8 %.

C: Thank you. I think I have all the information to begin finding the cause of the problem. To start with, a profit decline can be caused either by a decrease in revenue or an increase in costs. Do we have some data to help us figure out what seems to be the problem?

I: Yeah, from the past data, client's cost values have seen a disproportionate rise

C: That leads to investigating further into the client's cost structure. I want to analyze every head of the value chain to scope down the reason for the rise in cost.

I: That seems to be a good way ahead. Please continue.

C: The value chain will include cost heads, R&D, Raw materials, processing, Storage & transportation, distribution & Salesforce, and Customer Service. Any particular charge which can be attributed to the rise in costs?

I: To ensure delivery of the manufactured good across India, the firm has given a contract to 3<sup>rd</sup> party transportation company. The rise in cost can be attributed to logistics or transportation costs. Can you find the reason why the transportation costs have gone up?

C: Sure, since the client does not own the fleet, the client will not have control over the operations of the transportation company. Hence rather than

optimizing logistics in the client's interest, the contractor will try to ensure lower costs for his operations. This can lead to delays and inefficient transportation for the client.

I: Well put; can you walk me through a recommendation to help the client mitigate the costs?

C: The client has two options, to begin with, either to stay with the contractor and secondly to establish his transportation fleet. Setting the fleet will give the client the required control but add high capital and operation costs.

I: The client doesn't want to invest large amounts in establishing their fleet. Can you elaborate on how they can continue with the contractor and still cut costs?

C: Yes, sure; while staying with the contractor, the client can enter into an exclusive contract that mandates the 3<sup>rd</sup> party to maintain an entire fleet of trucks for the client's operations. Secondly, to optimize the truckload, clients can collaborate with neighboring firms whose goods have the same rotation period as theirs. Finally, the truck's trip can be optimized by ensuring the car carries outbound logistics to a place; in return, the trip also has some raw materials for the firm.

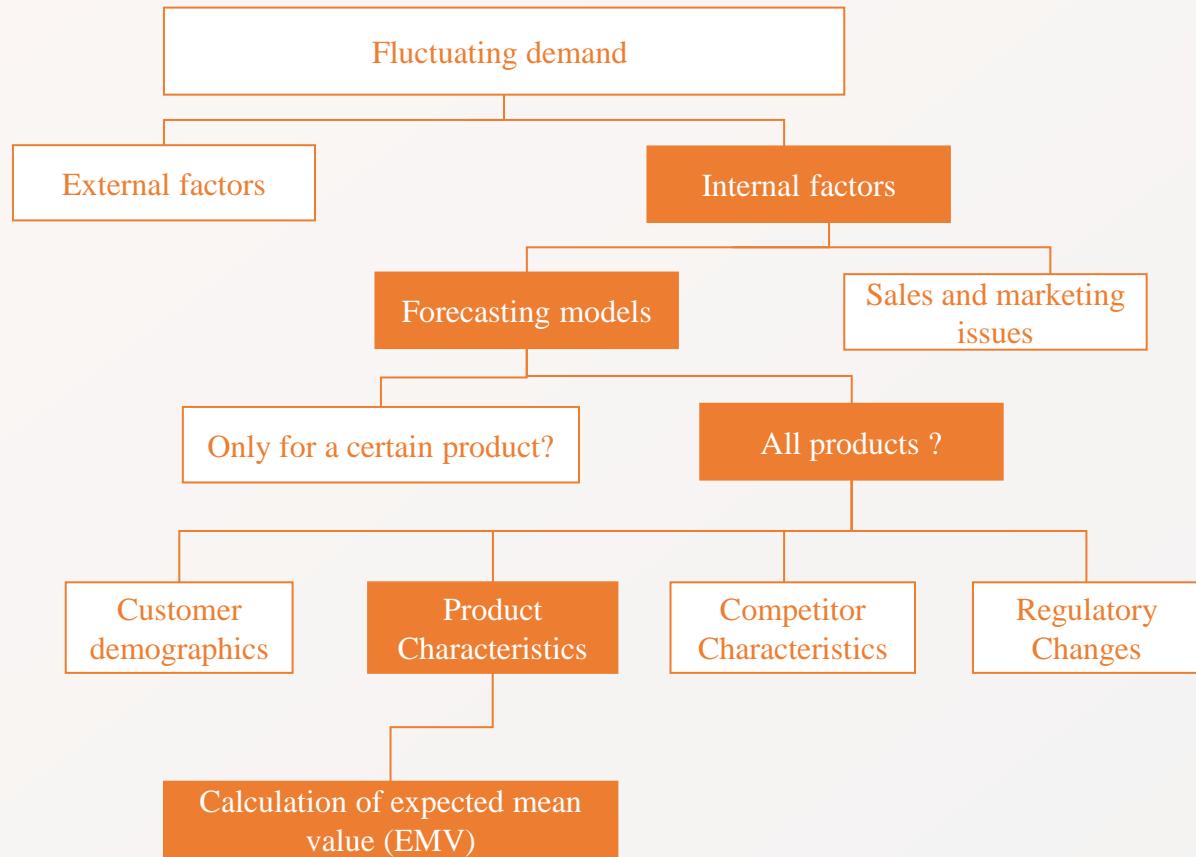
I: Perfect, unique solutions. It was great talking to you! We will close the case now.

**Case Statement:**

Your client is a luxury perfume chain. The client is facing fluctuating demand in his store in Mumbai. They want to diagnose the cause of the fluctuating demand and recommend a solution for the same

**Background Information**

- **Client:** Luxury perfume retailer
- **Competitor:** No major changes
- **Time Frame:** A few months
- **Geography :** Store is in Mumbai

**Case tips**

The case here required to have some basic understanding of how forecasting models work. One way to approach such cases which are dependent on internal factors is to scope the problem down. It helps you make headways into understand the root cause of the problem

C: To begin with the problem, I would like to understand our client's business better. Do we have information on the stores' location and the region's competitive landscape? Also what kind of products are available at the store? Is the product line limited to perfumes or other luxury skincare products?

I: Sure, the information I have on the client is that the store in focus is situated in a mall in Mumbai. There are 2-3 similar stores in the region. The primary product segment is perfume, with other products like skincare.

C: Since when have they seen a fluctuation in demand? Also, do we have some customer reviews of other stores in the region which can suggest that our competitors are also facing the same issue?

I: The client has been facing this problem for the last six months. On the second question, there is no such mention of the inability of competitors to make the product available to the consumer. They seem to be having the correct quantities at the right time.

C: So, as I see it, I should be focusing my attention on our store and the factors which are causing fluctuation in demand

I: Yes, that should be the way to go.

C: Thank you. There are two factors to consider here; first, Is the forecasting method the client is using unable to capture demand correctly? Second; Are the sales and marketing efforts out of sync with the purchase cycles of consumers

I: Good question. Over the past data, we have seen that our forecasting models are consistently off from the actual demand plots.

C: That is a helpful piece of information. We can narrow down our scope to the forecasting models. Are we seeing this mismatch for all products or only for specific products?

I: The problem appears to be hampering all products.

C: Now, I would like to focus on the forecasting model. Any model will have

Following attributes to it: Customer demographics, product characteristics, competitor characteristics, and regulatory changes, if any. Has there been a change in any of the following factors?

I: That's thought well put; rest aside, the client has been launching a new line of products continuously to appeal to his luxury customer segment.

C: That, I guess, will be an inherent trait of the segment client is catering to; exclusivity drives the sale of this segment, and new products on continuous basis help do the same.

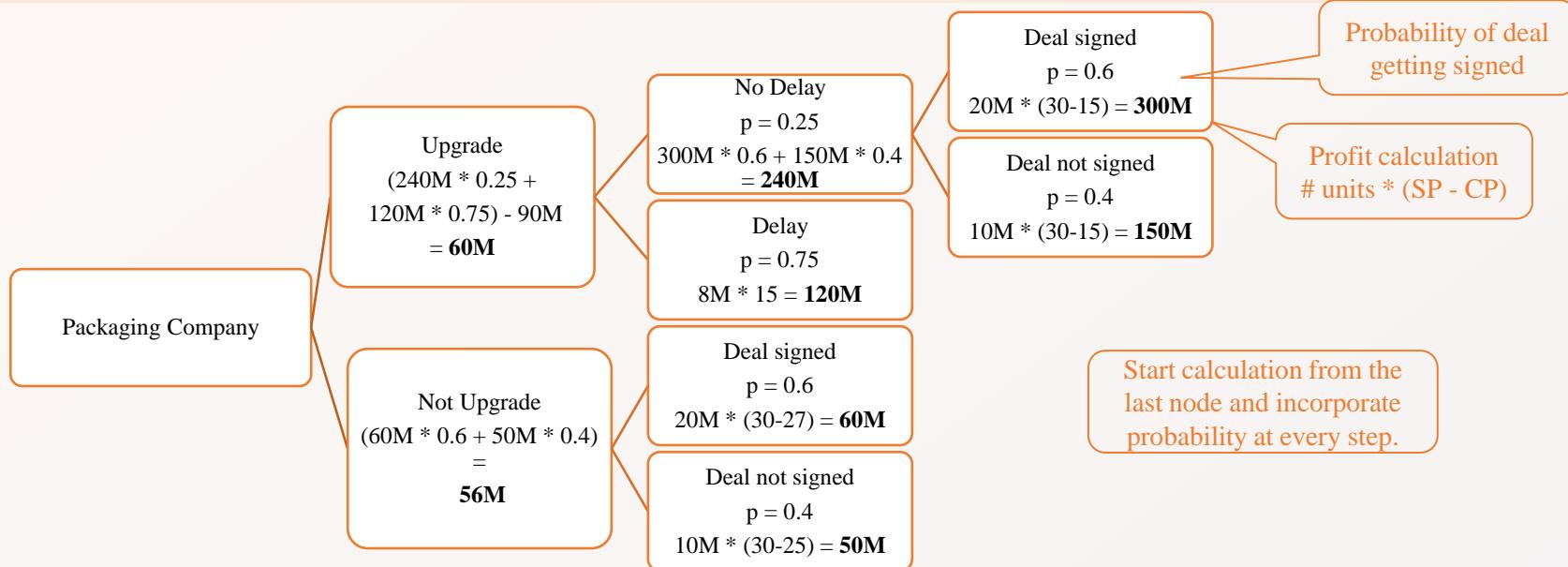
I: Yes, correct! I think we have found the issue; what can you recommend to the client so that they optimize their forecasting method?

C: Yes, sure; since the client has been in the business for a long time, for every segment, historical data will be available. The client can use historical data to calculate the expected mean value of orders to maximize profits. The model will also include the cost of underordering and over-ordering as well.

I: Yeah, that seems to be an idea that can work. We can close the case now. It was great talking to you!

**Case Statement:**

You are the CEO of a packing company. You have to decide whether to upgrade to new technology or not for profit maximization.

**Case Facts**

- Packaging company manufactures cardboard boxes for whiskey manufacturer.
- In the anticipation of higher demand (due to new launch), company is considering whether to upgrade technology or not
- Upgrade would incur one time cost but reduce cost/unit from Rs. 25 to Rs. 15

**Costing Information**

Process	One time Cost (Rs.)	Cost/unit (Rs.)
Without upgradation	-	25
With upgradation	90M	15
Outsourcing	-	27

**Case recommendations**

- The company should upgrade as they are getting more returns.

**Case tips**

- This was a moderate case. Clear communication, depicting enthusiasm and confidence till the end is necessary for the case.

I: You are the CEO of a packaging company. Your main client is a whiskey manufacturer that needs cardboard boxes. They are planning to release a new brand in the upcoming IPL season. The demand for the new brand is very high, and they are planning to have a blockbuster tie-up with a team, but the deal is not signed yet. The demand for boxes will be regular if the deal is not signed but will increase if the deal is signed.

Your company is evaluating whether to upgrade the boxes manufacturing technology or not, given there is a possibility of delay in the upgradation process. Please evaluate the profit-maximizing alternative for your company.

C: Okay! Our company has two alternatives – to upgrade our technology or not upgrade our technology. You also mentioned the possibility of delay. Can I know how this technology and delay will impact our operations?

I: Sure. So our current capacity is 15M units, and by upgradation, we will be able to manufacture 25M units with a reduced cost. If there is a delay in upgradation, we will only be able to produce 8M units even if the deal is signed.

C: Alright! What is the current demand, and how much increase are we expecting due to the deal?

I: The current demand is 10M, and the demand will increase to 20M units in case of the deal.

C: I have got a fair understanding of the capacity. Do we have any alternative if we do not upgrade but still want to cater to the increased demand, maybe something temporary?

I: Yes, we can outsource the complete production. But we cannot outsource partial orders; complete orders must be outsourced.

C: Understood. Now that I have an idea about all the possibilities we have, I would like to analyze profits in each of these cases. What is the price we are charging per unit of the box, and will it remain the same even after the increase in demand?

I: We charge Rs 30/unit to our client. Yes, it would remain the same.

C: Can you please tell me the cost which we will incur in case of technology upgradation? I would also like to know the current cost/unit and also if we outsource.

I: Sure! The costs for each operation is available. (Given in the table below)

C: Okay. I would also like to know the probability of delay in the upgradation. Also, do we know what's the probability of the deal getting signed.

I: There is 75% chance that delay would happen if we go for upgradation. We have received the information that probability of deal happening is 60%.

C: Thank you. I think I have enough information.

As per the analysis (given below), I think we should go ahead with the upgradation as we are getting a profit of 60M in case of upgradation and 56M in case of not upgrading the current technology.

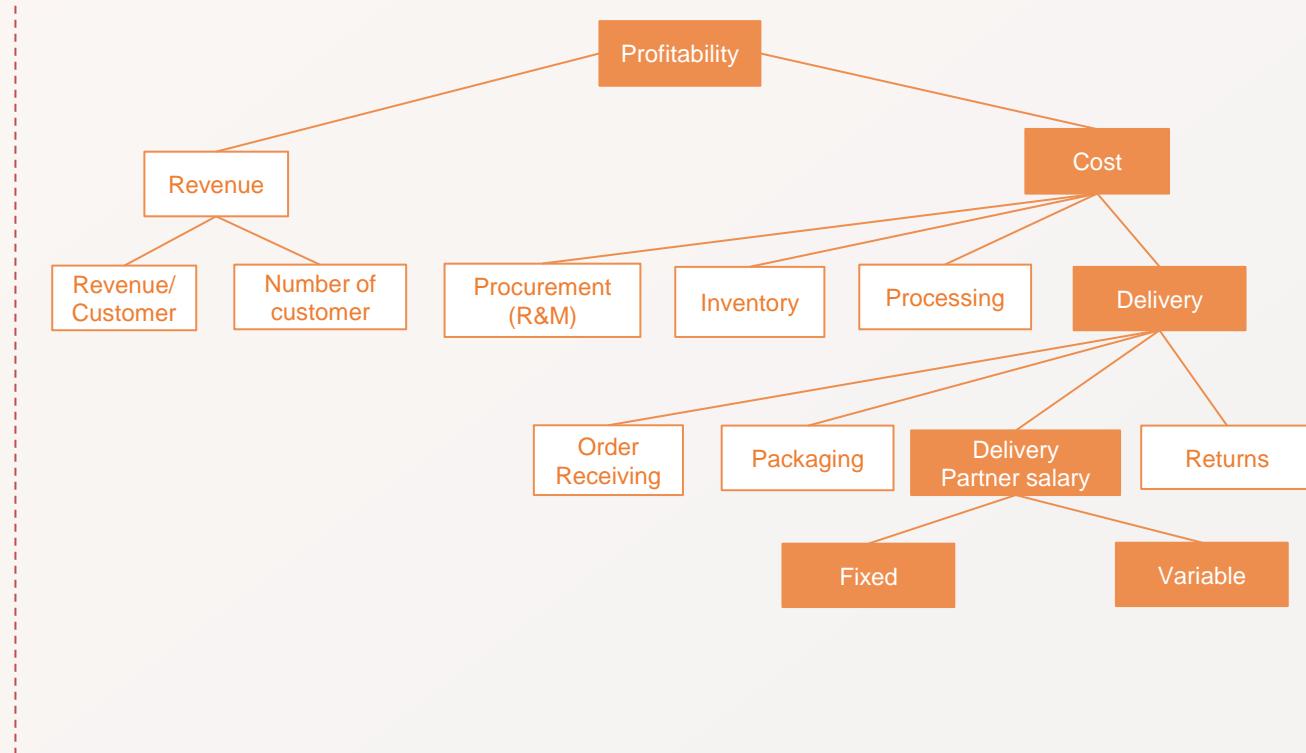
I: Alright. We can end the case here. Thank you for the discussion.

**Case Statement:**

Your client is a quick service restaurant in India who has been seeing a decline in profitability. Diagnose the problem and suggest solutions.

**Background Information**

- **Company** – Company makes revenue by selling food throughout India
- **Competitor** – No major change in landscape. The market is fragmented. Company specific issue
- **Consumer** – B2C are the main customers for our client
- **Product** – They make and serve Indian Pizza and Pasta
- **Channel** – Online and offline channels sales model. In house dine or delivery option provided by the restaurant with is taken care by them only

**Case recommendations**

- For a short term, the client should look into reforming the incentive compensation model for the delivery agents
  - a) Put in the factor of delivery amount into the delivery bonus
  - b) Make sure the IC model is fair so as to not increase attribution amongst the distribution partner
- The client should focus on his core competency of making food and look into outsourcing the delivery to third party vendors in the delivery industry 1

**Case tips**

- This was a moderate to easy case. A breakdown of the major channels of sales and the product wise profitability information was needed before suggesting a solution.

C: Okay, just to reiterate my client operates a quick service restaurant based out of India. Is my understanding correct?

I : Yes, that's right.

C: Do we have a timeline since when the profitability has decreased?

I: Yes, the profits have declined in the last 3 months

C: Okay sure. I would like to know a little bit about my client to understand the situation better. Where exactly does our client lie in the value chain- does it only process food or also performs other functions in the value chain e.g food delivery? Secondly, I would like to ask about the current market landscape as it pertains to the client?

I: It both makes food and takes care of the delivery. The restaurant has both a dine in option and a delivery option. To your second question, the market is fragmented.

C: Understood. Lastly, who are the target customers- B2B, B2C?

I: It focuses mostly on B2C customers

C: Sure. Do we have any information on the kind of product the restaurant sells?

I: Yes, so the restaurant sells Indian Pizza and Pasta to the customers and the profitability has declined across the products.

C: Okay. Now I'd like to dig deeper into the case since I have the acquired some background information. Do we have any data on the channel wise profitability of the restaurants?

I: Yes, so the profitability decline is focused mainly on the online channel

C: Right. I'd like to analyse the situation from two perspectives- Revenue and costs. In revenue, I'd like to further bifurcate into revenue/customer and number of customers. In cost, I'd like to go through the whole value chain and analyze the elements one by one. Do you want me to focus on the revenue side or the cost side?

I: For the purpose of this case, I would like to let you know that the revenue is not a concern since it has only increased in the span of last 3 months. However, our costs have gone up significantly

C: Okay, understood. In this case I would like to draw a cost value chain for the restaurant to analyze the problem and pinpoint the issue.

I: Yes, you may proceed with this approach.

C: As I understand this, the major cost heads for this would be Procurement of the raw materials, inventory, processing and cooking which are common to both channel and the delivery charges for the online channel. Since the decline in profitability is in the online channel only can I assume that the delivery part is a point of concern for us?

I: Seems fair!

C: Okay, I would like to proceed with the value chain for the delivery of the food. Again, the major cost heads here would be Order receiving, packaging, delivery personnel salary and returns. Do you want me to focus anywhere in particular where there has been an overhaul in the past 3 months?

I: Yes, so we have changed the incentive compensation model of the delivery agents in the last 2 months which is now solely based on the number of orders delivered and is not concerned with the order value that they delivered. This was done to decrease the retention issue amongst the delivery drivers.

C: Okay. So, as I see the problem lies majorly in the Incentive compensation model which needs to be aligned with the revenue the order brings to the company and not just the number of orders. Other methods of retention like health insurance etc. can be explored to retain the drivers. Also, I believe the client should focus on its core competency of food making and outsource the delivery business to other players like swiggy, zepto, dunzo who operate in this space.

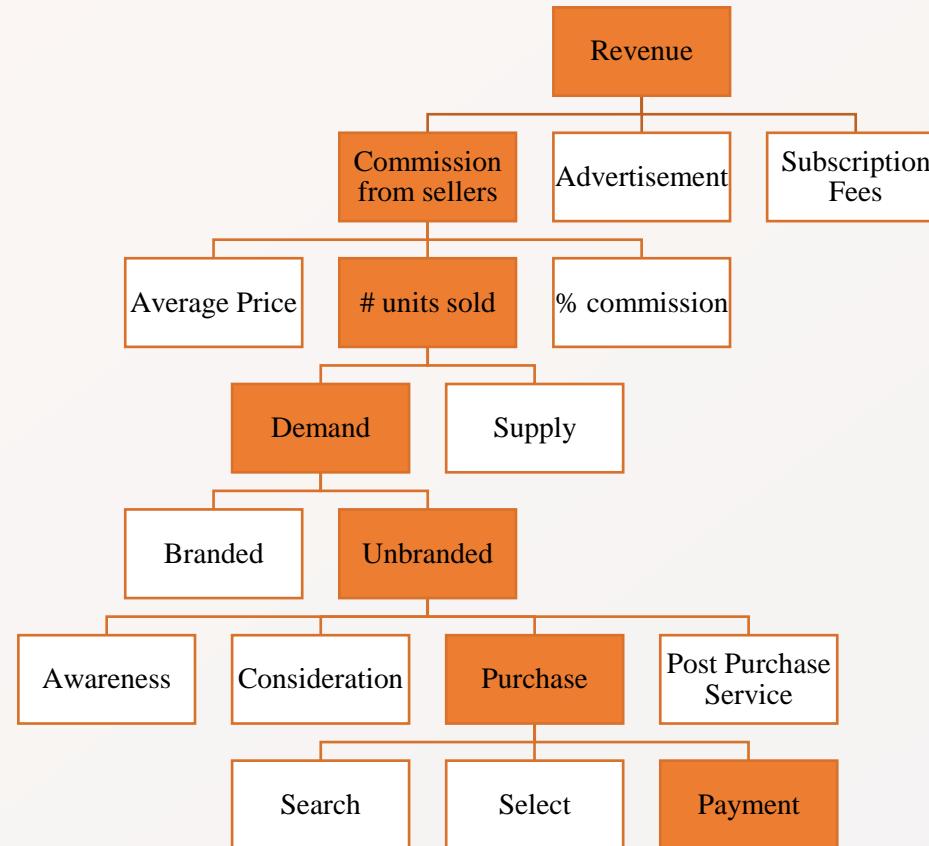
I: Those are some great recommendations . We can end the case here.

**Case Statement:**

Your client is an e-commerce company facing a fall in revenue. Can you analyze why is that happening

**Background Information**

- **Client:** Client is e-commerce website dealing in men's fashion
- **Competitors:** No change as such. Issue is client specific
- **Consumers:** Mainly men from all income segments
- **Product:** Branded and unbranded men's clothing and accessories.

**Case recommendations**

- It is important to look through the customer's angle when dealing with demand side problems.
- While going through each step in the customer journey, it is crucial to link it with the hooks provided by the interviewer (in this case, region and bifurcation in branded/unbranded)

**Case tips**

- Case is easy to moderate. In such type of cases, it is important to have a MECE structure in place which can help in tracking down the solution

I: Your client is an e-commerce company facing a fall in revenue. Can you analyze why is that happening?

C: (After clarifying the problem statement) I would like to know more about the client's business and since when are we observing this decline.

I: The client mainly deals with male fashion products. They sell men's clothing and accessories all over the country. There has been a 15% decline in revenue over the past three months..

C: Alright. That implies their target customers are mainly males. Are all types of branded and unbranded products available on the site?

I: Yes, there are all kinds of products available.

C: Understood! Do our competitors also face this decline, and if this is in a specific geography?

I: No, this problem is specific to the client. We are observing this decline mainly in the southern part of India.

C: Thank you for this information. First, I would like to list all the revenue streams for our client. Revenues can generate from core business which is getting commissions for providing the marketplace. The other revenue stream can be subscriptions and advertisement. Do we have any other revenue streams?

I: No, this is comprehensive. Can you look into revenues from core business?

C: Sure! Revenues generated is a function of average price of the products, no. of units sold and % commission from the sellers. Do we know if we are experiencing decline in any of these?

I: The no. of units sold have declined over these months.

C: Okay! The number of units sold can decline due to decrease in the supply by the sellers or decrease in the demand by the customers in southern area.

I: There has been no change in the supply. What we have observed is customers orders have reduced.

C: Alright! I would like to analyze customer's journey. Customers are first made aware of the website and products. Then they consider it for the purchase based on their preference and product quality. Then the purchase is made. Later, they can avail support in case of any discrepancies. If the experience is good, they will return for the purchase. Do we have information about no. of customers visiting our website and the conversion rate? If there is a change in these metrics over the last 3 months? .

I: The no. of customers visiting our website has remained constant, but the conversion rate has declined.

C: The issue is when they are purchasing the products on the website. I would like to deep dive into customer's journey on the website. First, they search for the required products, once they like it, they place the order and finally they make the payment. Have we changed anything in searching algorithm which might not show the unbranded options or is there any change in the return policies for these products which might be hampering the conversion?

I: No, none of these has changed. The customers are getting dropped on the payment page.

C: Okay! As the issue is only for unbranded products and in southern region, there shouldn't be any technical issues as the payment interface is uniform. On the payment page, the final price of the product and its components like delivery charges, taxes, discounts, etc. are displayed. Considering the change is only for southern region, is there a hype in delivery charges for that area

I: Yes, that is the issue. Our client has tied up with a new logistics partner recently for southern India. They guarantee fast delivery but at the same time has higher prices. This has led to increase in the overall price for the customers. Anything else you would like to add?

C: Yes, the customers purchasing unbranded products are more price sensitive, hence they are not making purchases due to hike in delivery charges. But the customers buying the branded products did not face this.

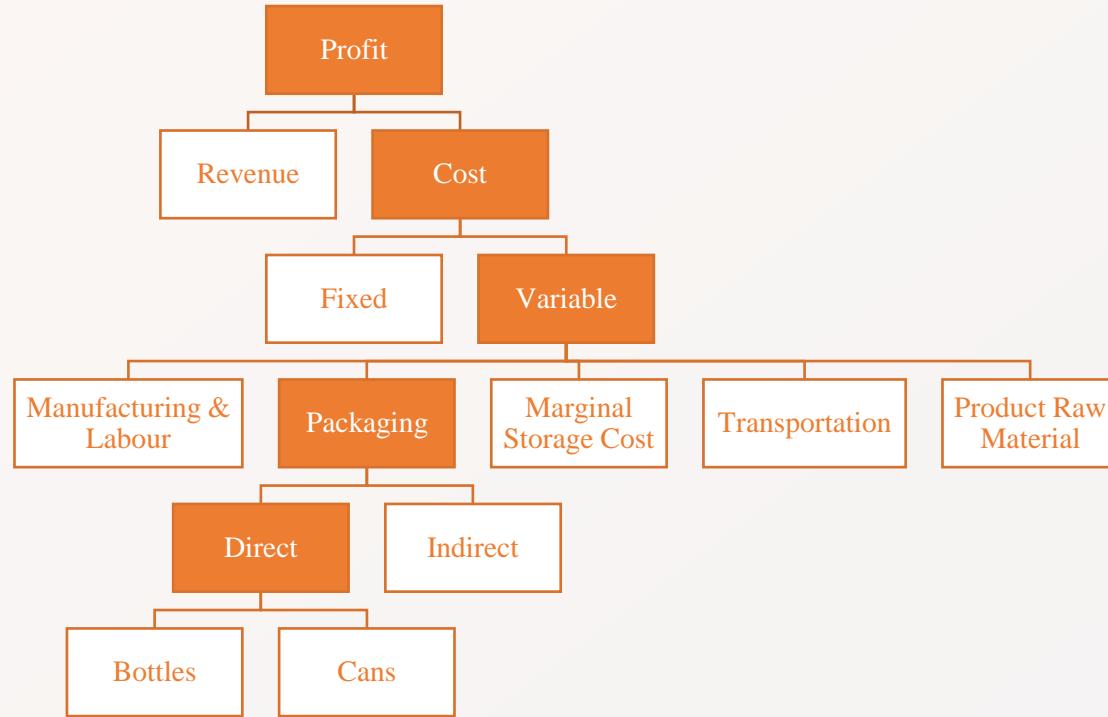
I: Good! We can close the case here.

**Case Statement:**

Your client is a beer manufacturing company, it is witnessing a decline in profitability, the client wants you to find out the reasons for the same and suggest possible solutions.

**Background Information**

- Client:** Client is a beer manufacturer who has been seeing a decline in profitability.
- Timeline:** Last 3 years
- Product:** Beer, consider only one SKU for this case.

**Case recommendations**

- It is important to look through the client's angle and identify relevant cost heads.
- While going through each step, it is crucial to link it with the hooks provided by the interviewer and focus only on the part of the problem that the interviewer is driving you to.
- Looking at a value chain encompassing all stakeholders makes it easy to think of all dimensions.

**Case tips**

- Case is of moderate difficulty. In such type of cases, it is important to have a MECE structure in place which can help in tracking down the solution. Some industry insights also help find solutions faster.

I: Your client is a beer manufacturing company, it is witnessing a decline in profitability over past 3 years, the client wants you to find out the reasons for the same and suggest possible solutions.

C: Besides the declining profitability problem, does the client have any other objectives or constraints that we need to keep in mind while formulating the solution?

I: No, you can just focus on profitability.

C: I would like to start by exploring a bit more information about the company and its business environment to get a better context for the problem like how does the sales figures and market position of our client's company look like and what part of value chain does it operate in?

I: The company has annual sales of Rs. 7000 cr. and enjoys a 30% share of the Indian beer market. The client focuses on purchasing raw materials, manufacturing beer and marketing, for sales it passes on the product to its distributor network. For simplicity, you can assume the company produces just one product.

C: The company seems to have a significant presence in the market, further I would like to know if the declining profitability is being driven by industry-wide issues and are faced by our competitors as well or if only our client is facing this issue?

I: This does not seem to be an industry wide issue; the declining profitability issue is faced by our client only.

C: I think I have enough information to begin my analysis. I would like to begin by breaking down profit into revenue and cost and understand the magnitude of change that happened in the two over the past 3 years.

I: Seems like a fair approach, the client has witnessed a 15% increase in costs over the last 3 years.

C: The increase in costs might have been due to a fixed investment 3 years ago which is being depreciated year over year now or might be due to increase in variable costs, do we have more information surrounding the same?

I: The variable costs have increased.

C: We can break down the variable costs into 5 broad categories – raw material costs, labour & manufacturing costs, packaging costs, storage costs and transportation costs. Have we observed any unexpected surges in any of the above 5 components?

I: Yes, the packaging costs seems to be unusually high over the past 3 years.

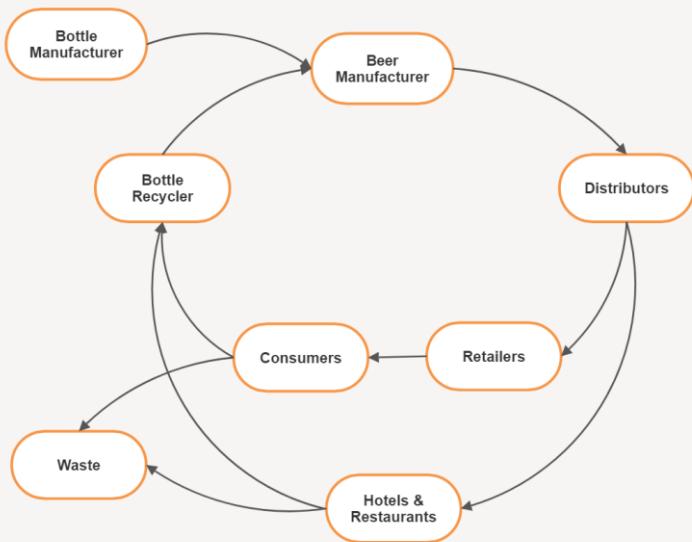
C: There can be 2 types of packaging that are generally used – direct & ancillary. With direct packaging being the bottles/cans in which the product is contained, and the ancillary packaging can be the one in which multiple units of the product are stored for transportation and inventory holding purposes.

I: The direct packaging costs have increased, and the company uses only glass bottles and not cans.

C: Since bottles are recyclable and they pass through multiple nodes in a supply chain, I would like to construct a circular value chain for the bottles to quickly and accurately identify the cost center and the allied issue in the same that is causing the increase in costs.

I: Sure, go ahead.

C: Our client must be sourcing fresh bottles and recycled bottles in some proportion. The packaged bottles then go to the distributors who may supply it to retailers and/or restaurants & hotels. The end consumption pattern for these 2 locations is very different, for a retailer, a consumer who would purchase the product and take it home will lead to a situation where proper disposal of beer bottles back to recyclers will be very less thereby creating a major leakage point in the cycle, whereas there might be proper collection mechanisms from restaurants and hotels owing to the volume of bottles, so the leakage from this sub-cycle will be minimum. Finally, once the bottles reach the recycler, they might sterilize the bottles and send it to manufacturers or might crush the bottles and reform it in the desired shape by beer manufacturers.



C: Finally, once the bottles reach the recycler, they might sterilize the bottles and send it to manufacturers or might crush the bottles and reform it in the desired shape by beer manufacturers.

I: The issue lies in last leg, and the recyclers crush the bottles and reform it, can you think of the possible reasons at this stage that might raise costs for our client?

C: I have some observations:

- Since bottles are crushed and reformed, there might be no issues around damages or design compatibility.
- Apart from that if there might be any regulatory issues, it might apply to all the players in the industry, but this is not an industry-wide issue.
- There might be some supply-demand frictions between the client specific suppliers and our client.

Are there any other possibilities that I should look into?

I: No, this looks exhaustive enough. You have correctly identified, for the past 3 years, the demand for the glass bottles has skyrocketed in the pharmaceutical industry and our partner recycler receives better equivalent prices from pharmaceutical clients for the bottles. Here is some data on the same. Can you analyze the numbers and suggest what should be done?

Price quoted from recycler - ₹ 4

Price quoted from manufacturer - ₹ 12

(Fresh : Recycled) proportion right now - 60% : 40%

(Fresh : Recycled) proportion before 3 years - 25% : 75%

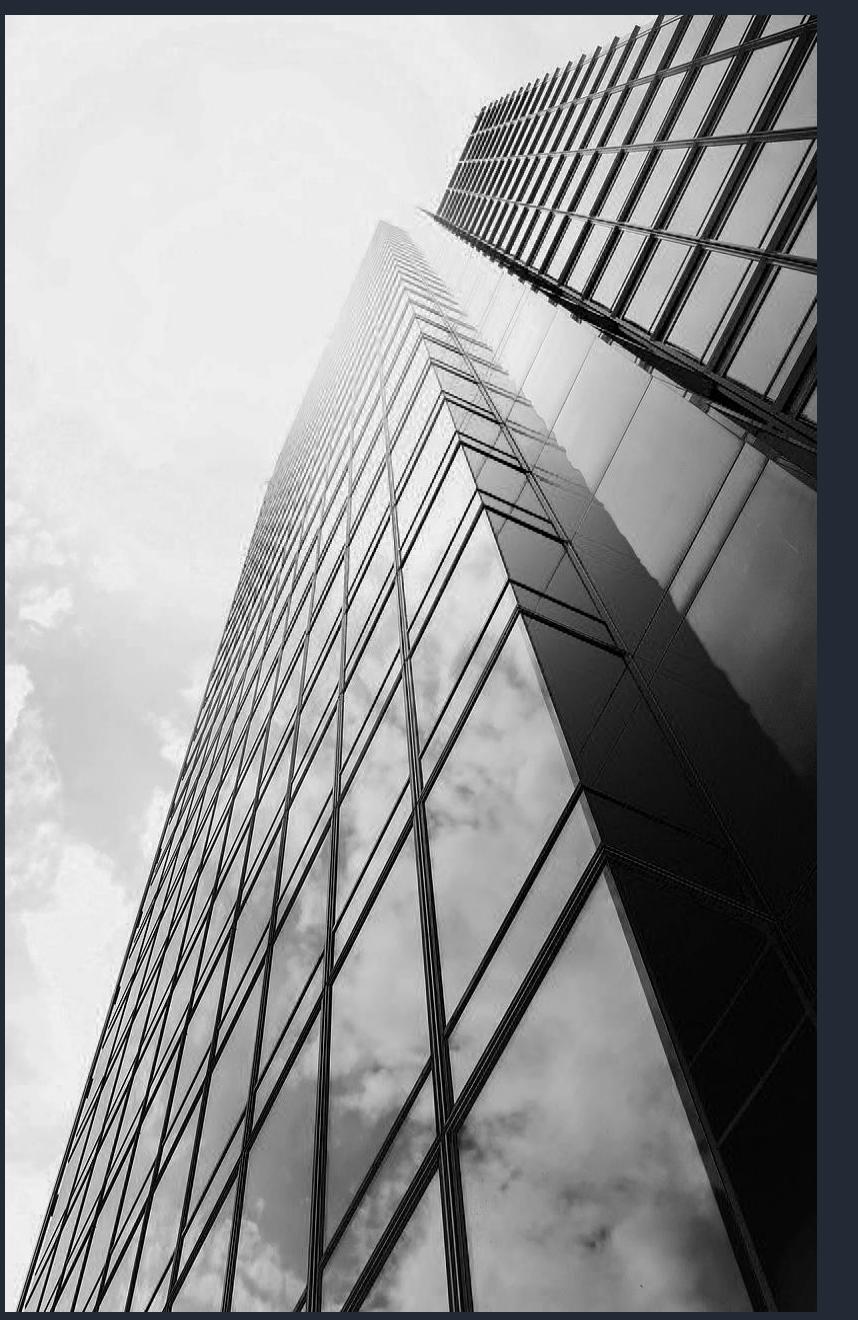
Equivalent price paid by pharmaceutical clients to recycler - ₹ 4.25

C: Below is my calculation:

- Right now, we are paying ₹ 8.8 ( $0.6 * ₹ 12 + 0.4 * ₹ 4$ ) for an average bottle.
- Since, this price is leading to 15% cost increase, our client can afford to pay ₹ 7.65 ( $₹ 8.8 / 1.15$ ) on avg. for a bottle.
- Assuming we go back to earlier proportion of sourcing, the maximum price we can pay to the recycler is ₹ 6.2 (from  $0.25 * ₹ 12 + 0.75 * ₹ x = ₹ 7.65$ ).
- This max. price of ₹ 6.2 gives us a lot of headroom for further cost saving.
- Our client can easily pay around ₹ 4.5 - ₹ 5/bottle to restore the initial supply volume from the recycler by outbidding the pharmaceutical clients.

This is my recommendation driven by the above pricing calculation, would you like me to look into other non-price driven recommendations?

I: No this is what I was looking for! This looks great! I think we can close the case now.



# MARKET ENTRY

**Case Statement:**

A business manager wants his company to invest in a yoga studio. Analyze the case and see whether they should invest in the same.

**Background Information**

- Client:** Manager who wants company to invest in a yoga studio
- Location/Geography:** Based out of Bangalore

**Profitability analysis for Market Entry:**

Market size	Performance	Price per unit	Potential Growth
<ul style="list-style-type: none"> <li>Size</li> <li>Growth</li> </ul>	<ul style="list-style-type: none"> <li>Competitor analysis</li> <li>Service differentiation</li> </ul>	<ul style="list-style-type: none"> <li>Price adjustment based on program</li> </ul>	<ul style="list-style-type: none"> <li>Services can be extended to company employees</li> </ul>

Studio Stats		Calculation	2019	2020
Employee Count	8	Employee yearly salary	15.36L (1.92L * 8)	15.36L (1.92L * 8)
Profit (2019)	Rs. 24,00,000	Studio Rent	6L (50K *12)	6L (50K *12)
Profit (2020)	Rs. -24,00,000	Equipment and other Expenses	2.64L	2.64L
Classes a month / person	30 hours	Revenue	48L	0
Yearly fee	Rs 12,000	Profit	24L	-24L

**Case recommendations**

- Perform approximated calculations focusing on the key points.
- Perform breakeven analysis to arrive at a final conclusion.

I: The manager of a client company wants to see whether they should invest in a yoga studio. Also suggest recommendations on how to improve the studio. Relevant figures for calculation are:

Rent per month : Rs. 50,000

Equipment and other Expense per year: Rs. 2,64,000

Salary of trainer/month: Rs. 16,000

Profits in 2019: Rs. 24L

Profits in 2020: Rs. -24L

Customer fee / month: Rs.1,000

C: Based on the figures provided, the total expenses for the yoga studio per year is 24L, and since the profits generated that year was 24L, the revenue will be 48L. From this we can get the number of people enrolled as 400 people. Since 2020 is when the pandemic hit, is it a fair to assume that due to lockdown and restrictions, the number of people who came to the studio was nil?

I: Absolutely, the yoga studio focused on semi-personal training with special attention given to every customer enrolled with them. During the pandemic, we had no customers.

C: Can you provide some details regarding the structure of the classes and any other offerings made by the studio.

I: Sure, classes are held for 2 hours together, and customers have the choice of picking the dates that they would like to attend for at the beginning of each month. The studio has equipment, but other than that does not provide anything specific to the customers. The studio has been running for over 10 years and customers are extremely pleased with the sessions conducted as well.

C: Can we assume, the studio has been generating high returns for a consistent period of time before COVID?

I: Yes

C: Since the studio was generating high returns prior to covid, and was giving consistent returns for a prolonged period, with certain adjustments to the studio, they should be able to regain the customer base.

I: Can you provide solutions on what has to be done with a proper structure.

C: I would like to go about it with a three-stage process.

- 1) Since the studio focused only on offline sessions, with the onset of COVID, they need to consider having online sessions at a reduced price. This can allow for a larger number of customers to attend the same training sessions as well.
- 2) Offline training with equipment can be provided for a much smaller customer base at a premium price.
- 3) Prerecorded sessions can also be provided to customers via an app-based platform.
- 4) Diet plans can also be provided to customers to try and appeal to a larger customer base at the company, and this can be integrated via the app.

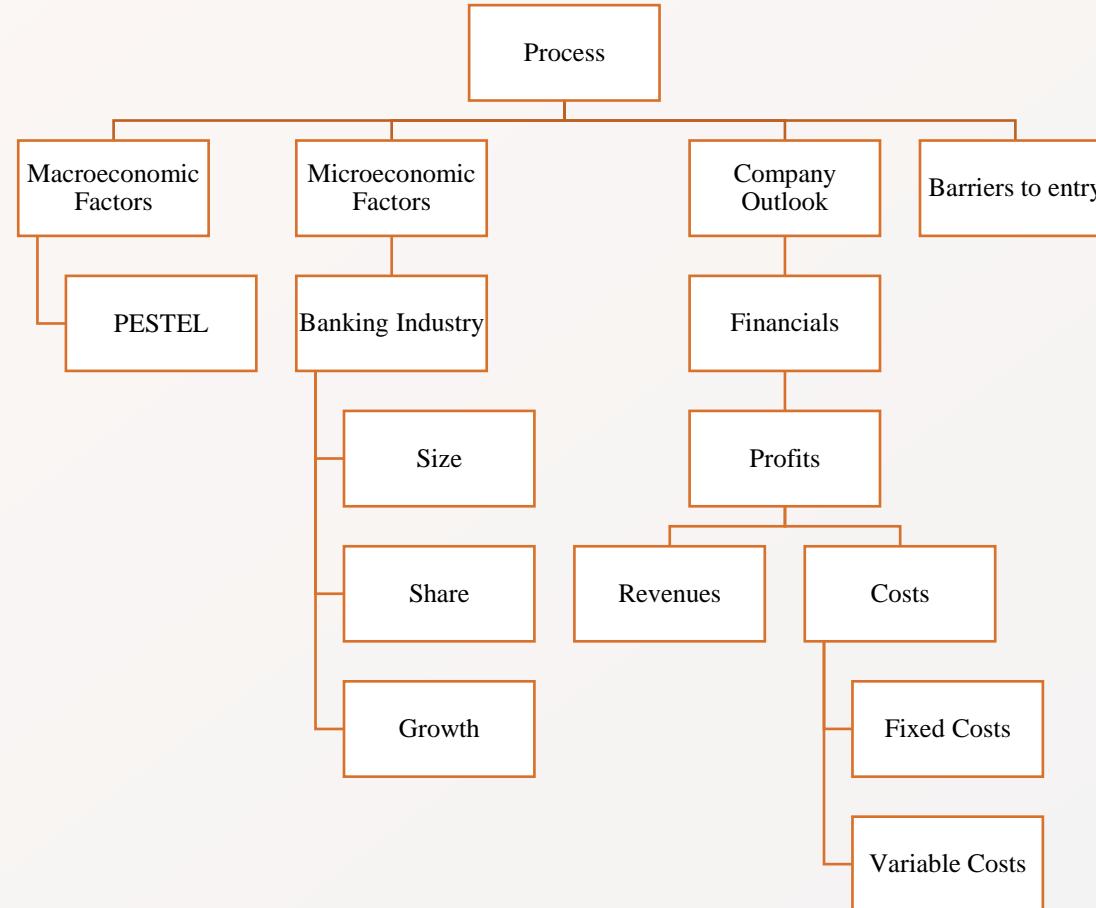
I: Good, I think we have covered all the aspects of the case.

**Case Statement:**

Your client is a Global Bank that wants to enter the Indian Market. You have been asked to analyse the situation and provide recommendations

**Background Information**

- **Client:** Global Bank which is a player in 5-6 big countries
- **Objective:** Through the Market Entry, they wish to maximise their profits
- **Competition in New Geography:** 5-6 Big Players
- **Target Customers:** With more than 10 cr. Income
- **Time Frame in mind:** 3 years

**Case tips:**

- During the course of the interview, the interviewer asked the candidate, "What will be those 6 questions that would drive your decision of whether to enter or not?" And to answer this, majorly the above framework had to be kept in mind.

C: So just to reiterate the client is a Global Bank wanting to enter the Indian Market, right?

I: Yes right! You can proceed with the case

C: So, I have a few questions to understand the industry we are operating in, our client and its operations and finally the new geography we wish to enter. Firstly, I want to know which location our client operates in, since when have we been into operations, who are our customers, what kind of services do we provide, and how much share do we hold in the current market?

I: The Company has been in operation for the last 10-15 years and is an established player. It operates across different countries like Europe, Australia, Singapore, USA and Amsterdam. We cater to anyone and everyone who wants to deposit their money with us. We have specific country-wise criteria to lend loans. Apart from this, we have Value Added Services as well and are present across both online and offline channels.

C: Okay makes sense. Seeing that the company is very well established, why does it actually want to expand to new geography, and do we have any timeline in mind?

I: So they want to maximize their profits through this plan of expansion, and they want to achieve their goals in the next 3 years at max.

C: Understood. Next I would like to understand, is there any geography that they have in mind, what kind of customers are they targeting and what kind of services do they plan to take to India. Also, some information about the competitive landscape in India would be an add on. Finally, are there any budgetary constraints that we need to be aware of when we are taking any decision?

I: Great. The Indian market has 5-6 big players like SBI, HDFC, ICICI, PNB etc. While our client does not have any target geography in mind, they wish to only cater to customers having an income of more than 10 crores per annum. They majorly plan to take all kind of services to India like Banking, AMC, Lockers etc. What do you think now.

C: Okay, so the customer landscape is a big point over here, considering people with more than 10 crores of income would be present in a very less number. So I have the following approach in mind. Firstly I plan to look into the Macroeconomics of the Indian Economy (PESTEL: banking sector is highly regulated, trust factor with existing banks, Inflation rates and Repos and Reverse Repos etc.), then I plan to look into the Microeconomics part of it where firstly I'll see the banking industry, its size, share and growth, then I plan to look into our company's outlook where I'll see the financials of our company, how much profits we can generate and what would be the costs that we might incur in terms of fixed and variable costs. Finally, I'll look into any barriers to entry that might be there, how we can enter the Industry and if we are planning to set up our own Value Chain, how should we go ahead with doing that. Does this seem like a fair approach?

I: Yes, the approach seems fair. However, due to paucity of time, the client has asked you to ask them 6-7 questions that would help in giving them clarity whether they should enter the market or not.

C: Okay. So firstly I'd like to understand whether getting through the regulatory barriers in India, fulfilling of compliances of Repo and Reverse Repo by the RBI would be feasible and possible or not?

I: Yes, none of that would be an issue

C: Okay. Next, do we have any idea about the size of market we will be catering to, how much share will we get, and what is the growth of the market?

I: So we'll be catering to 1,00,000 people and we'll have profitability margins of around 4-5%. These people come from across the 4 metros.

C: Interesting. So considering that the number of people we would be catering to is not huge and is relatively split across the country, does the profit margin actually seem feasible to our client?

I: Comparing to global standards, the margins are less. However, in the Indian terms these seem enough and our client is satisfied with that.

C: Okay. But we should also look into how much of the incomes people are actually willing to deposit into banks, considering they have other alternatives also, like investing in the markets. When it comes to taking loans, we need to see if actually a decent chunk of these 1,00,000 would end up taking loans, provided they are already earning so high, the need for loans might not be there.

I: Good points, but the 4-5% margins is after accounting for all these factors.

C: Okay. And what about the competitors. They have already been present in the industry so in order to make a mark, we need to differentiate ourselves in some way so that we can actually cater to the people.

I: Yes, we can surely look into this!

C: So to look into some points of differentiation, the first thing that comes to my mind is a Digital Infrastructure. Are our competitors present through digital modes. If that isn't a feasible option, we can look into the quality of services as a point of difference.

I: So that is a great point. None of the players are present in an online mode.

C: Great so essentially this reduces our capital requirements hugely, since we can just set up one or two branches and rest we can operate digitally. Since we already are a global player and fulfilling legal requirements of RBI isn't an issue, trust factor would also not be much of a problem for us. After this, I'll look into creating demand through awareness campaigns. Would that be an issue or should I chart out a strategy for the same?

I: No that won't be an issue for us. We have great marketers in all the countries where we operate.

C: Okay. After this, I would like to look into the available routes through which we can enter the Indian Banking Sector. It can be a Merger, an Acquisition, a Joint Venture or we can enter on our own. Now when we look into an M&A or a JV, we need to see if we have the capabilities for that, if our demands are actually being satisfied by the other firm and if they are willing for the transaction to happen.

I: Good points but we would be entering ourselves. How should we go about this now?

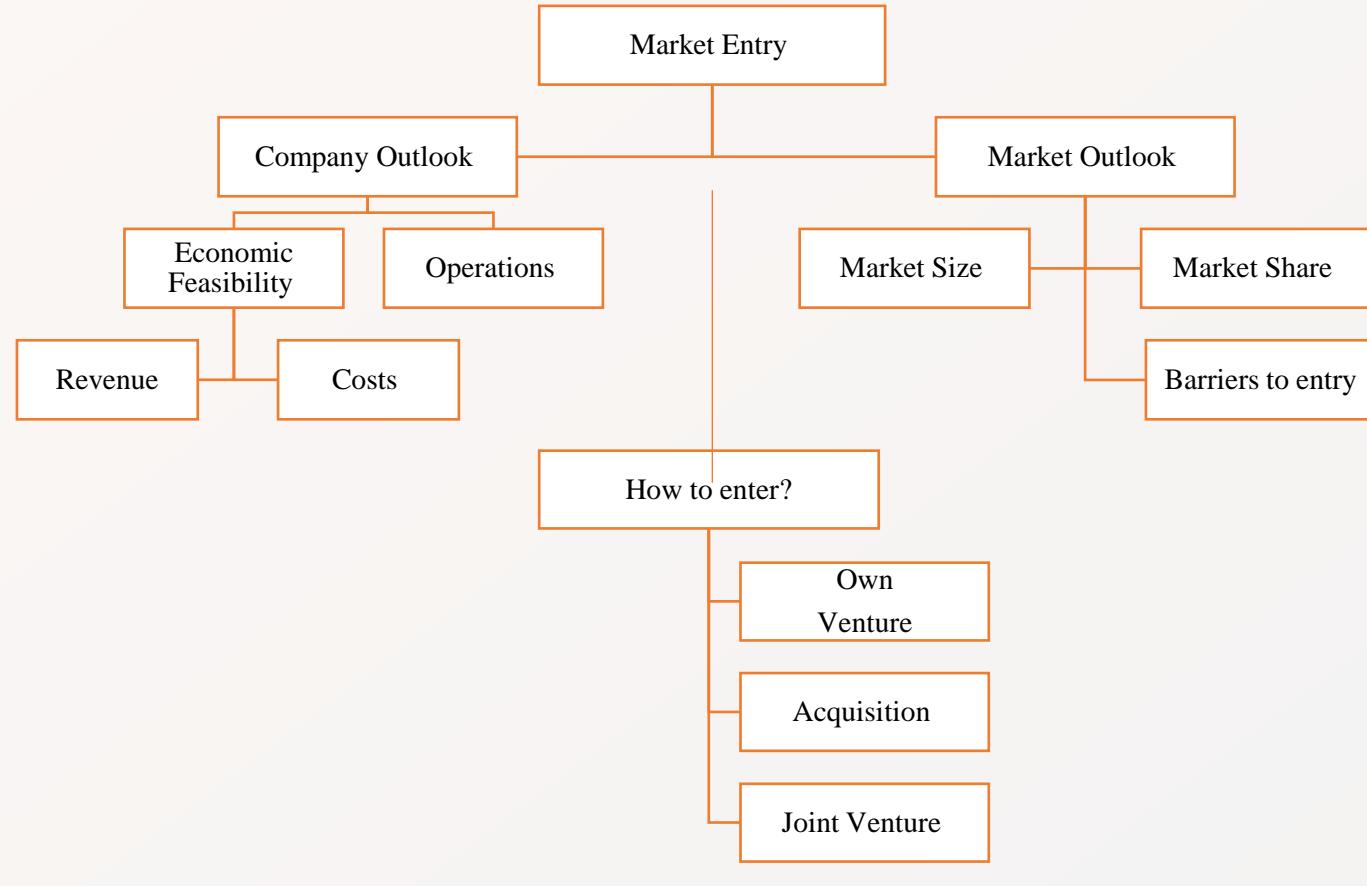
C: For this, we need to first see where we can set up our operations, then actually go about setting them up in terms of hiring employees, meeting compliances regularly like those of maintaining CRR, SLR etc., setting up the digital infrastructure and finally creating awareness about our services amongst the people and what can be done to ensure that our services are better than all the others.

I: Fair enough. We can close the case now

**Case Statement:** Your friend wants to enter the salon business. You are supposed to advise him whether he should go ahead, if yes how should he enter?

### Background Information

- **Objective** – Attain profits
- **Company** – Unisex salon
- **Products**: Premium services
- **Competitors**: Can assume a demography like India
- **Timeline for profits** : The earlier, the better



### Case tips

- In a new market entry case , the investment can help in gauging the scale of business the client wants to start.
- The objective must be very clear before proceeding with why and how to enter.
- Brining in numbers and formula wherever possible presents a clear and concise picture of the case.

C: Why does the client want to enter the salon business in India ?

I: India is a growing economy; the business will have potential to grow given the country's population.

C: Is there any specific objective that they are trying to achieve such as targeted % profits, % market share, etc. ?

I: No, they just want to have a profitable venture as soon as possible.

C: Can you help me understand a little more about the kind of salon the friend wants to open.

I: It will be a unisex salon with premium services.

C: What is the budget for this business?

I: 20cr.

C: So, am I right in assuming that with this budget, he intends to run a chain of salons and not a standalone store?

I: Yes, that is correct.

C: Does the client wants to open the salons pan India?

I: You can look at what factors should we consider for deciding the location of the stores.

C: Do they want to start a new venture or acquire an existing salon chain?

I: We would like you to analyse that.

C: Do you also want me to look at the opportunity cost of starting this salon for the friend?

I: No, you can ignore that and focus on what all will you consider for analysing the decision to enter the market.

C: So, now that I know a bit about the objectives and business, I would like to analyse the decision to enter based on internal factors of the company and market factors. I'll start with calculating the market size.

I: Sure, go ahead.

C: 23cr. (*Refer to market size calculation in next slide*)

I: Now that you have calculated the market size, what other factors will you consider ?

C: I would look at the market share. Since India is a fragmented market in salon business, the client can look at attaining a higher market share only in case of acquisition of a large player in short run, otherwise establishing itself as a market player may be a long run phenomenon.

I: Sounds fair, what other factors will you consider ?

C: I would want to understand are there any barriers to entry, or regulations which the client should consider ?

I: No, there are no such barriers.

C: I will look at the internal company factors, comparing building the business from scratch viz-a-viz acquiring an established chain.

I: Sure, go ahead.

C: Starting with economic feasibility, his own venture, the costs would be – fixed and variable costs. Costs of land bought or acquired on lease, cost of equipment, admin staff and professionals, and running cost of utilities. For JV or acquisition, cost incurred will be the cost of acquisition.

For revenues, in a JV or acquisition, the revenue would depend on profit sharing agreement and would be relatively higher in initial few years at least as compared to own venture, owing to higher pricing and already established customer base. In own venture, it might take a few years to reach the competitive pricing in the market.

I: So, what would you suggest that they should do here ?

C: The decision here would depends on the success of their own venture and time taken. For the initial first year of business, a franchise model may have 2x customers and charge 1.5x price , resulting in 3x revenue. However, the dynamics can change in the long run.

I: Okay, beyond the profits, what other factors they should consider ?

C: On the operations and marketing front, the own business would require more investment in terms of time and money to market the venture, hire staff whereas in the acquired business, the client can leverage the brand image and customer base.

I: Assuming they want to go ahead with starting the business from scratch, how should they go ahead with starting the business?

C: The client should acquire/rent the land, hire trained professionals, source the equipments. Once the infrastructure is ready, the client should invest in branding and marketing for customer acquisition.

I: What are the factors you will consider for determining the location of stores?

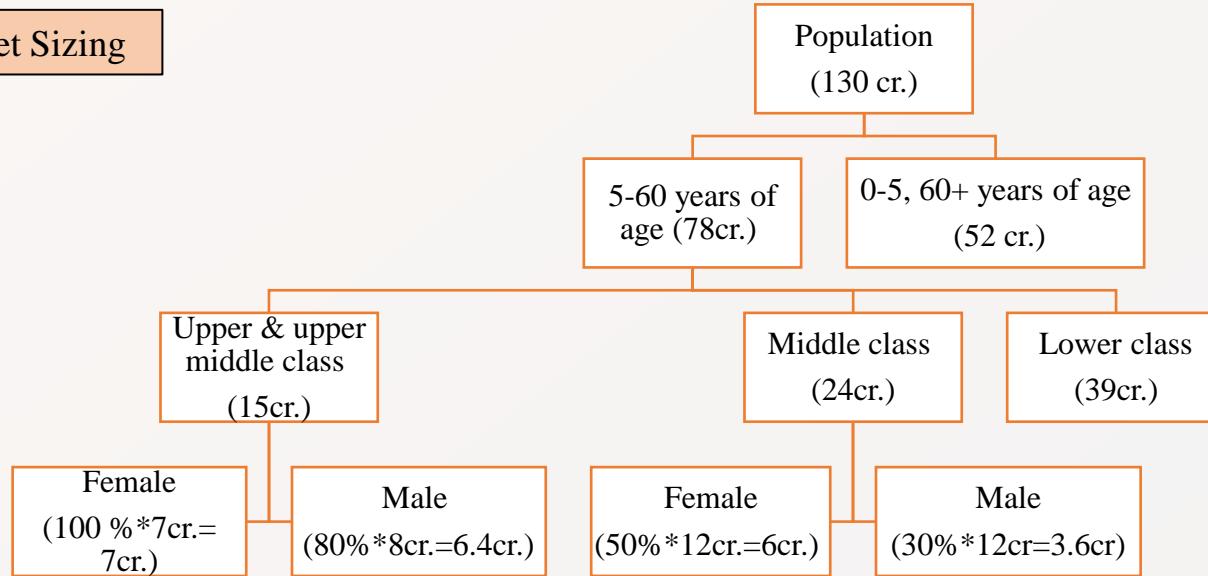
C: Since it's a premium salon, the working-class professionals in high income societies would be the target customer segment.. Further, availability of land, accessibility to staff would also determine the location.

I: Would you recommend any strategies for customer acquisition initially ?

C: They can offer freebies, discounts and combos initially as an incentive for customers to try their services. Further, the client can look at attractive membership schemes for customer retention.

I: Sounds fair, we can close the case here.

## Market Sizing

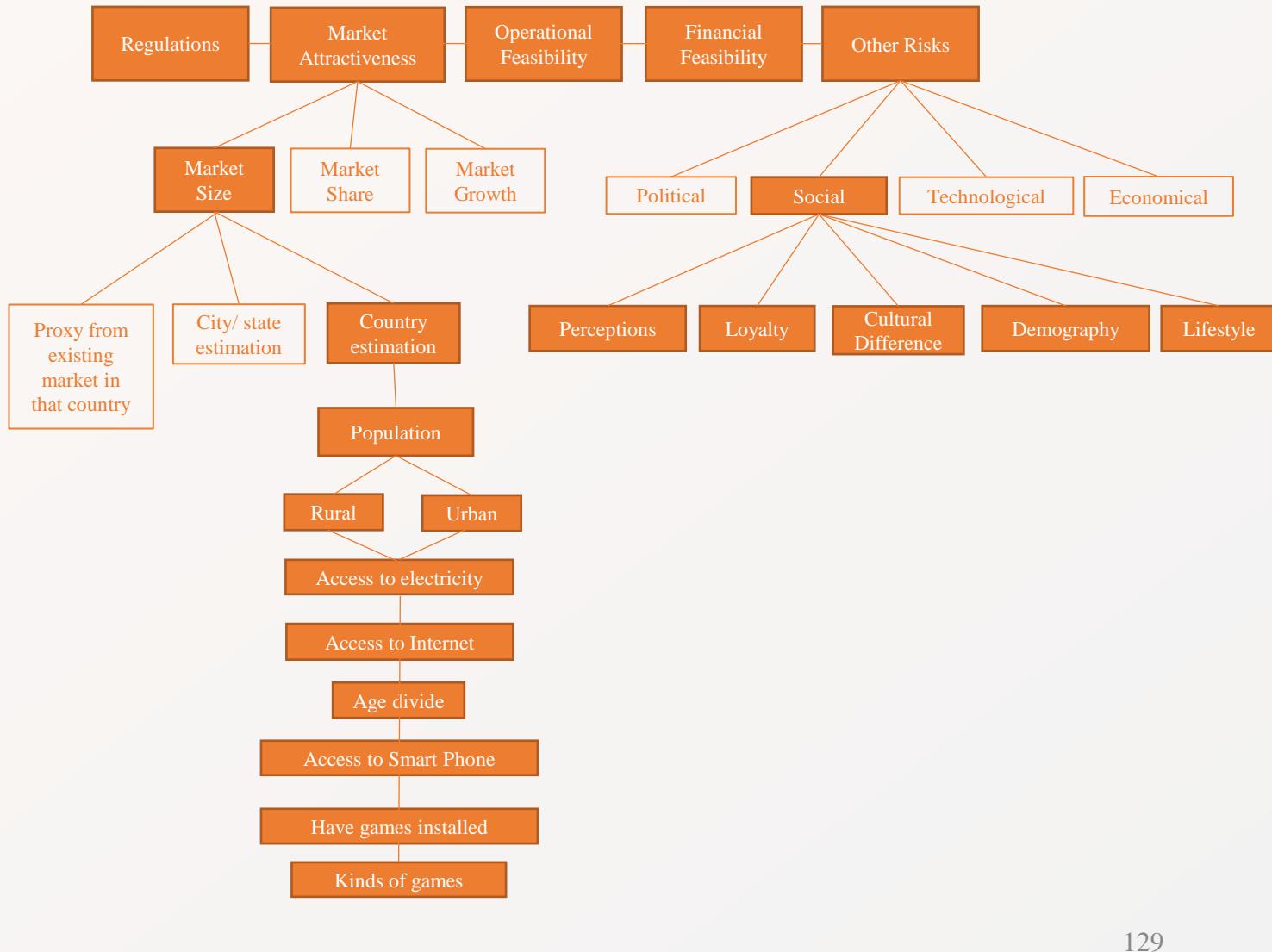


**Case Statement:**

Your client is the CEO of a gaming company who has launched a series of games. They want to enter a new market. Give recommendations of the countries basis the factors that are to be considered

**Background Information**

- **Client:** Ideate, develop and market smartphone application games.
- **Customer:** All interested
- **Competitors:** They are among the top 5 in terms of rating
- **Product:** The games are all mobile applications like candy crush, temple run etc.



**Case Statement:**

Your client is the CEO of a gaming company who has launched a series of games. They want to enter a new market. Give recommendations of the countries basis the factors that are to be considered

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- **Product:** The games are all mobile applications like candy crush, temple run etc.

Country	# Players	% paid subscribers	Average pay per person	Growth % of players
X	200 million	35%	\$300	15%
Y	100 million	25%	\$25	40%

X,  
Revenue =  $200\text{mn} \cdot .35 \cdot \$300 \cdot (1+.15)^3$   
 $= 31,938$   
 $\sim 32,000$

Y,  
Revenue =  $100 \text{ mn} \cdot .25 \cdot \$25 \cdot (1+.4)^3$   
 $= 1715$   
 $\sim 1700$

C: Is there any specific objective that the client is looking to achieve in the new market?

I: They want to quadruple their top line in the next 3 years

C: Okay, I'd like to ask a few questions about the client. What function exactly does our client perform? What kind of games are we talking about? Where are they currently based out of and since when?

I: They are involved in the entire pipeline from ideation, development to last leg marketing of the games. The games are all mobile applications. You can take the example of candy crush, temple run etc. They currently operate in Australia.

C: Have they launched their application in Australia? If yes, how is it performing. How competitive is the market?

I: They have launched. They are among the top 5 in terms of rating.

C: Lastly, what is their target customer base? Are they paid applications?

I: Its not particular, basically everyone who has a smart phone. They are partly paid.

C: Got it. To enter a new market, there'll be a variety of factors that need to be considered. First and foremost, the regulations and any upfront barrier in entering the market say for the technology used or the platform used for accessibility.

Next, I would like to look at the market attractiveness by evaluating the market size (of the desired population), our potential market share (basis the existing competition in that country) and the market growth. Once this seems attractive, I'd like to evaluate the operational and financial feasibility of this opportunity. Lastly, it is also important to consider the risks- social, political, technological, economic etc

I: What kind of economic and social risks are you talking about?

C: In economic risks, I intend to highlight aspects like foreign exchange risk which would matter even more when these applications are paid, inflation, tax policy, purchasing power to name a few. About the social risks, we should consider factors like cultural difference (in case the games have any unintentional bias against someone/something), customer perceptions, demography, lifestyle etc.

I: Is there anything else you would like to consider?

C: For mobile applications as mentioned, customer loyalty is a really important factor. Besides, market survey about existing games and the public response to them should be considered.

I: Okay. How would you estimate the market size?

C: There can be multiple ways to go about it. Since its already an established market in most countries, we can take proxy figures from existing competitors in those countries. Else, we can either estimate for a city/ state and extrapolate that to the entire country or estimate for the entire country as well.

I: Let's say you have to estimate for the country, what factors would you consider?

C: I can use two methods- one is supply side approach where we can deduce through existing data. The other is demand side approach where we can follow a top down approach. I would start with Population density, divide them on the basis of areas they live in- typically rural and urban. Bifurcate that on the basis of age, accessibility to smart phone, internet and electricity penetration, games installed and lastly the different kinds of games. Once that's done, we can see what kind of games meet our match and that will give us the market size.

I: Okay so you have shortlisted two countries, say X and Y. I have some data. Use \_\_\_\_\_ that \_\_\_\_\_ to deduce \_\_\_\_\_ your \_\_\_\_\_ conclusion  
In X, 200 mn people play games of which 35% pay for them. The same is 100mn and 25% for Y. The average amount paid per year per person is \$300 and \$25 respectively and the growth rate for the next 5 years is 15% and 40% respectively.

C: Alright. I would like to calculate the potential revenue for our client in each of these countries. Since our objective was to raise top line in the next 3 years, I would consider the growth rate for 3 years only.  
In X, Revenue is  $200\text{mn} \cdot .35 \cdot 300 \cdot (1+.15)^3 = 31,938 \sim 32,000$  and for Y, revenue is  $100 \text{ mn} \cdot .25 \cdot 25 \cdot (1+.4)^3 = 1715 \sim 1700$   
Hence, clearly the financials are stronger for country X.

I: Anything else you want to add?

C: Once we have decided which country to enter, we can look at the various options in which we can do the same- organically or inorganically. That would mean exploring options like Joint venture, partnership, merger or acquisition and so on.

I: Sure, thanks a lot.

**Case Statement:**

Your client is a premium car service provider deciding whether to enter the Indian market. Should they enter the market and if yes how should they do so?

**Background Information**

**Timeline to break even : 3**

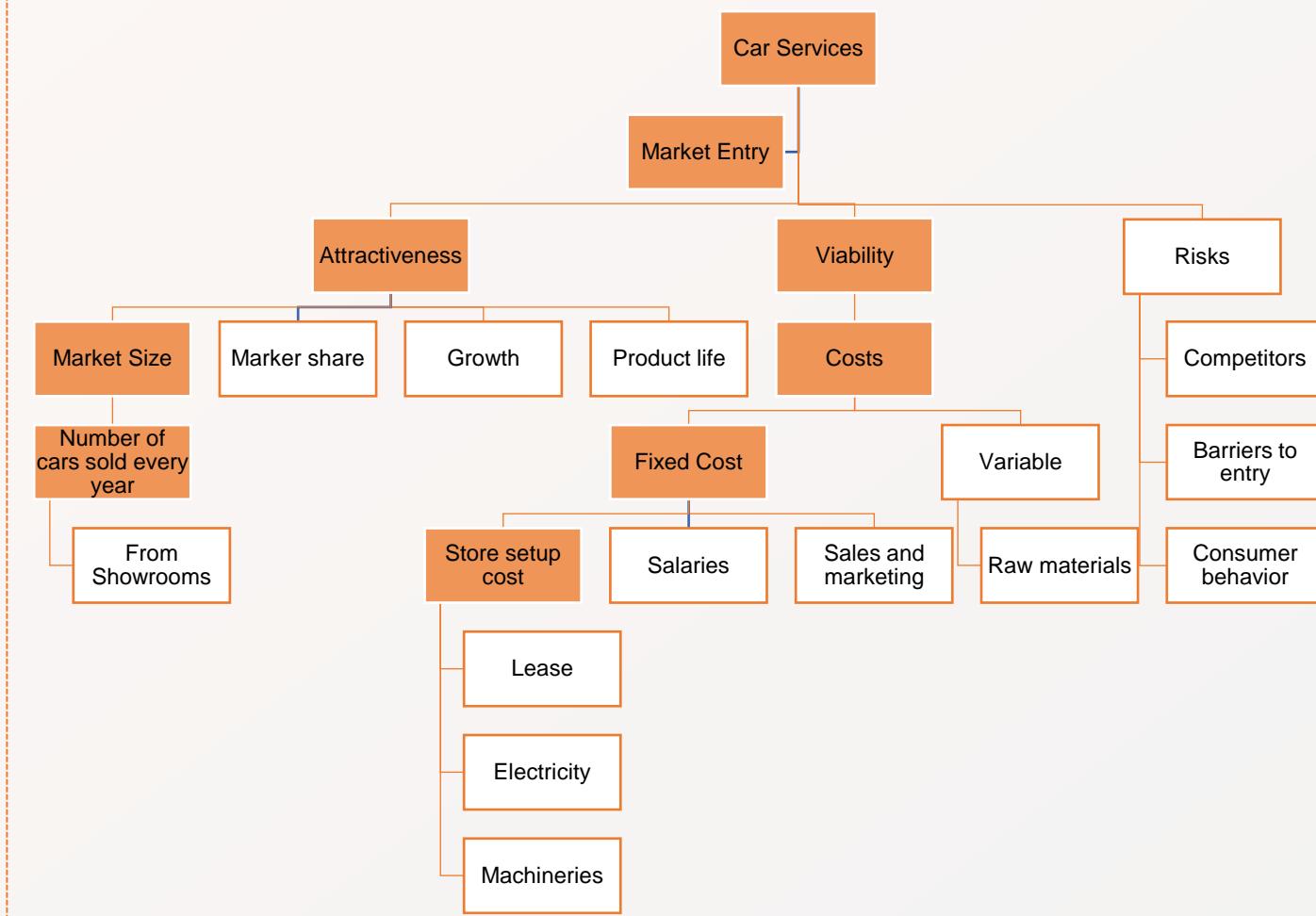
Years

**Company details:** Premium car service provider in the west provides end to end service solutions

**Product:** One stop solution for all car related needs.

**Location:** Planning to enter Delhi first

**Competitors:** Local competitors or car manufacturers providing service

**Case tips**

- Remain calm and have good mathematical ability in calculating numbers fast.
- Structuring and evaluating small aspects of the case which might be missed out.

C: Is there any reason for choosing India as the market to enter?

I: India is an emerging market, and the competition is fragmented.

C: Can you tell me something more about the client and how it operates?

I: Yes, the client is a premium car service provider in the west who provides end to end one stop solution.

C: Can you tell me something about the other players in the industry?

I: All other competitors are small local players or service providers from the car brands itself.

C: Is it fair here to assume we will be targeting premium customers only keeping in line with the model in which we operated in the west

I: That is a fair assumption.

C: As we are planning to enter the country is there any particular city, we are planning to launch the service in initially?

I: Good question, we are planning to enter only Delhi in the initial phase.

C: Is there any time period we are looking to break even

I: We are planning to break even in the first three years.

C: I want to look at two main things before I decide whether entering the market now makes sense the market scenario and how the company is structured now. Is there anything you want me to focus now or shall I go sequentially. First, I would like to estimate the potential market size. Do we have any information on the same or should I estimate it?

I: Yes lets go ahead with the approximate estimation. Tell me how you will go ahead with the approximating no of cars present in Delhi by 2031.

C: Starts with estimation based on no of families in Delhi and income-based segmentation followed by number of cars per family in each income bucket.

I: That's a good approach can you think of any other approach.

C: I can estimate it based on number of cars sold per day. I would estimate no of car showrooms in delhi \* average number of cars sold per showroom currently \* life expectancy of a typical car (assumed to be 10 after confirming with interviewer)

I: Are u missing something.

C: Yes, I should also account for the growth rate.

I: Assume there are 10 Lakh cars in Delhi now (2021) and the growth rate expected is 10% how many cars will be there in Delhi by 2031. Tell me an approximate number in 50 seconds.

C:  $1.1^{10}$ , which should be around 25 lakhs in 10 years.

I: Ok let's continue with the case, quickly tell me what all will u check.

C: Now that we have looked at the market size and market growth, I would also like to look at the market share we can expect to capture, who all are the market stakeholders and any potential risks. Shall I deep dive into this.

I: Let's assume that there are no other external threats, what all other things you will investigate.

C: Financial and Operational constraints of setting the shop in India

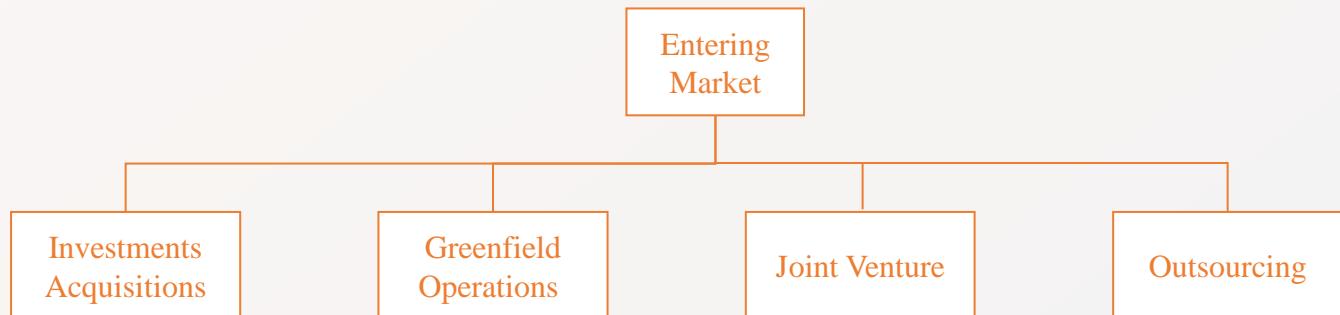
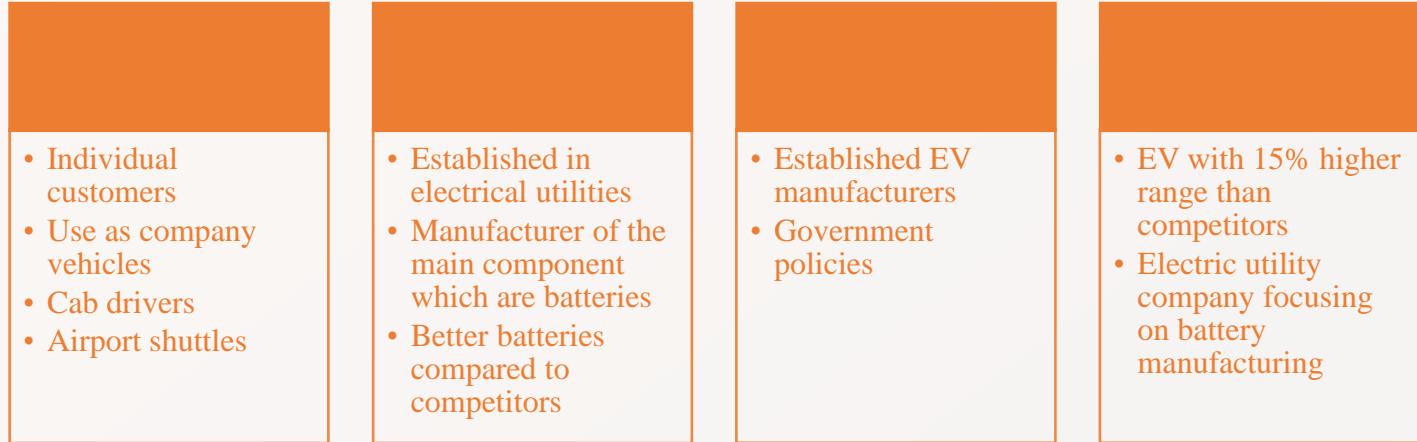
I: Ok I think you have captured all the points well, lets end the case here.

**Case Statement:**

Indian company focused on the electrical utility segment had expanded into the manufacture of batteries for various purposes including those used in electric vehicles. Client is looking to move into the electric vehicles industry as well.

**Background Information**

- Client:** Indian company in electrical utility segment.
- Competitor:** 1-2 competitors in mid and premium segment.
- Product:** Electric vehicles with a range of 250kms (15% greater than industry standard)
- Timeline and purpose:**  
No specific timeline.  
Expand into the electric vehicles industry

**Case recommendations**

- Analyze the companies' strengths and weaknesses.
- Capitalize on the strengths and strategize pricing based on the same

I: Client is an Indian company that focused on the electrical utility segment and moved into the manufacture of batteries specifically for electric vehicles as well. The company is looking to moving into the electric vehicles industry. Analyze the market and industry to see whether they should move into the new segment

C: Can I get some inputs regarding the industry and what would differentiate the company from its competitors if there are any?

I: Sure. The electric vehicles industry although quite niche is a growing market with one established competitor and another one who had recently entered the market. While the company has not manufactured electric vehicles directly, they have been manufacturing batteries for the same which have been proven to provide 15% higher mileage than any of its competitors.

C: That's great. Since the client does not have a production plant for electric vehicles, I would like to know what the timeline that they are targeting for entering the market.

I: The company wishes to enter the market as soon as possible. Preferably in under 2 years.

C: Normally for a company to enter a market, R&D on the final product would have to be conducted, followed by extensive testing and then manufacturing of the same. Since the timeline is relatively small, to save on R&D and testing, the most optimum route would be through a joint venture or acquisition of a company which already has invested in R&D and development of EVs. Would these be options that could be considered?

I: Yes, which of these two options would you suggest as most optimum?

C: The overall market for electric vehicles even though it is growing, is rather niche. Due to this, it would be in the clients' best interest to go for a joint venture.

I: Good insight. Once the joint venture is complete, how should the client go about with entering the market.

C: I would like to go about describing the same using a multi-stage process for the product launch.

Stage 1: Integration of technologies between clients' battery systems and joint companies' technology to come up with a final product.

Stage 2: During the integration period, to try and introduce the company name, with a history in electrical utilities, the client can try to set up EV charging stations in popular and frequently visited locations.

Stage 3: Launch of vehicles in Tier 1 cities along with partnerships formed between the company and popular hotel chains in and around the city to set up charging stations that will allow for intercity travel.

Stage 4: Launch of vehicles in Tier 2 cities along with setting up charging stations in the same.

I: Great. Can you provide some input on how the client should go ahead with pricing?

C: Sure, I would start by considering the total population of India,

There are 3 pricing strategies that can be followed. The first one is competitive pricing. Since the market is presently led by a single leader, our client can match the prices being charged by the market leader to grab a share of the market. The second is cost-plus margin pricing. Since the product manufactured by our client offers a 15% higher range and the company and competitor technologies are similar, it can be assumed that the per-unit cost of manufacturing the product is similar. In such a case the client should charge a price that is equal to cost plus a margin benchmarked to the competition. The third pricing strategy is value-based pricing. Here price will be based on the product attributes and the perceived sense of value by the consumer.

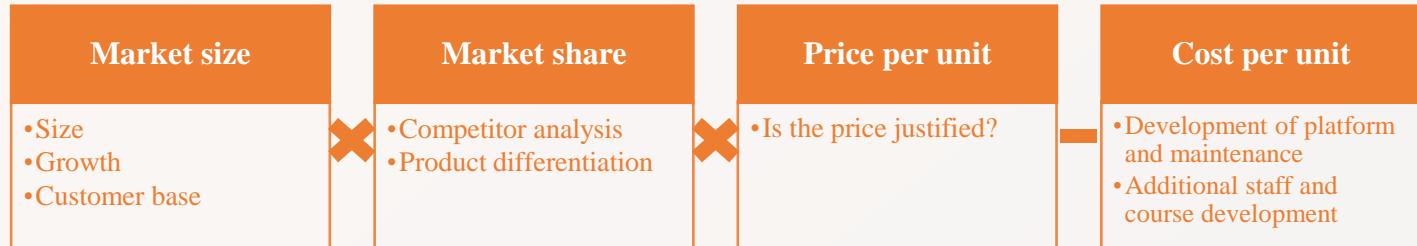
I: Those were some great strategies provided. We can end the case here

**Case Statement:**

A University wants to launch an Ed Tech platform for courses and preparatory classes. How would you go about doing the same

**Background Information**

- **Client:** MBA university wants to launch Ed Tech platform.
- **Location/Geography:** Targeting entire Indian market
- **Timeline:** Within the next 2 years

**Profitability analysis for Market Entry:****Case recommendations**

- Perform SWOT analysis while analyzing the market
- Recommend stages passed on past launch success.

I: Client is a MBA university which plans on launching an Ed Tech platform coupled with an additional training program specific to the entrance examination for the university. Analyze the case and come up with possible scenarios and launch methods.

C: Based on the information provided, would like to clarify certain points in terms of the customer base being targeted as well as what types of courses the university plans to launch.

I: The university wishes to launch 3 types of courses on the platform. Details regarding the courses include:

- 1) University exam coaching program: Since separate entrance exam is conducted, for aspirants willing to join the university can enroll to prepare specifically for the examination.
- 2) Condensed MBA course: While the flagship MBA program runs for 2 years, the condensed course is will run for 1 year with specific topics the candidates wish to cover in detail.
- 3) Flagship executive MBA program: An extension of the executive MBA program which is completed in 1 year will be offered with a 2 year timeline.

C: Can you provide some details regarding when the university plans to launch the programs.

I: Due to three separate courses being offered, the university would like to have a tentative completion of the material and content with the platform development in the next 2 years.

C: Based on the information provided, the launch can essentially be broken down into 3 separate stages.

Stage 1: Development of the platform and content for the condensed MBA program

Stage 2: Development of material and content for the coaching program.

Stage 3: Development of content for flagship program.

I: Can you explain the reasoning behind the same.

C: Sure, in stage 1, since material for all the courses offered during the MBA program is readily available, the same just has to be converted into structured content for the major courses. While the content is being developed, a separate team can be hired for the development of the platform, so that the initial set of primary courses can be launched within 6 months.

For stage 2, in a period of one year, preparatory material for the university entrance examination along with final content for the platform can be made. Based on the customer acceptance and satisfaction of the initial courses offered, additional content can also be made for additional specific courses as well.

In stage 3, as per the customer preferences, development of content for the platform pertaining to the executive MBA program can also be started post completion of stage 2.

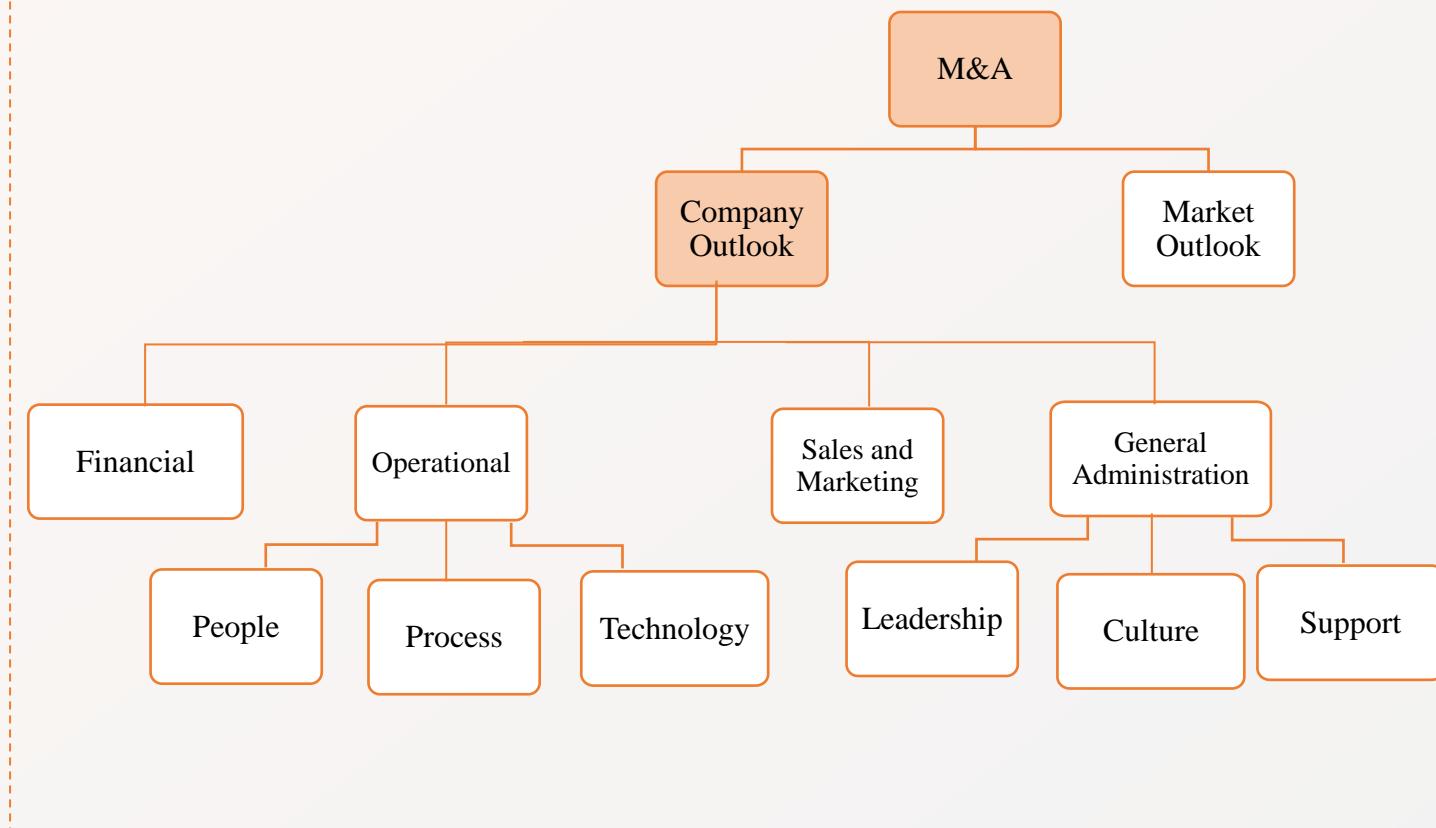
I: Good, this process of content launch seems perfect. We can end the case as all the points seems to have been covered.

**Case Statement:**

Idea and Vodafone both had 2 million customers each that subscribed to their platforms. They merged their platforms in year X. Until now, which is not a very large timespan, you can assume less than 5 years, they are on the verge of bankruptcy. Despite having a merged subscriber base initially which was close to 450 million people, they are now down to 250 million and people keep leaving their platform for Jio every single day. The government has levied a fee of say around 10 billion on them for different issues which they have to clear come what may, and the customer erosion does not seem to stop any time soon. They cannot appeal for bankruptcy because they have an ongoing case in Supreme Court that disallow them from doing so. Because of Jio's undercutting of prices, they cannot charge their existing customers to raise money. What are your considerations on this scenario?

**Background Information**

- **Client:** VI
- **Customer:** Network Subscribers
- **Competitor:** Jio majorly
- **Product:** Network provider

**Case tips**

- This was not a conventional market entry case but following the M&A structure would help.

C: Can I know why was it failing initially?

I: The network quality is very bad, and they were facing marketing issue too. Why do you think this would have been the case?

C: Bankruptcy would have hit them cyclically. Because of bad network they were not getting subscribers and the lack of subscribers meant they had a low marketing budget and could not invest in making their network better.

I: Right, move on.

C: Post merger, were there any changes in the way operations were carried out, with respect to people policies, processes followed, technology used?

I: Not quite, no. everything was retained just like before.

C: Since you mention that everything was retained just like it was pre-merger, do we know the structure of the new leadership?

I: So, we have 2 CEOs now, one of each company. The exact hierarchies of the individual companies are followed in their respective vertical.

C: This seems to be an issue. Do we know the extent of cultural alignment of the two organizations post-merger?

I: It is a complete mismatch. Vodafone employees like to maintain a good work life balance and leave work at 5 pm daily, while Idea employees feel like they are having to shoulder the load of the employees who are leaving early.

Can you summarize your findings to me?

C: Sure, There are 3 broad issues that the Vodafone Idea merger is facing:

1) Lack of money – because of which they are unable to ensure 2 things:

- i) better network quality as compared to competitors like Jio
- ii) better marketing campaigns to capture new customers

As a result, they are losing customers.

2) Lack of leadership – There seems to be no coherent leadership structure, thus there is no one to define a common goal or plan of action

3) Lack of cultural synergy in the organization

I: Sounds fair, which of these would you go about solving first, assume you have all the control and resources?

C: I would solve the 2nd problem (lack of leadership) first, as that would require less time to solve and also be the crux of solving the other two issues. Thereafter, I would focus on building synergy within the organization, and once that is achieved at a considerable level, I would like the organization to devote time, energy and resources to solving the first problem of building better network quality and focusing on marketing.

I: Thank you, we can end the case here.

**Case Statement:**

The client is a media company that wants to enter the online space. Develop a business case for them.

**Background Information:**

- Client is an Indian media house operating in entertainment sector-movies, soaps, cartoons.
- Major player with 30% market share in non-OTT space

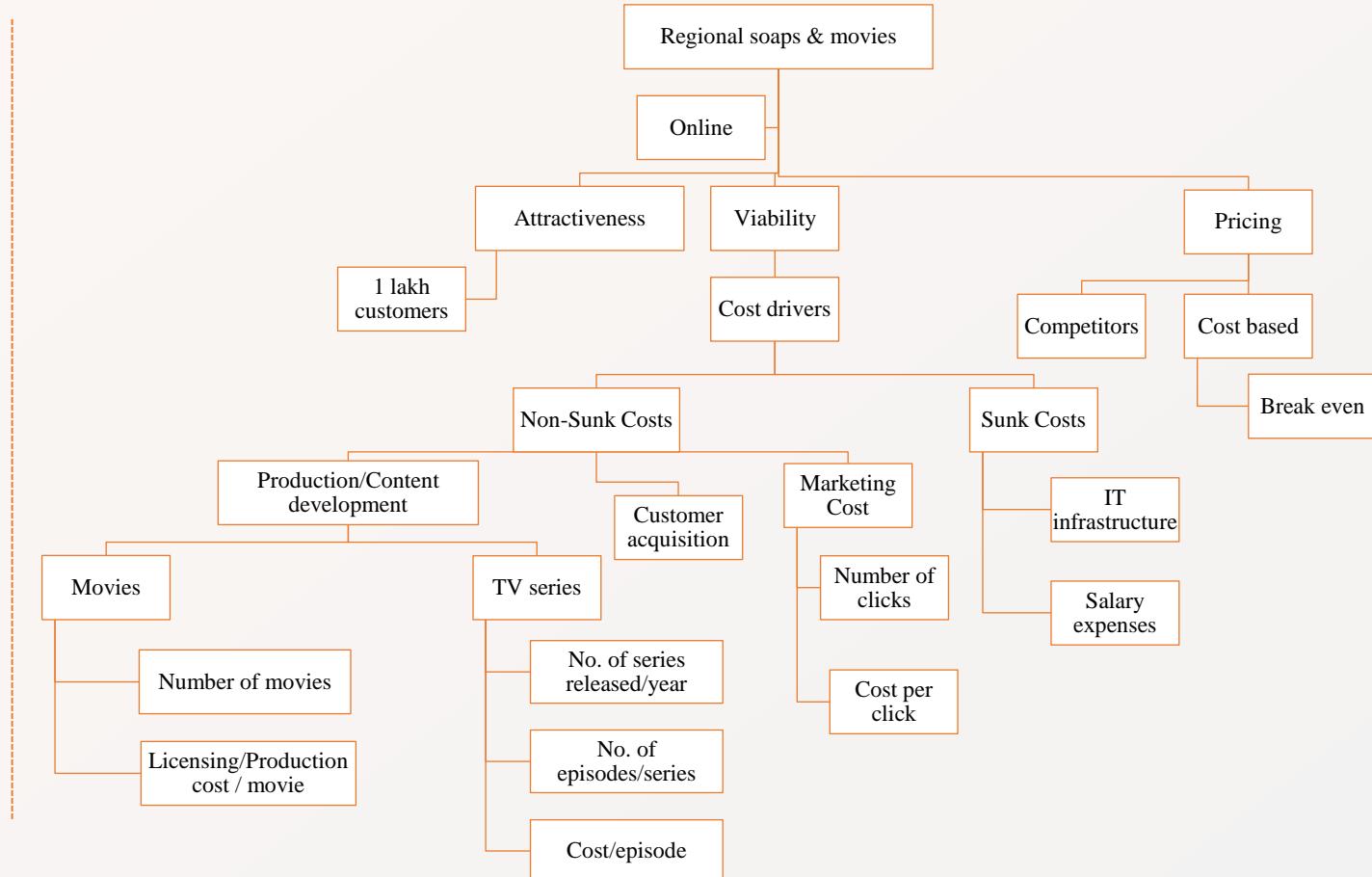
**Competitors:**

Amazon Prime, Netflix, etc.

**Offerings in online space:**

Movies and online TV series

English as well as regional language.

**Case recommendations**

- With mid-range pricing enter with offerings in regional space as well.

I: The client is a media company that wants to enter the online space. Develop a business case for them.

C: [Reiterates the case for clarity]. Can I know a few details about the client? Where are they based out of, and what are their current offerings?

I: The client is a typical Indian TV media house. Can you think of a few offerings they might be having?

C: Sure. Mainly, Indian TV media houses are present in the entertainment space or the non-entertainment sector. Within the entertainment sector, they can cater specifically to movies, soaps, music, sports, kids' channels (cartoons) or a mix of them. In non-entertainment space, they can cater to news or education. All the above can be subdivided according to regional languages as well.

I: Alright, our client provides a mix of services in the entertainment sector currently – movies, soaps and a few cartoons.

C: What is the client's market share? Is there a particular reason for venturing into the online mode currently?

I: They are one of the major players in the country with a trusted consumer base & enjoying 30% market share. They expect an exponential growth in the online space & wants a piece of the pie as early as possible.

C: How's the competitive scenario in the online space? Is the client planning to enter the online space with the current product mix?

I: Consider the current competition in the online space with Netflix, Amazon Prime and Hotstar as the major players. Our client is planning to enter with only movies and some popular TV series – only in some underserved regional languages.

C: Sure, I shall start with analyzing the attractiveness of entering the online space.

I: [interrupts in between] Let's consider that we have analyzed the online market already & found it to be attractive and identified 100000 customers as early adopters. What else would you consider to develop this business case?

C: I would consider the financial viability of entering this business for our client. I shall start with identifying the major cost drivers & arrive at the price point through breakeven analysis.

I: Sure, let's do that. Let's now look at the costs.

C: These are the major costs associated with entering the online space: production costs, customer acquisition, IT infrastructure development and salary expenses. Do you think I am missing out on any major levers?

I: No, this seems good. IT development and salary expenses will be sunk costs and we don't need to consider those for analysis. Let's focus on the content costs & online advertising. What data do you need to go ahead?

C: Cost for movies = No. of movies released per year \* Production/licensing cost per movie

Cost for TV series = No. of series released per year \* no. of episodes per series  
\* Production/licensing cost per episode

Marketing cost = No. of clicks \* cost/click

I: The client plans to release 1 movie/ month, each with a production cost of 8 Mn INR. Each episode of TV series will be released monthly. A total of 3 series are in consideration currently, each episode having a production cost of Rs 8L. The client expects a 1% conversion rate from online ads with each click costing 1 Re.

C: Total annual cost comes out to be ~ 135 Mn INR. In order to break even, the client needs to charge at least INR 1350 in case of an annual subscription model.

I: Alright, so what is your suggestion? Does it make financial sense for the client to invest?

C: May I know if our client would be leaving the current business completely to enter the online space?

I: Good question. No, they are currently considering this as a supplement to their current business.

C: Thanks for that information. An annual subscription fee of INR 1350 is competitive enough, considering INR 1000 for Amazon Prime and INR 1500 for Hotstar currently. Compared to these platforms, the client is releasing fewer titles with the advantage of them being regional in nature. Hence, I shall suggest the client to enter the online space with this subscription fee.

Since this service is supplementary to the current business, we can also explore whether the client is willing to have a longer breakeven period. If so, they can charge a lower annual fee in the short term. While building acceptability among consumers, the client should also focus on acquiring more market share through targeted marketing & proper positioning of the service.

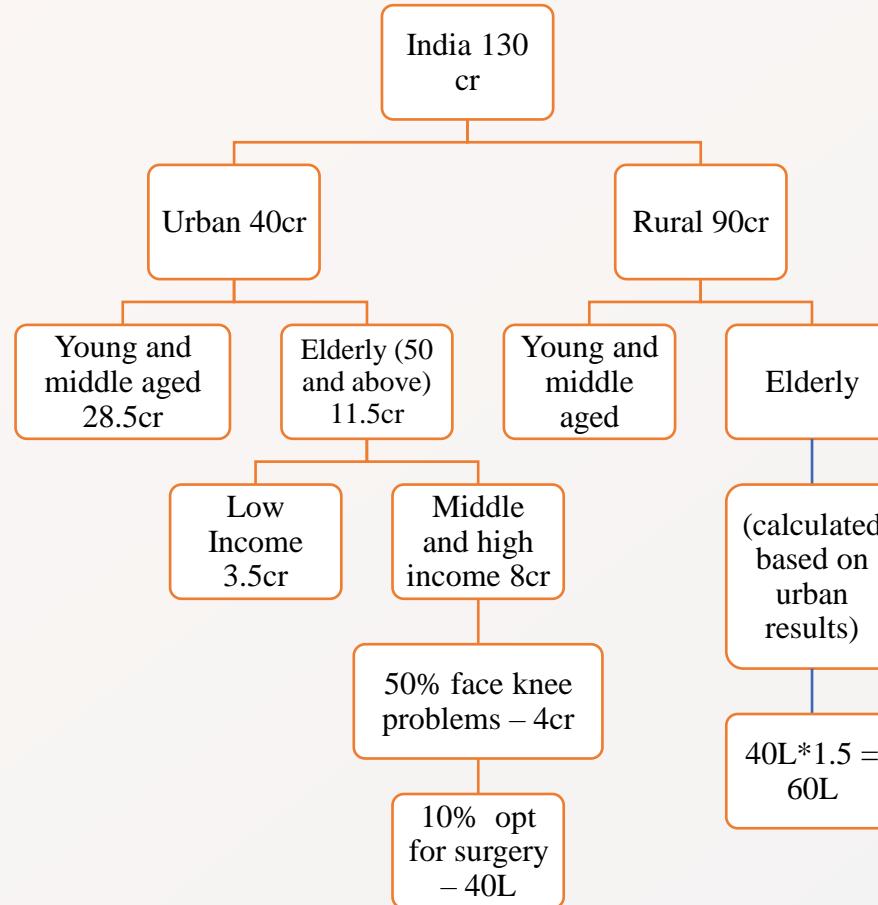
I: We can close the case here. Have a good day!

**Case Statement:**

Client is in the healthcare industry; they make medical devices. They are based out of China but are looking for international expansion and want to consider India as an option. Advise them over the same.

**Background Information**

- **Client:** China based manufacturing, exporting to other markets.
- **Customer:** Directly to hospitals
- **Competitor:** 3-4 competitors in mid and premium segment, rest of the market is fragmented
- **Product:** Only 3 medical devices. (Discussed in the first question)
- **Timeline and purpose:**  
No specific timeline.  
India is a growing market thus the client wants to enter. No specific goal.

**Case tips**

- There were about 5 min of BQs at the start around why Bain and a little about shift to consult from tech (workex). Being prepared helps.

C: Can I know about the types of medical devices our client manufactures?

I: Yes. They manufacture orthopedic devices. They have three main products:

1. Artificial joints: these are like the hip or knee joints that are used when the natural joints fail
2. Trauma implants: Trauma implants are like plates and screws used to treat broken bones
3. Spinal implants: Spinal implants are specific to the spine, to increase stability and reduce pain.

C: What does the value chain look like? Whom does the client sell the product to? Are they covered in insurance plans of customers?

I: Our client is the manufacturer, and they make only their own branded products (as opposed to being an outsourced manufacturing for another brand). Like any other product, there are third party distributors located in various countries. These devices are used only at the hospitals. Patients discuss the price range with the doctors, and it's up to the doctors then to choose which brand within that price range they chose. Medical insurance penetration is very low, you can assume most people would be paying out of their pockets.

C: Does our client operate in all the price segments? How do our products vary within price segments?

I: Yes, we have the premium segment that offers state of the art tech, the value segment with cheap prices and lower quality, and also the mid-tier segment with 1-2 generation old premium devices.

C: Why does our client want to enter in Indian market? Are there any specific goals?

I: Client wants to expand internationally to grow business. India seems like an attractive market.

C: What product is our client targeting to launch?

I: We know that the market of artificial joints is same as that for trauma implants, which is double that of spinal implants. We can start with artificial joints. Why don't you start by estimating the market size?

C: Sure, I would start by considering the total population of India, performing an urban rural divide (due to awareness, access etc.), and then a division based on age group (since artificial joints are used mostly due to ageing). Post that I want to perform an income-group segmentation to account for affordability. Also, only certain percentage within the age group would have the need for such a device and a certain few will finally opt for surgical procedures for replacement. Do I consider any other parameters like market for each price segment?

I: We are limiting our findings to the total market size; hence we can ignore the market for different price segment products.

C: Sure. Refer structure on previous page. 40L is the total market size

1/20 do this every year on an average: 2L

I: Are you missing something? Let us assume each device needs a replacement after 10 years, Also, medical surgeries can be planned, and you can assume access to good hospitals will not be preventing people from seeking treatment.

C: Sure. [ calculations =  $2L * 2 = 4L$  in urban. Rural need would be 1.5x based on population split. Hence total market at about 1M] At this point I would like to consider the competitive landscape for the three categories and even in that within the price segments in each product category.

What other parameters do you think would be relevant here?

C: Continuing with the competitive understanding, I would also like to compare the value proposition, profit margins, establishing value chain in India. There would be some regulations around importing medical devices. Lastly, risks around political tensions with China would also need to be factored in. (Suggestions in the chart)

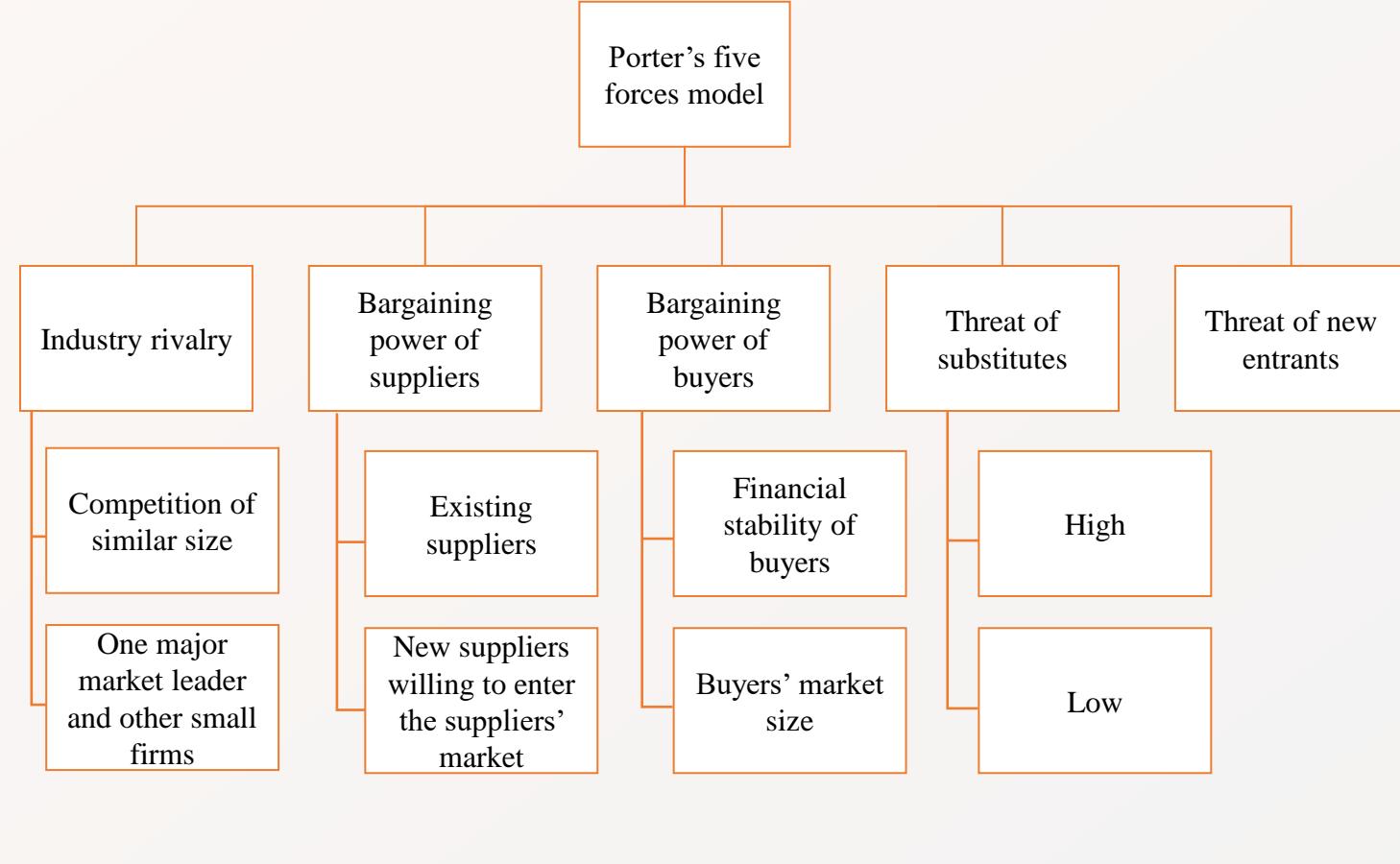
I: Thanks a lot, we can end the case here.

**Case Statement:**

Your client wants to enter the furniture industry. What factors should be considered while taking this decision? Make recommendations to the client on the basis of your analysis whether to go ahead with the market entry decision.

**Background Information**

- Competitors:** Similar size, similar pricing
- Substitutes:** No substitute available for the client's product
- Consumers:** Can afford client's product

**Case tips**

- Analyse each of the five forces in detail with respect to the given industry.
- Highlight the positive/negative impacts on the business.
- State the different scenarios that could take place by giving examples wherever possible.

C: I will first consider the Porter's Five Forces model to get a holistic view of the whole scenario. So, the first thing I would like to know is how intense is the rivalry in the market, how many competitors exist and is there a disparity in the market competition? The rationale behind this is that if there is a large disparity (one firm's quality is much better than others), in this case, if my product quality is good, even if I cannot be a leader in the market, my firm can still be a profitable one if I provide the market with better quality in comparison to other competitors.

I: There is not much disparity in the market competition and competitors are of similar size.

C: Since the competition is close, I need to make sure that the quality that I am offering is at least equal to or if possible, better than the leading competitor. The second thing I would consider is the supply power since I need a quality product, I need good quality suppliers. Also, I would like to know how many suppliers are there and what is the difference in the prices that they are charging?

I: There is little difference in the prices. However, the best quality supplier only supplies to the market leader and will not negotiate with any new entrant.

C: Okay. Then I will look for other suppliers who will provide the next best quality and for that I will benchmark all suppliers to see who has a good recent history and whose supplies are least defective. I can also look at a new supplier who is trying to enter the supplier market but is unable to do so because of the existing competition. I will benchmark his quality/product with other players in the supply market.

I: If you now have the quality product comparable to the market leader, what will be your next step?

C: Since the question talks about profitability and not about being the market leader, I will go to the third factor of the Porter's Five Forces model i.e., bargaining power of the buyers because if the buyers are not in a financially stable condition in the geography I am dealing with, I will ultimately be in a loss-making scenario.

I: Why would you be in a loss-making scenario?

C: For a business to sustain for a long time, it is very important that in the initial stages, even if the business is not making profits, then at least it should be in a break-even situation. To ensure this, the buyer power comes into play. For example, if I am dealing with a geography having 100 people of which only 10 can buy the furniture. Then those 10 people will not favor the new entrant and buy from the market leader. But, if there are all 100 people who can afford the product, even if they are not doing so in the current situation, then at least I have a chance to make them my customers through different marketing strategies.

I: Assuming people can afford the product, what will be your next step?

C: The most important factor to consider is the threat of substitutes in the market because whenever I am setting up a business, it takes a lot of capital. So, I do not want to end up in a situation where I enter a market, invest all my money but the product eventually goes out of practice 2-3 years down the line.

I: Because it is a furniture business, there is no proper substitute available for the product and there has been observed an increase in demand of the furniture according to the recent data. It will continue to increase for a few years. What will be your next step, if any?

C: Now, although I do not consider this as important as the other factors, I would still look at the 5th and the last factor, i.e. threat of new entrants which means how tough or how easy it is for a new entrant to enter the market. This is because if the entry into the market is either tough or easy, it does not predict that the new entrant will be successful or unsuccessful.

I: Can you give an example?

C: If I consider at a human level, the example of XLRI. If I would have thought that there is already existing stiff competition here and I will not be able to make it to the institution, then I would have quit in the initial stages without even trying. Even the case where I would have thought that it is easy to get into the institution, I would have slacked off and both the scenarios could have been detrimental for me because in both the situations, I would have been either over-confident or under confident. The reason for failure would not have been the belief but the lack of data to support that actual thought. Similarly, in this scenario, the data that would help me to figure out whether I should invest in the market or not would come from the other four factors and that would help me to make a wise decision.

I: If as a consultant I ask you whether to enter the market or not, what will be your response to the client?

C: I would ask the client to first, categorize all the data from the 4 factors given above in terms of their relative importance and I would ask the client if he wants to be a successful firm in a short period of time or is the client willing to stay in the market for a long run, even if the results are not favorable in the initial stages.

I: Why so?

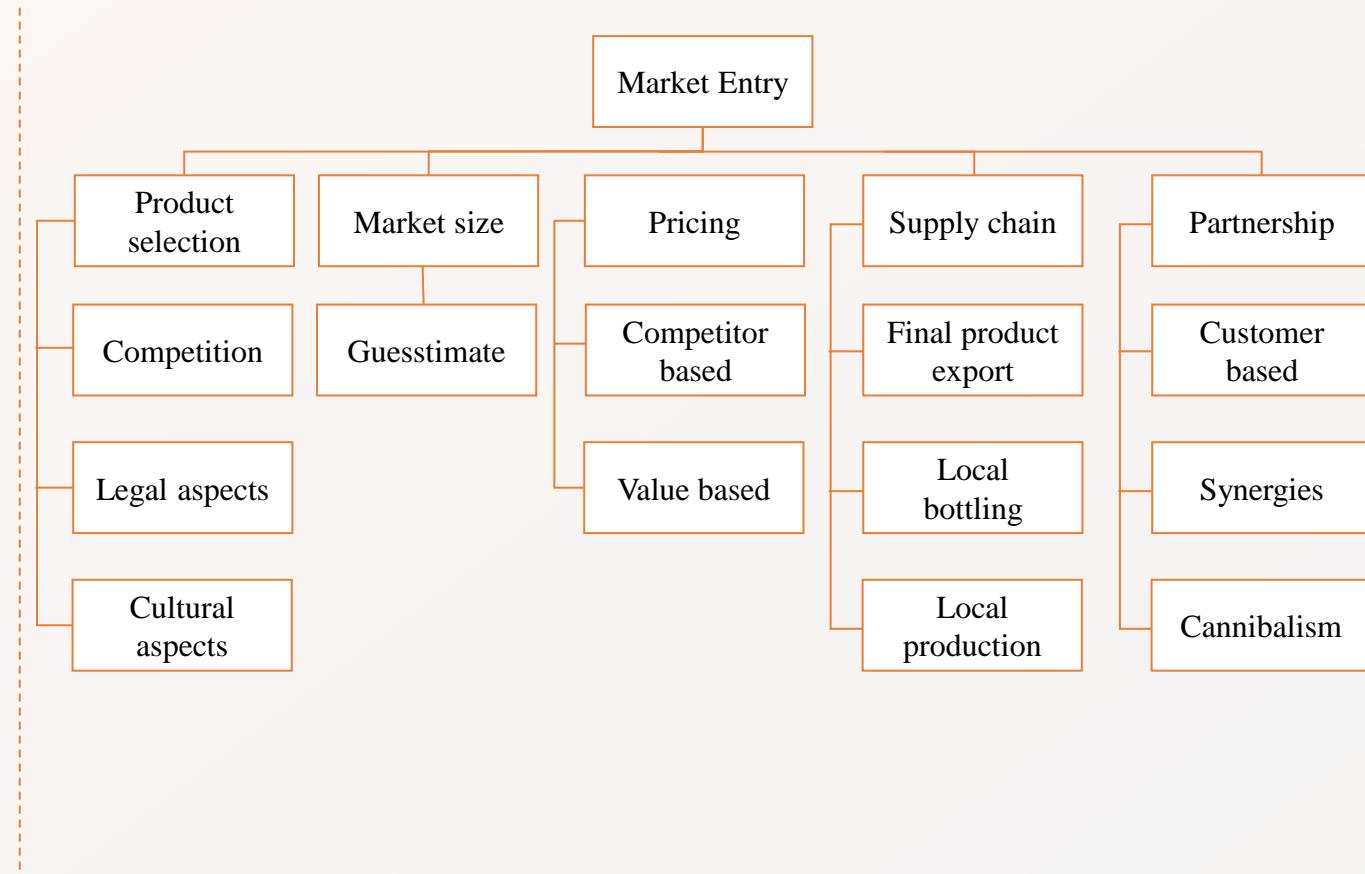
C: With every other factor that we have evaluated, we have one ideal scenario (immediate success) and the other one is a practical scenario (failure in the initial stages) that could be possible. So, if the client wants immediate success, if not all, most of the factors need to be in the ideal scenario. But if the client is willing to stay in the market for a long time, then we can look at all the possible scenarios that could exist and categorize them according to their importance to the client and look at the profit-making scenario. And then, based on the data that we have obtained, we will suggest him the optimal solution.

**Case Statement:**

Your client is a Japanese beverage company, and they are planning to enter the Indian market. They need your advice regarding the same.

**Background Information**

- Objective** - 10% market share in the premium drinks segment in 5 years. Decisions on supply chain (procure/ bottle/ manufacture in India?) and accordingly JV/partnership/M&A opportunities (if needed) to be discovered.
- Product mix** - both alcoholic (strong beer & whiskey) and non-alcoholic (juices, concentrates, fizz drinks, health drinks, ready to drink tea (RTDT) & coffee (RTDC)) drinks are available, the product(s) to be launched to be decided.
- Company** - a 100+-year-old company with presence in Europe & Singapore.
- Competitors and Industry** - Think of the current situation of the drink industry in India.

**Case recommendations**

- Setting up a factory in India right at the start does not sound like a good idea unless there are long term collaborations.
- For partnerships, look at synergy to determine if the companies complement each other's product range, ensure the effect of cannibalization on the product, analyze the distribution network to understand the company's footprint and determine if they cater to the right audience.
- If other parameters are favorable, look at the cultural fit as our Japanese client may have quite different corporate culture than an Indian company.

C: Why particular interest in India and why now, are there any reasons behind it?

I: India is a growing economy and hence an interesting market. The company had tried entering the market earlier but failed due to incorrect choices of products, partners & launch strategy. We have advised them on all these fronts.

What factors would you consider while selecting the product(s) that should be launched?

C: I would consider the current market size and competition for different products. Due to existing market competitors and saturation, we can eliminate Fizz drinks, concentrates & juices. We can also eliminate alcoholic beverages due to stringent legal regulations and compliances required. With these products eliminated we can support current consumer preferences and follow recent trends resulting in the growth of health drinks, RTDT and RTDC products.

I: This makes sense, so how would you estimate the market size (liters/year) of RTDT in India? Our RTDT is also very healthy, minimal/no sugar and many health benefits.

C: We can assume that most of the consumers of our product will be in the higher income group of the urban market. Our primary consumers will be in the age group of 20-60. We would assume suitable consumption rates based on age, pack size, frequency & competitor's cost. These factors should help us arrive at the total market size for our product.

I: Okay, once you arrive at the market size, how would you go about the pricing of the RTDT?

C: Since we are a premium offering we should be priced accordingly. Hence, cost-based pricing will not make sense for us. We should also be priced higher than competitors because we are healthier. Hence, we should follow a value-based pricing.

I: Right makes sense. How would you go about determining the value-based pricing?

C: There are three cases I would consider -

Case I: Here I am assuming the vitamins are the key value add. So, pricing will be based on the market price of those vitamin pills given the RTDT had no other health impact. Otherwise, I would follow case II to manage that.

Case II: Assuming that less sugar, and hence fewer calories is the key value add. Here we can determine the cost of the time (based on average salary) and effort (based on gym membership costs) for the difference in calories.

Case III: In case nobody cares, a 10-20% mark-up should do, as pricing value adds of health is tricky and not fair.

I: Okay and given the information about the client, should the client produce/bottle/ship in India?

C: Considering the 10-year timeline and failure earlier while entering India, bottling or shipping are more viable. We will have to look closely at the costs before taking a final call. Setting up a factory in India right at the start does not sound like a good idea unless we have long term collaborations set.

I: That is right, so we can then quickly discuss the market entry strategy. Let us say the company wants to enter in a partnership. What factors would you consider?

C: To enter a partnership I will firstly look at synergy to determine if the companies complement each other's product range. I will also ensure they do not sell any substitute products as products like that could cannibalise our offerings. Post this I would look at the distribution network to understand the company's footprint and determine if they cater to the right audience.

If other parameters are favourable, we can look at the company's mindset - Japan is known for very different work ethics and the target is also quite long visioned, building on it, what were the reasons that the previous entry failed, I will need details around those to understand company's vision and mission better. Finally, I would consider the scope of the partnership and determine if the company can be trusted with trade and product secrets.

I: Any top companies/chains on top of your head?

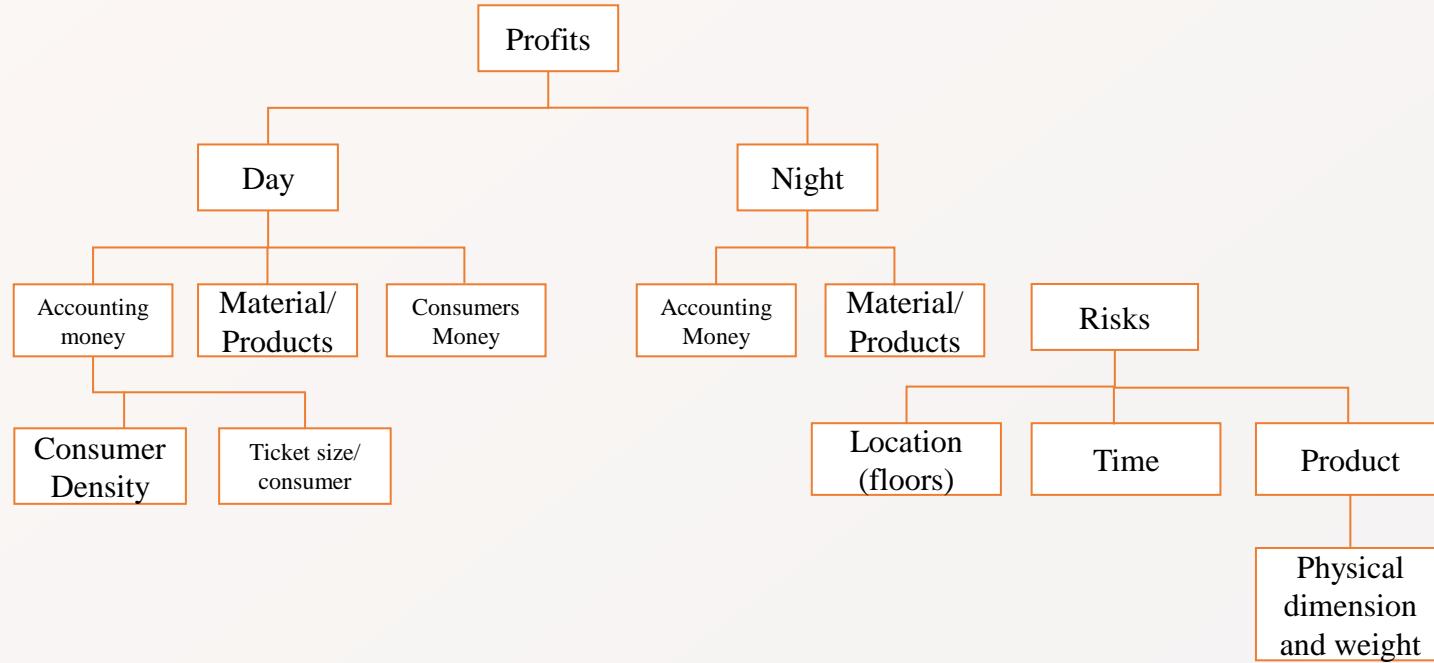
C: I could look at companies which cater to the premium segments, like health centers and food chains (like Subway). Secondly, high-end hotels, banquet halls. Lastly, exclusive tie-ups with high-end retail stores with a promise for aggressive advertising (as drinks work a lot on what you see and how accessible it is) can also be considered.

**Case Statement:**

You are a thief planning a robbery in a mall. You have pinned down three places which you can rob: 1. A chai shop; 2. An Archie's shop; 3. A furniture shop. Which one will you choose and why?

**Background Information**

**Location:** Present in a mall with Chai Shop in food court, Archie's shop on 2nd floor and Furniture shop on 1st floor.

**Case recommendations**

- Go with the Archies shop if in a quick need of money as the items will sell easily too (the ones that are robbed).
- If the need is not dire then rob the furniture store. As the rewards are high.
- take up the chai shop robbery only when I want to hone my skills of being sneaky.

**Case tips**

- This case was related to the cost vs benefit analysis of acts to be committed by the thief.
- Thinking about all the sources of money and expressing them explicitly is a good idea.
- Different times of robbery can be incorporated in the framework if it doesn't render it more complicated.

C: Interesting, so if I understand the situation correctly then all these shops are in the mall. Am I correct?

I: Yes, that is right

C: So, are these shops located on the same floor in the mall?

I: Good question, so they are on different floors. The chai shop is in the food court, the Archies shop on the 2nd floor and the furniture shop on the 1st floor

C: And are we planning the robbery at a particular date or time of the day?

I: It's all up to you to decide.

C: Here I would like to think like a thief. I would always like to increase my profits and reduce my risks and at the least balance them. So, I would first like to analyze the sources of profit in all the three situations and at morning and nighttime of the day.

I: That seems fair.

C: If I rob in the morning there are three sources of profit. First one being Accounting money, secondly the materials of use and the third one being customer or consumers' money. At nighttime, the materials of use and accounting money will still be there, but consumers will be absent. Now, I would like to look at each stop, using these three parameters at night and daytime. Also, I would like to divide the accounting money further into consumer density at the place and ticket size per consumer. Should I go ahead?

I: Yes please, go ahead.

C: If we talk about the chai shop, I assume it is like the Chaayos one and thus the consumer density will be high at the daytime. But the ticket size will be low. Also, the materials used will not generate enough value worthy of being robbed. The positive side here is that there can be more offline money transactions rather than online. This can generate value both on consumer end and on the accounting money end.

Second is the Archies shop. Here the consumer density will be lower than that of the chai shop, but it will still be significant. The ticket size will be higher, and the transactions will involve both online and offline modes. Also, the materials or products of the shop can generate value in the market and are easy to carry. This makes a potential spot for robbery on all the three accounts both during day and nighttime.

Third is the furniture shop. It will have the lowest customer density, but the ticket size will be highest. Here the materials or products used are of high value but are difficult to carry. Also, the transactions being of high value will be done mostly online. So here the accounting and customer money will be scarce and contain high risk. The only potential gain is through furniture robbery which can be commenced at the nighttime only. Now I would like to analyze all the three cases based on location. Should I go ahead?

I: Yes.

C: Okay, so based on the location, the chai shop is in the food court and these are usually on the topmost floor of the mall. This makes it a tricky place to rob and since the returns are low and only generated when the crowd density is high, I would like to avoid that. Archie's shop is at the 2nd floor. It is accessible and the items can be snuck into an overcoat or any cover without the knowledge of the owner. This can be a good spot to rob at the daytime as there will be plenty of customers and no one will notice a thing or two missing. The furniture shop is at the ground floor. Easiest to access but the product is most difficult to rob. It is going to be a nighttime robbery where we would like to get the most expensive piece of furniture. It has high risks but high rewards.

So, I would like to go with the Archies shop if I am in a quick need of money as the items will sell easily too (the ones that I robbed). If the need is not dire then I would like to rob the furniture store. As the rewards are high. I will take up the chai shop robbery only when I want to hone my skills of being sneaky.

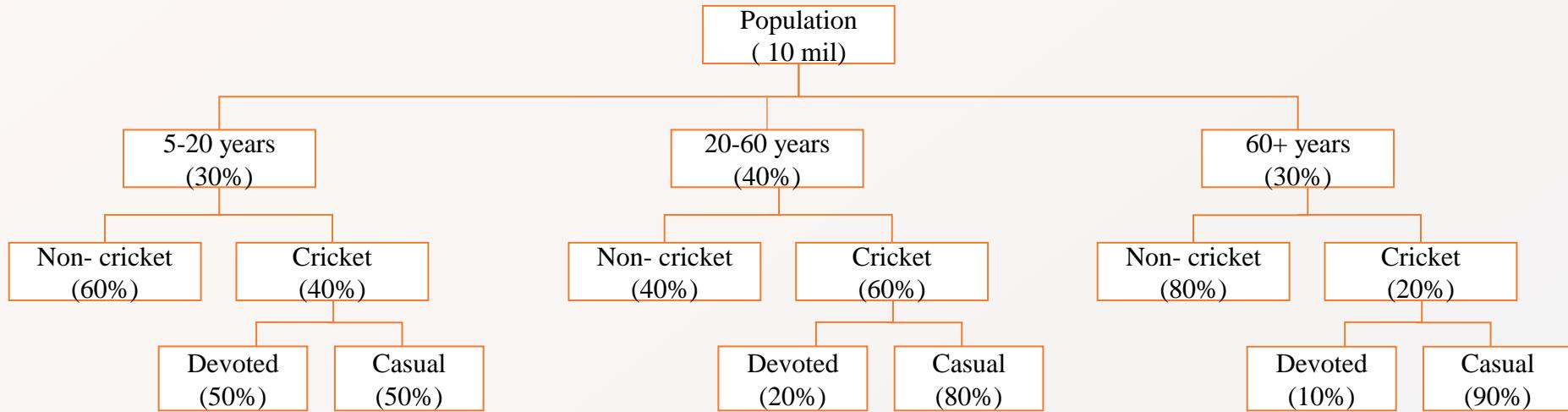
I: That was amazing. Thank you, we can close the case here.

**Case Statement:**

Your client is an apparel brand that wants to partner with an IPL Team. What considerations will you take into account?

**Background Information**

- **Client:** Apparel manufacturer
- **Product:** Shirts, Cuff-Links, Ties, Denims. Think of Raymond's

**Case tips**

- Coming up with a relevant MECE segmentation of the population is the key in this case.

C: Alright, may I know what sort of brand are we talking about?

I: It's an apparel brand.

C: In apparel, do we know what line of products they are into?

I: Shirts, Cuff-Links, Ties, Denims. Think of Raymond's. Walk me through the considerations you will take for the brand.

C: I'd start with the goal and the vision behind partnering with an IPL team. Does the brand want to appeal to a younger crowd since they are currently primarily into formal wear? Do they want to break free from a mature brand-image.

I: That's right, the brand wants to become more youthful, contemporary. What other factors would you consider in selecting the team with which to partner?

C: The different factors would be brand-image, each team has a persona and image associated with it, so what kind of team would we want to be associated with, a winning team, a young team, a popular team etc. Then we would look at the location since IPL teams have a regional fan following, the region in which we want to break into most strongly will affect this criterion. Brand Ambassador would be next, do we already have a cricket star as a brand ambassador and do we partner with their team. Competing brands, does the team have a partnership with a competing apparel brand. Major sponsor, where in the list of sponsors are we looking to stand, from the title sponsor to a side association. The associated brands, do we have a conflict with them.

I: Do you think cost would be a factor too?

C: I am going with the assumption here that since there are just 8 team, and they're all in the limelight, the cost difference between the highest priced and lowest priced team won't be as significant.

I: Fair enough, you spoke about the regional fan following of teams, so would partnering with a Bangalore team hamper our sales in say Delhi?

C: There will be a segment of the market that would be die-hard Delhi fans and might not go for a brand that's associated with a competitor, but that will most likely be a small segment. There'll be a larger segment who'll watch IPL for the entertainment and won't care much about the brand being associated with the Bangalore team.

I: Can you estimate how many people in Bangalore would be watching an RCB match?

C: Sure, should I consider a regular league match or some important match like the playoffs?

I: Just take a regular match for now.

C: Should I estimate the number for a day match or night?

I: Night match.

C: Sure, also should it this match on a week-day or the weekend, say Friday night maybe?

I: How will that matter?

C: Well if it's a weekday then there would be some students who would have some sort of homework the next day, or people with jobs who would have some tasks and come back from work so their viewership would be affected.

I: Right, let's go for a weekday for now.

C: Alright, so assuming a population of 10million people, I'm going to split them into 3 categories, 5-20 years, 20-60 years, and 60+ years of age. The population split I'm taking is 30%, 40%, 40%. Further I'm going to divide them into Cricket watchers and non-Cricket watchers. Among the cricket watchers I'm further divide them into die-hard fans and casual watchers with the assumption that the die-hard fans will watch every match and the casual fans will watch half the matches. Putting the numbers and calculating the final answer comes out to be approximately 2.67million people.

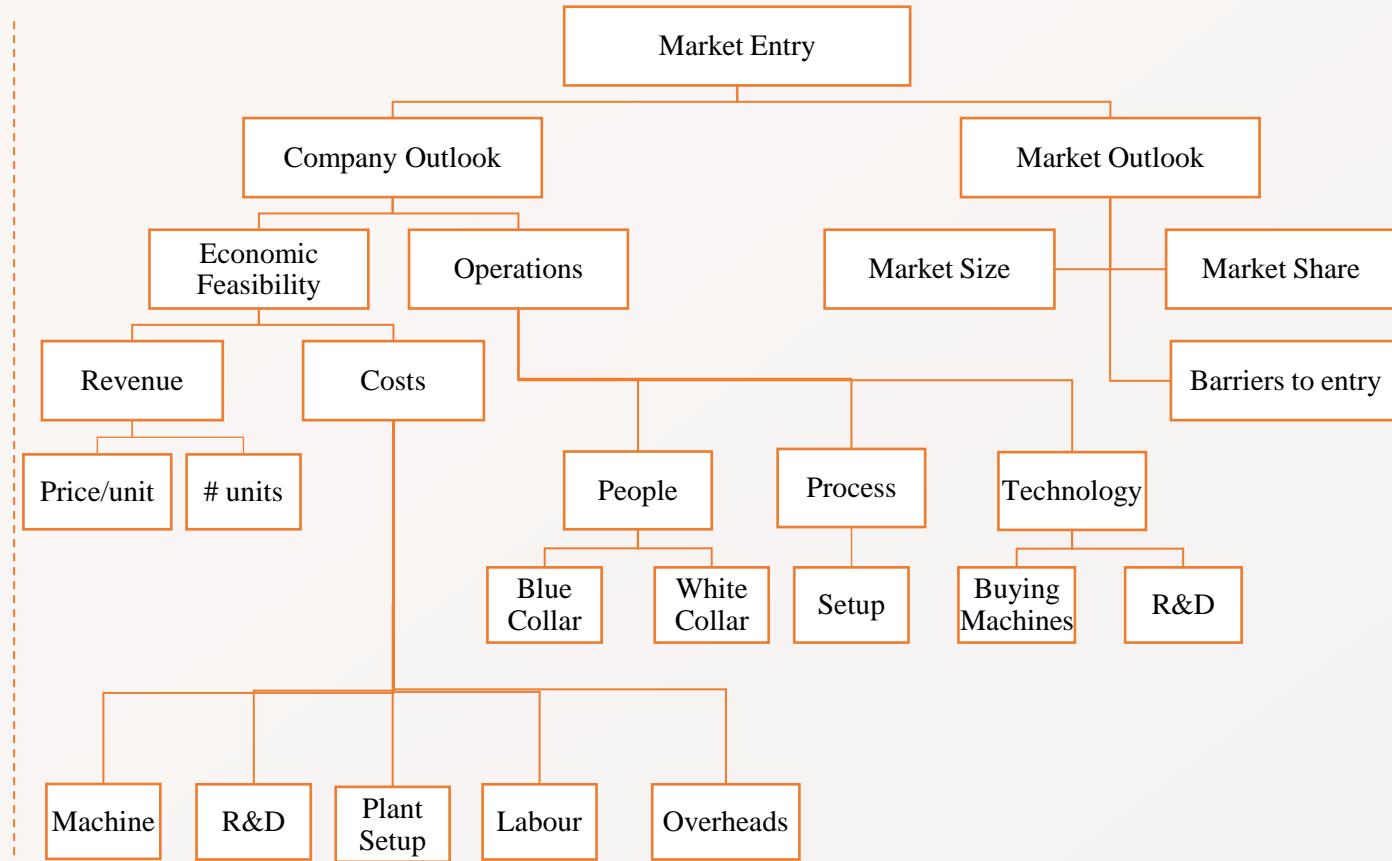
I: Great. Thank You.

**Case Statement:**

Your client is an EPC player looking to get into solar manufacturing. Design a strategy and provide inputs to the client on whether they should get into solar manufacturing or not.

**Background Information**

- **Objective** – Revenue growth
- **Company** – EPC player
- **Products**: Solar module
- **Competitors**: 3-4 competitors
- **Geography** – Pan India

**Case tips**

- In a new market entry case , the investment can help in gauging the scale of business the client wants to start.
- The objective must be very clear before proceeding with why and how to enter.
- Brining in numbers and formula wherever possible presents a clear and concise picture of the case.

I: Your client is an EPC player looking to get into solar manufacturing. Design a strategy and provide inputs to the client on whether they should get into solar manufacturing or not.

C: Before starting with the case, I would like to confirm if I have the right understanding of the problem statement. An EPC client wants to enter the solar manufacturing business and needs me to provide inputs on whether they should enter or not,

I: Yes, that is the correct understanding

C: What is an EPC player? What are the objectives of entering?

I: The client is an Engineering, Procurement, and Construction company. They want to grow their revenue and enter into the clean energy business since it is the future.

C: In which sector does our client want to enter? How many competitors are there in the sector? What is the market size?

I: Our client wants to enter the solar module manufacturing business which currently has 3-4 other companies. India is producing 200 GW of power through solar.

C: I will be looking into the client-side and market side. On the client side I will look into financial, and operational feasibility, and government regulations. I will look into revenue and costs in financial feasibility. In operational feasibility, people, processes, and technology will be looked into. Is there any particular side you want me to look into?

I: Let's look into financial feasibility. The cost of a module is Rs. 20/watt. A single panel has 500 watts of power. What price should be set for a 50% margin?

C: Manufacturing cost would be  $20*500=$  Rs. 10000 and with a 50% margin, the selling price should be Rs. 15000 per panel.

I: The client has an annual maximum capacity of 1 GW. They have made an investment of Rs. 5000 Cr. Calculate the sales they need to do in GW and in how much time they will be able to achieve the breakeven point.

C: Our client will be able to make Rs. 10000 profit on 1000 W. So, on 1 GW, they will be making Rs. 1000 Cr. worth of profits. Hence, it will take them 5 years to reach the breakeven point

I: What are the factors that you will consider for manufacturing location?

C: I will consider labor availability and rates, power, land, natural resources, logistics, supplier base, customer base, and laws prevalent in that state.

I: What are the risks involved?

C: Risks can be classified into 2 categories- internal and external. In internal risk, we could have the failure of machines, labor strikes, and administrative issues will be considered. In external, competitors, substitutes, new entrants, govt regulations, suppliers, and socioeconomic factors will be considered.

I: Thank you, I think we are done.

**Case Statement:**

Your client is an EPC player looking to get into solar manufacturing. Design a strategy and provide inputs to the client on whether they should get into solar manufacturing or not.

**Background Information**

- **Objective** – Revenue growth
- **Company** – EPC player with no prior experience in Solar Manufacturing
- **Products:** Solar module
- **Competitors:** 3-4 competitors
- **Geography** – Pan India

**Price Estimation**

Cost of module (1W) = ₹20  
No of modules in a panel = 500

Cost per panel = Cost of module x No of modules in a panel  
=  $20 \times 500$   
= ₹10,000

**Price per panel** = Cost per panel (1+margin)  
= ₹10,000 (1+0.5)  
= ₹15,000

**Break Even Point**

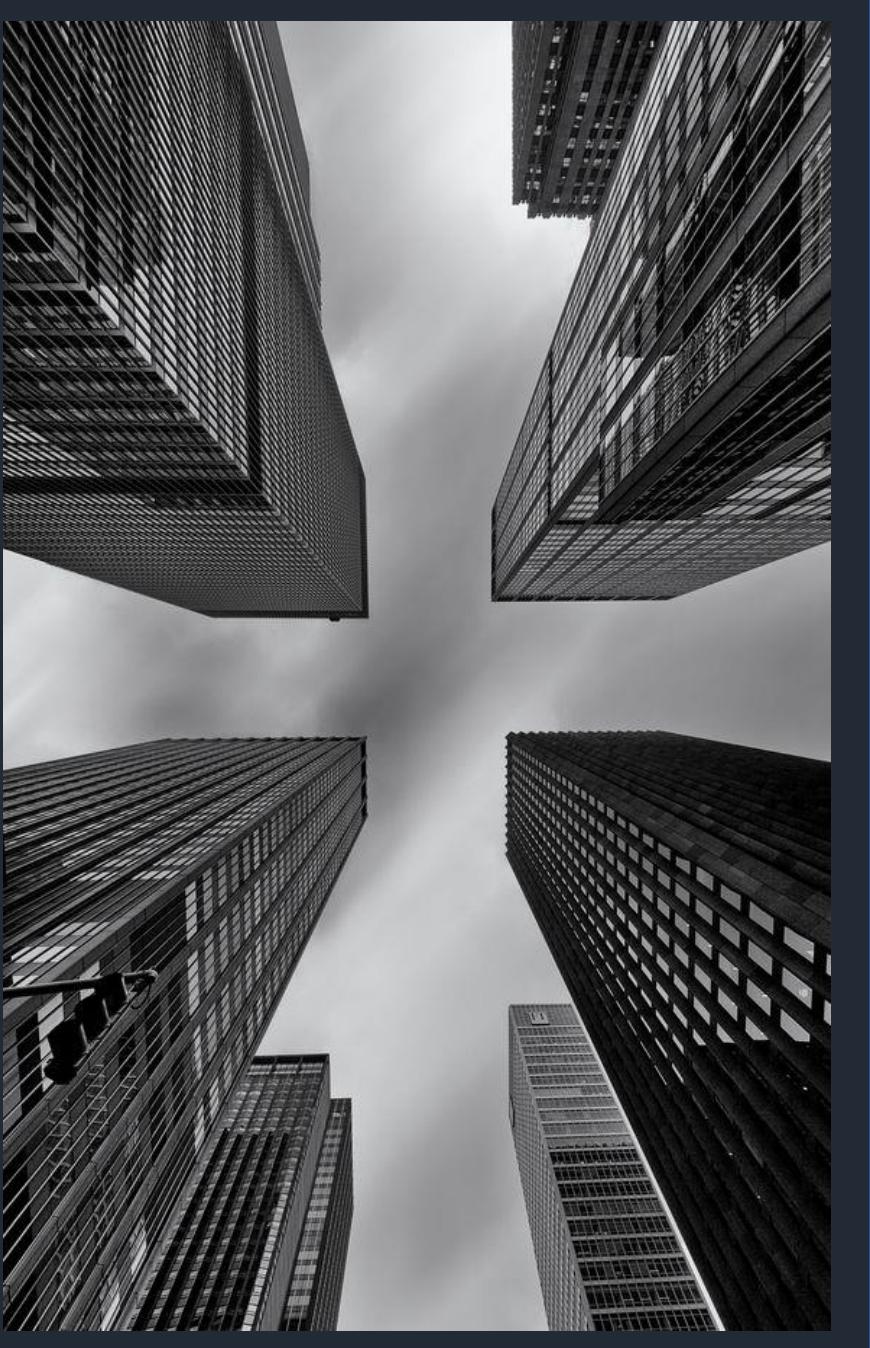
Maximum annual capacity = 1 GW  
Initial Investment = ₹ 5,000 Cr

Cost of panel = ₹ 10,000  
Price of a panel = ₹ 15,000  
Profit per panel = ₹ 15,000 - ₹10,000  
= ₹5,000

Profit per Watt = ₹5,000/500  
= ₹10

Profit for 1GW = ₹10x10^9  
= ₹1,000 Cr

**Break-even point** = ₹5,000 Cr/ ₹1,000 Cr  
= **5 years.**



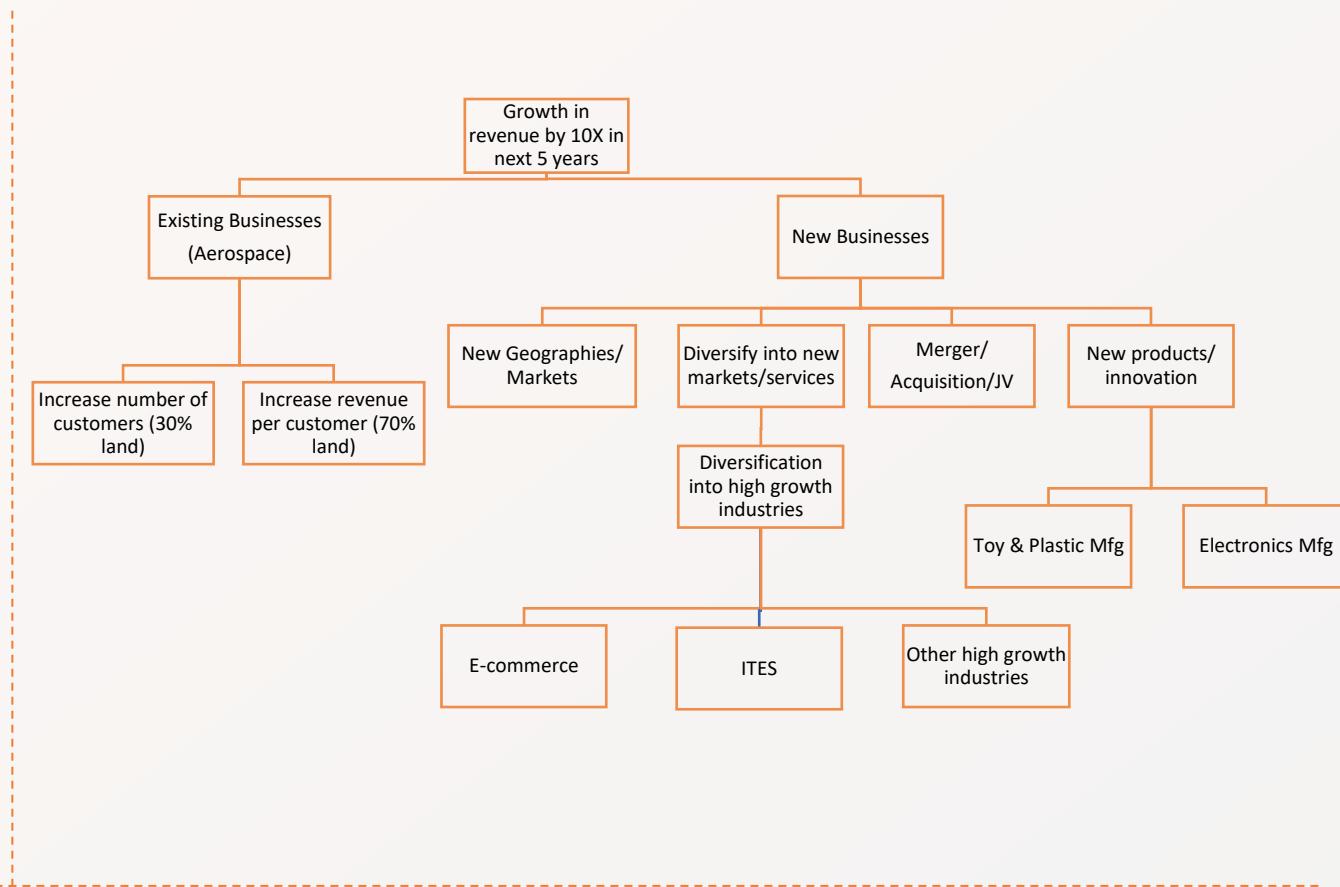
**GROWTH**

**Case Statement:**

Your client is a private industrial park developer in South India. The client's current revenue is 100cr & wants it to become 1000cr over the next 5 years. Suggest the way forward for the client.

**Background Information**

- Client:** Private industrial park developer in South India
- Competitors:** No other major competitors
- Consumers:** Aerospace industry, Toys & Plastic manufacturers, Electronics manufacturers
- Product:** A typical park is around 400-500 acres in size, and offers services such as power, Infrastructure, sewage treatment, roads, etc. to its inhabitants, like an SEZ does

**Case tips**

- If interviewer asks a generalized question like “suggest a growth plan for the client” it’s best to analyze what the current and potential new sources of revenue are.
- Important to identify any scope of growth in the current existing sources of revenue.
- In terms of market growth always go with the bifurcation of organic and inorganic growth unless directed otherwise.

I: Your client is a private industrial park developer in South India. A typical park is around 400-500 acres in size, and offers services such as power, Infrastructure, sewage treatment, roads, etc. to its inhabitants, like an SEZ does. The client's current revenue is 100cr & wants it to become 1000cr over the next 5 years. Suggest the way forward for the client.

C: Okay. So our client, who is an SEZ developer, wants us to chart a strategy to help them grow from 100cr to 1000cr revenue in 5 years. Does our client have 1 SEZ or multiple parks?

I: Our client has 3 parks.

C: Are the parks of the same industry or do they cater to different industries? Also, where are the parks based out of?

I: That's a good question. The client has 3 parks which cater to different industries – Aerospace, Toys & Plastic, and Electronics manufacturing, all based out of south India.

C: Understood. I'd like to understand a bit more about the current operational status of these 3 parks. Are all 3 parks operational or are they in the partial development stage?

I: The aerospace park is currently developed and is in use extensively. Toys and Plastic park is almost developed and would be ready within another year while the Electronics park is still in the conceptualization stage.

C: Okay. So just to reiterate, aerospace park is operational and the remaining two parks are still in development/conceptualization stages. Therefore, we can first look at existing business and how it can be leveraged further. Afterwards, we can look at the new business opportunities and what could be the opportunity cost of new investments.

I: That seems like a good way to go about it. First look at the existing business park and then we can move to the new business opportunities.

C: For the aerospace park, we need to identify whether we have already utilized the entire park to the fullest, i.e., whether there are any empty spaces yet to be put up for the rent/sale. If not, we can look at who our clientele are how we can increase average revenue per customer by either increasing the current rent or providing further value-added services.

I: Currently, 70% of the rental spaces are occupied and 30% are empty. Spaces include empty land plots as well as ready-to-use infrastructure. Current players include major airplane manufacturing and servicing companies.

C: Interesting. Here, the approach can be two-pronged: Firstly, to utilize the 30% land, acquire new customers or sell more land existing customers. Secondly, to offer more VAS to the customers in the existing 70% such as industry 4.0 facilities, renewable energy sources, etc.

I: That's interesting. Let's talk about what you would suggest in terms of new business opportunities.

C: Since toys and plastic manufacturing park is about to be ready, we can focus on it first. The client needs to conduct market research and identify the key players, their current setups, how our park and associated amenities can help clients lower their production costs, get possible tax benefits on production linked incentive schemes from government. Since bigger players would already have their own manufacturing setups, targeting smaller players would be a better strategy as it would help them leverage economies of scale & lower production costs.

I: Sounds good. What else would you suggest for electronics park? Do you have any other ideas through which you would like to achieve the client's revenue goal?

C: For electronics park, instead of limiting ourselves to any southern state, we can also look at other states which have more lucrative production incentive/SEZ schemes and are closer to current electronic manufacturing hubs in India. Identification of players who would be willing to buy into the park would also be crucial.

It is also important to consider the opportunity cost of diversification into other high growth industries such as e-commerce, ITES, video streaming services, etc. It can be done through a joint venture, merger/acquisition, or through organic establishment. Due-diligence of the industry landscape in India for high growth industries would help in identifying the industries which our client can venture into.

I: That will be sufficient. We can end the case here.

**Case Statement:**

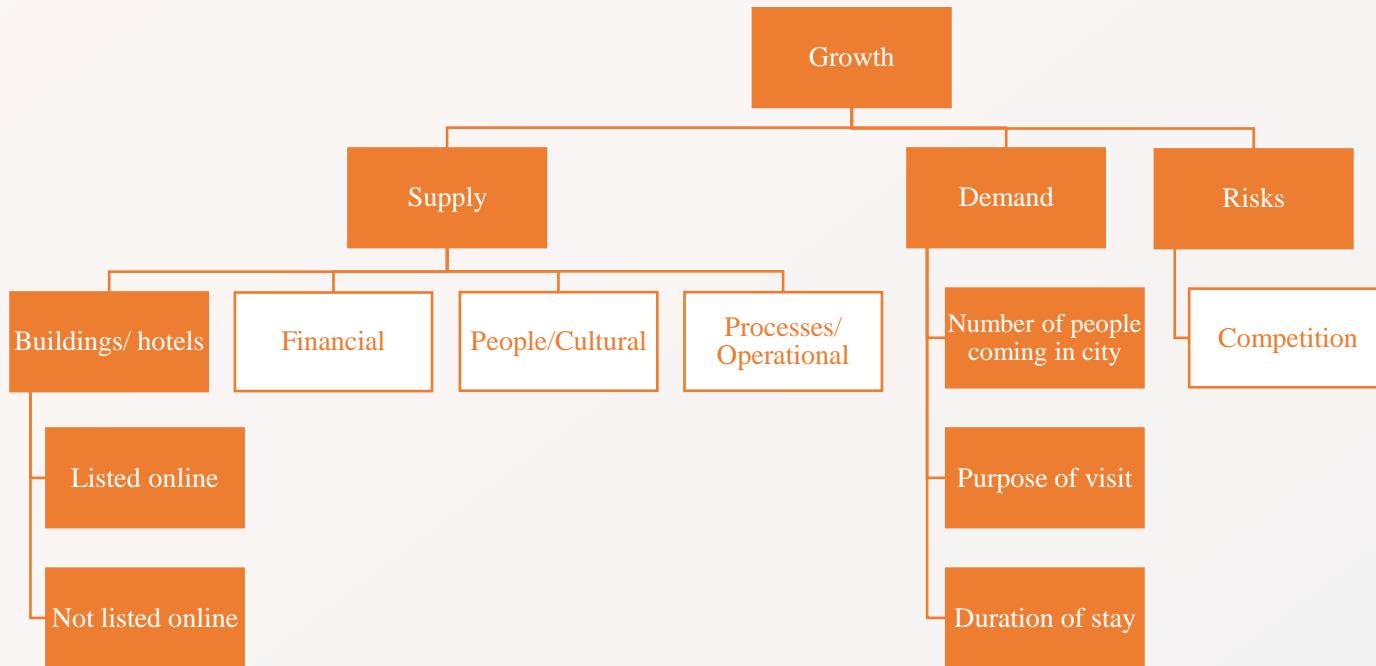
Your client is a start-up in hotel/hospitality industry. They are in the business of leasing/buying hotels and refurbishing them. They are looking for growth and want you to identify locations where they should focus.

**Background Information**

**Client:** Startup working for buying and leasing hotels

**Service:** They refurbish hotels and lease it out again. Not in the premium segment

**Objective:** Identify the locations with availability of hotels for refurb and service purposes

**Case tips**

- The case majorly dealt with structuring and identifying where to get the data from.
- There is no right or wrong answer in this case, just back up your answer with good reason.

I: Look on this from the supply side with a focus on how and where you will get the data from. We need not to focus on the calculation part, just the approach.

C: Understood! I do have a few questions for the clarity of understanding. Where is the client operational?

I: They are looking for locations across India.

C: How exactly does the process of renovating happen?

I: They send their BD (business development) people on the ground for that.

C: And when we mention growth what exactly do we mean by that?

I: Good question! So, by growth we need to identify the locations where there is availability of hotels for our refurb and service purposes. We'll focus on the customer demand side later.

C: Are we into any specific kind of hotel business- premium or otherwise?

I: We are not into the premium business, as there are already big players in that segment.

C: To shortlist the locations I'll start by looking at the supply side- which includes the availability of Hotel Buildings, Workforce, Process setup, and the financial aspects of it; then I'll look at the demand side which includes the number of visitors, purpose of visit- business or personal, and duration for which the people visit the location. And thirdly, I'll look at the associated risks which includes competition.

I: Yes, we can start with that. You can assume, that availability of people is not an issue for us.

C: Okay, so starting with the supply side. To figure out the number of hotel buildings available for us to reach out, we can bifurcate them into two types- a. the ones listed online on different platforms like Agoda, MMT etc.

b. The ones which are not listed.

I: Sounds good, how can we get the exact number for these hotels? Don't you think counting the number of hotels online will be a hectic task?

C: For the ones listed online, I might be getting a little technical, but we can use web crawling (wherein through automation you can get the details of the hotels) to get those numbers.

I: This is perfectly fine. What about the ones not listed?

C: For these since a lot of taxi drivers and tourist guides are associated with these hotels, we can reach out to them and run a survey to get an idea about the number of hotels available for us.

I: Perfect! Let's move onto shortlisting the locations down in India. Let's leave out the metro cities for that.

C: Okay, for this now we need to look at the demand side.

Firstly, for getting an idea about the inflow of people, We can get the data regarding number of people entering into the cities via trains and flights, and assume a certain percentage of native people and their relatives who wouldn't be staying in hotels

I: Yes, we can get this data from the government portals. And let's say, we can assume a certain percentage of hotel stayers.

C: Secondly, for the type of crowd, we can break the locations in terms of Personal and Professional visit. Personal visit account for vacation places. The professional ones include where there are different industries which require people to go there for business purposes.

I: Can you list down some of these industrial places.

C: One could be Jamshedpur for steel industry. Kanpur can be another for leather industry. Kota for sarees.

I: Sounds good! We can close the here. You did good.

**Case Statement:**

The client operates in the Skin & Beauty Segment and has seen a loss in market share. Find out why?

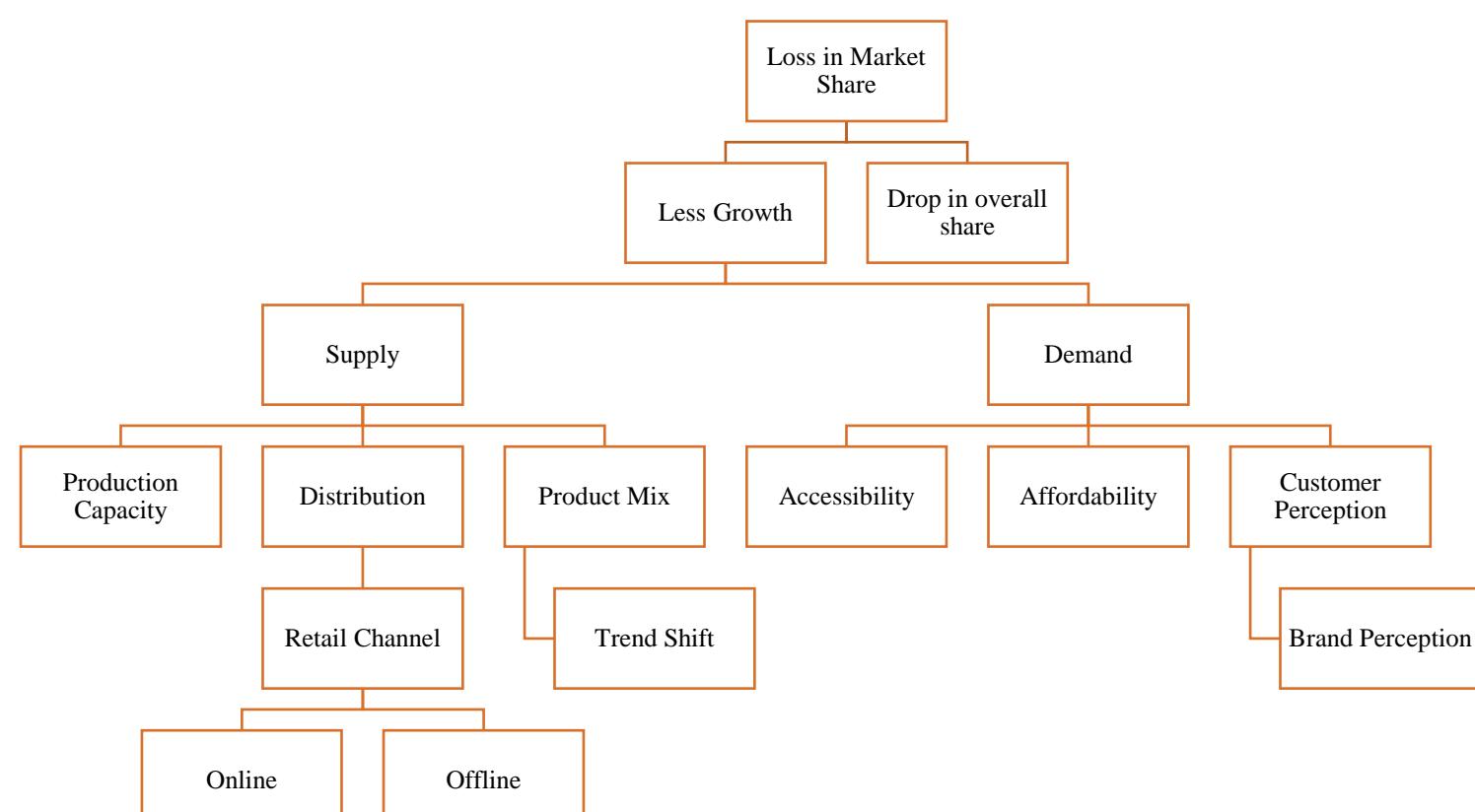
**Background Information**

**Company:** Have been market leaders in Skin and Beauty, seen loss in the market share from the last 1 year. The dip seen is company specific.

**Competitors:** Few major competitors w.r.t our product offerings

**Product:** The client makes products for both premium and affordable segments. They include skincare products (facewash, scrubs, creams etc.) and some beauty (cosmetic) products

**Geography:** Operate PAN India

**Case Recommendation**

- The client should change its brand positioning for the skin whitening cream to avoid tarnishing of brand image.
- Strategize and establish positive PR for the brand.
- It can have a robust online presence on e-commerce platforms and can explore D2C which is emerging these days.
- To capitalize on the trend shift to more natural and herbal skin care products, can look at launching new products given cost feasibility.
- The case began with an introduction to the candidate and a few BQs.

C: I would firstly like to know how much loss in share the client has seen. Do we know about that?

I: Yes, I would like to give you some information.

Consider - 5 years ago, the market was INR 100, and we were INR 50 of that.

Today, the market is at INR 200, the client is at INR 80.

In the next 5 years, the market will be INR 500 and we want to figure out our problem now which will decide whether we see a further dip, stay stagnant or manage to regain our old share.

C: Thank you for the inputs, so we presently have a market share of 40%, down from an earlier 50% and must diagnose why to be able to accurately understand our position in the future.

I: That's right.

C: Breaking down Revenue into # of units x Price/unit, I want to know if there have been any changes or decrease in the same?

I: There have been no changes in the prices and overall sales have remained same.

C: Since the demand for the products and in general the size of market has increased, is it safe to assume that the demand for our products has also not seen a decline?

I: Yes, that is right.

C: I am going to further divide the # of units to understand where the problem may lie. Considering the Production Capacity – (Procurement of Raw Materials, Processing & Manufacturing) and Distribution. Could you shed some light on any major overhauls made in these and our distribution channels?

I: No major changes in the first one. We primarily retail our items in offline stores.

C: Alright. Since our major sales are from retailing, I want to know if our accessibility in the stores and shelf space remained the same?

I: Yes. It has remained the same.

C: What about online channels? Do we have a significant presence there?

I: No, we don't. One of the reasons why we have been facing a decline in market share is that we have not got a good stronghold in the online presence. Our competitors have moved to these digital channels where a lot of cosmetic, skin and beauty related items are sold. Could you explore more reasons?

C: Sure. I would now like to move on to customer perception. Is our brand image and likeability affected by some external/internal factors?

I: Yes, good. Recently, we faced a lot of backlash for our skin brightening creams and faced a disconnect with our consumers. Our brand image has also taken a hit because of some unflattering PR.

C: Do we know how much this product contributed to our revenue stream?

I: Before the fiasco happened, it contributed 80% to the revenue streams which has now fallen to 60%.

C: This seems like a significant reason for the drop in market share. Should I explore any other reasons for the same?

I: Yes, you can dive in a little further.

C: I would like to look at the product differentiation and perception of skincare products in general. Is this a good line of approach?

I: Alright, you can proceed.

C: Considering the major consumer shift in the perception of beauty, there has been an increased focus on healthy skin being an internal determinant of beauty more than a superficial one. Skincare is also exploding with a growing trend shift and new players entering the segment with more natural and herbal products which are not harmful.

I: Can you be more specific about these products?

C: There have been new products for skincare like serums, sheet masks, peeling solutions etc. There are some companies which are moving in the dermatological product segment as per concern at affordable prices compared to skin clinics as well.

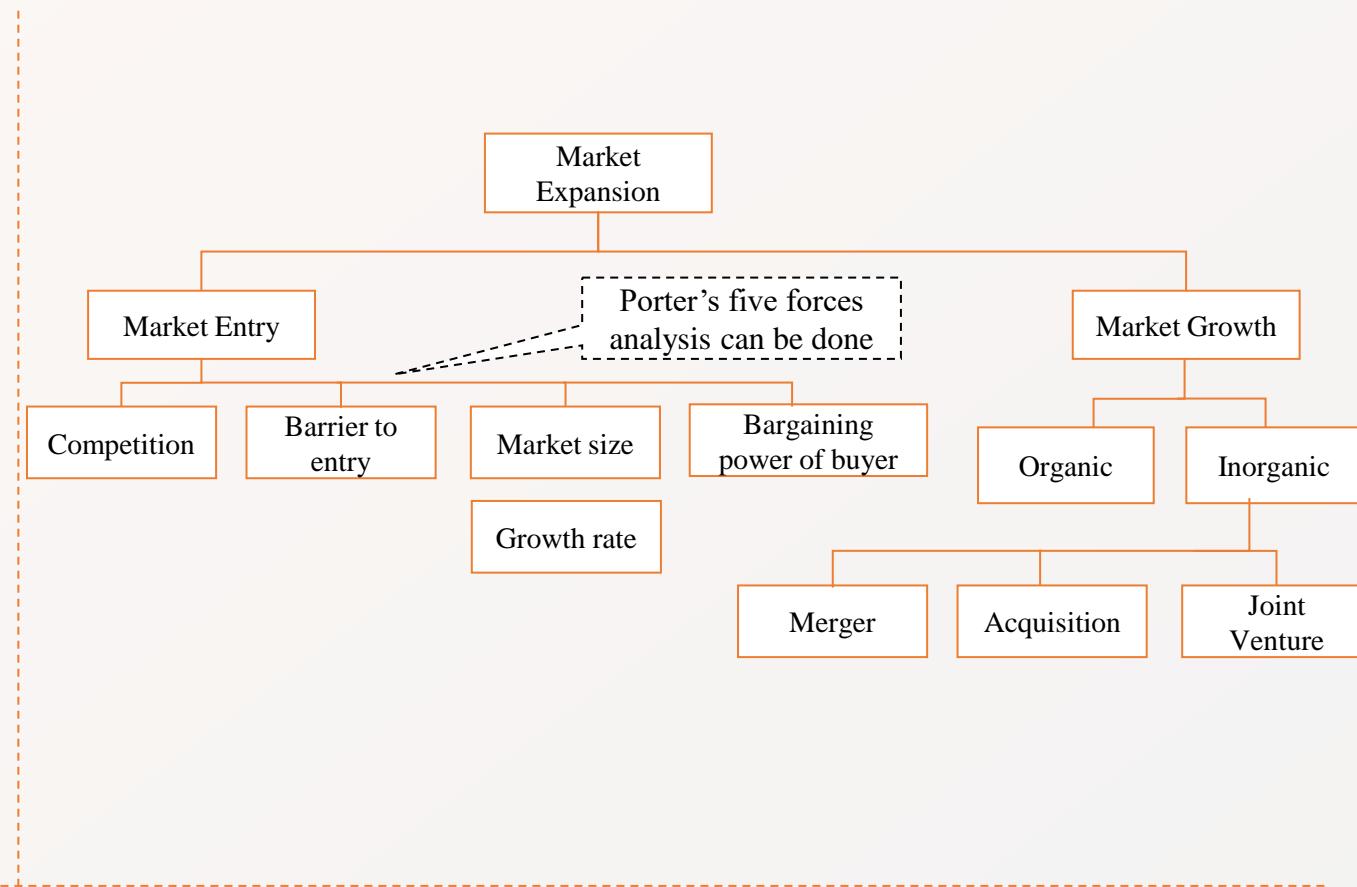
I: Very good. This was the third reason for the decline in our market share, the inability to cope with trends and launch new products. We can close, thank you.

## **Case Statement:**

Our client is a Japanese company manufacturing radiator for the construction equipment. They are the market leaders in Japan and planning to enter the Indian markets. Suggest a market plan for the same.

## Background Information

- **Client:** Japanese company manufacturing radiator for construction equipment like JCBs.
  - **Competitors:** Market leader in Japan. Planning to enter in India. Indian market having 4 major players with 2 occupying 60% of the market share and the other 2, 20%. Rest of the market is fragmented.
  - **Consumers:** Construction company equipment manufacturers working on heavy duty projects.
  - **Product:** Radiator used to dissipate heat generated during the heavy-duty work. Ours is compact, weighs less, cools faster, and has a higher heat dissipation rate hence is more fuel efficient.



## Case tips

- If interviewer asks a generalized question like “suggest a market plan for the same” it's better to analyze both the entry as well as the expansion aspect of it.
  - Use of porter's 5 force analysis in case of market entry is a good technique.
  - In terms of market growth always go with the bifurcation of organic and inorganic growth unless directed otherwise

C: Okay, can I know more about the functionality a radiator performs in the construction equipment?

I: Yes, so a radiator is used to dissipate heat generated during heavy duty work performed by construction equipment used in mining, digging, or carrying load.

C: Got it, and what exactly are our plans after entering in the Indian market. Do we have any targets in mind or any benchmarks to assess our performance?

I: So, we are looking forward to selling 10000 radiators in 3 years.

C: Sure, here I would like to divide my analysis into two segments. One is the market entry and second is the market growth for our client. First, I would like to focus on the market entry part where I would like to analyze different factors like competitive scenario, barriers to entry, market size and market growth rate

I: Please go ahead.

C: What is the competitive scenario? Are there any major players in the market or is the market fragmented?

I: Good question, so, the market share is divided among 4 major players with 2 of them occupying 60% of the share and the other 2, 30%. Rest is the fragmented market among many players.

C: Interesting. Are there any barriers to enter in the new market? Any government regulations, market hostility, or the media channels?

I: There is no barrier as such for now.

C: Okay, now, do we have any data regarding the current market size and growth rate for the radiators in India or we must figure that out?

I: We have the data regarding the total number of radiators sold in the Indian market which are 100000. Also, the growth rate can be taken around 7-8%.

C: Got it. So, we are targeting to achieve approximately 10% of the market share in 3 years. The growth rate seems to be healthy too. The data tells me that we are going for an aggressive push in the market. Also, radiator being an integral part for a construction equipment, buyers are looking for quality rather than the price of such products in the market. Are these correct assumptions?

I: Yes, that seems fair.

C: Got it. Now I would like to shift my focus to the market growth part of the plan. We can either look for an organic growth or an inorganic growth or we can go for a mixed one. Since we are pushing for an aggressive expansion it must be inorganic for first three years. Here I can think of mergers, acquisitions, and joint ventures. Before choosing any one of these I would like to know the unique selling points of our radiator. What are the differentiating points in terms of cost and performance?

I: Great question. So, our radiators have higher heat dissipation rate that helps them cool faster which prolongs their life. They are also smaller in size and weight. Overall, this makes them more fuel efficient. In terms of cost, all of this comes at a price which is higher than the market standard. Also, our product design is patented so there can be no duplication in the market.

C: And how big a difference in cost are we talking about here. Is there any chance that long-term contracting can help bringing down the costs or we can provide some discounts on the earlier purchase?

I: So, we are not inclined to provide discounts but contracting can bring down the cost to about 1% higher than the market standard.

C: Interesting, finally I would like to analyze the risks associated with the product. Are we providing any coverage regarding the same?

I: Yes, so there is a risk of an explosion if the radiators do not perform as required. In our case it is significantly reduced due to superior design. Also, we provide product warranty of 5 years.

C: And what is the life of our product?

I: It is 10 years.

C: I would like to synthesize my analysis there. According to the market entry perspective, I would like to recommend entering in the market due to following three reasons:

1. Healthy market growth rate of 7-8% over 100000 units sold per year
2. Low barrier to market entry
3. Buyers looking for quality over price as it is a long-term investment thus the bargaining power remains in the hands of the supplier

As per the market growth perspective, I would recommend going for acquisition of the 10% fragmented market because of the following reasons:

1. Using the established market channels from the fragmented players will not only help us gain the 10% market share in a short span of 3 years but also help our organic growth in future by spreading the name.
2. The individual suppliers will be willing to sell our product because of its superiority in terms of cost, efficiency and risk reduction
3. Our design is patented and thus the rights to sell the product always remains in our hands giving us an upper hand in decision making

I: Great, we can close the case here!

**Case Statement:**

The client is a bus manufacturer who already has one product in the market called 'speed.' They are planning to bring in another product called 'Velocity'. Their consumers are mainly long-distance transportation companies. Should you bring the product in the market and if yes, how? What would be your product proposition?

**Background Information**

- Client:** Bus manufacturer having a product in the domestic market named "Speed". Planning to introduce a new product named "Velocity"
- Competitors:** Our client is the market leader and thus the trend setter. The competitive market is not relevant to the analysis
- Consumers:** These are the people who use luxury passenger vehicles to travel for a long distance.
- Product:** Velocity and Speed both are luxury passenger vehicles used for long distance commute. The product differentiation majorly lies in the comfort and mileage.

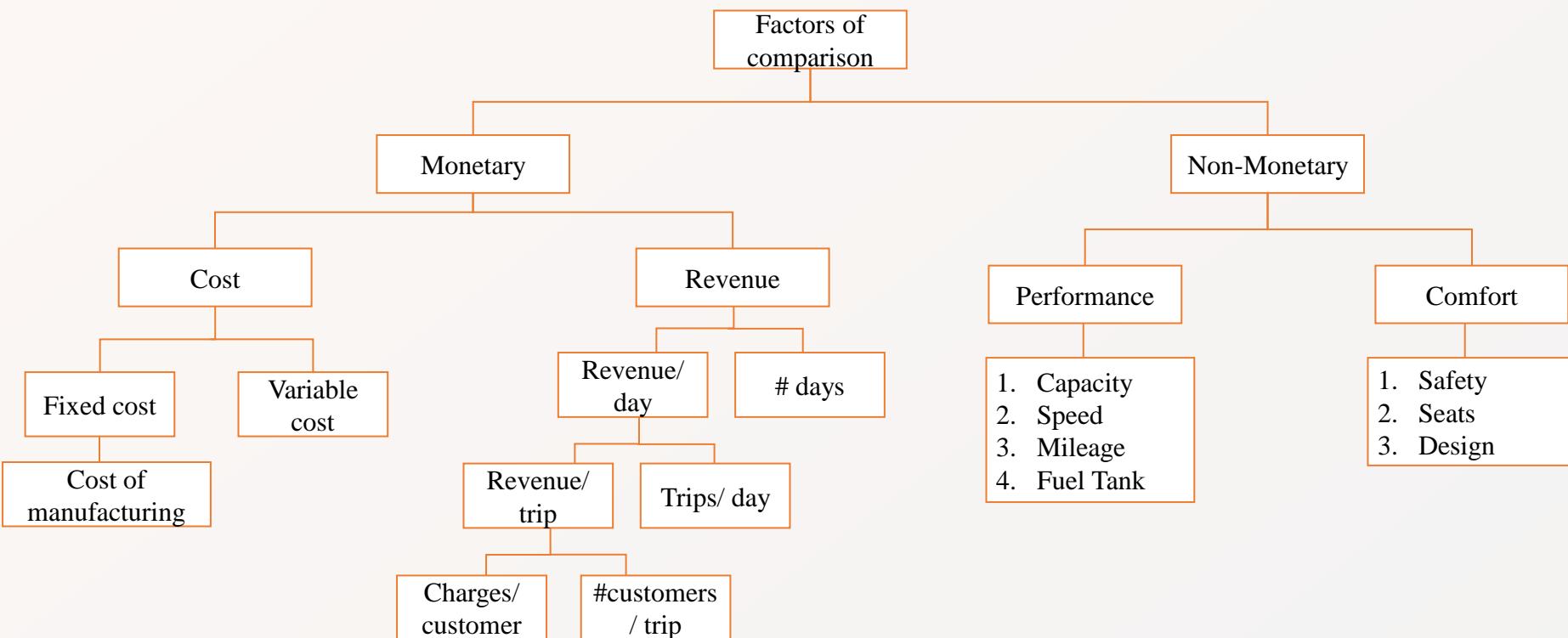
Product	Company	Customer	Competition
1. Luxury Bus 2. Long distance ply 3. Speed - functional 4. Velocity – to be introduced	Bus manufacturer providing long distance passenger transportation services	Premium customers preferring long distance travels through bus and valuing luxury	Currently our client is the market leader and thus we are the trend setters. No competitive barrier
<b>Speed</b>		<b>Velocity</b>	
<b>Cost Calculation:</b> Total miles = $600 * 250 * 3 = 450000$ <b>Maintenance Cost:</b> $6000 * 450000 / 20000 = 135000$ $6400 * 450000 / 20000 = 144000$ <b>Fuel Cost:</b> $(450000 / 10) * 25 = 1125000$ $(450000 / 12) * 25 = 937500$ <b>Total cost:</b> For Speed = 1260000      For Velocity = 1081500			<b>Speed</b> <b>Revenue Calculation:</b> Total Trips = $250 * 3 = 750$ Seating Capacity = 40 <b>Ticket Cost:</b> \$60      \$60 <b>Load Capacity:</b> 80%      85% <b>Total revenue:</b> $= 0.8 * 60 * 40 * 750 = 1440000$ $= 0.85 * 60 * 40 * 750 = 1530000$

**Case tips**

- In such cases the interviewer is ready to spend most of the time of interview in the case itself. Don't worry if it is extending for a long period.
- Calculations are a mandatory part of such heavy cases. Be sure to be clear and clean in your approach and reduce the complexities wherever possible.
- Don't forget to check the non-monetary factors' analysis in such cases. They might lead to a completely new product differentiation.

**Case Statement:**

The client is a bus manufacturer who already has one product in the market called 'speed.' They are planning to bring in another product called 'Velocity'. Their consumers are mainly long-distance transportation companies. Should you bring the product in the market and if yes, how? What would be your product proposition?



C: Okay so to confirm my understanding of the problem I would like to state it again, our client is a bus manufacturer who already has one product in the market by the name “speed” and they are planning to bring in another product called “Velocity”. The consumers are majorly long-distance transportation companies. We have to figure out that should we bring this product in the market and if yes how will we do that. Also, what will be the product proposition?

I: Yes, that is correct.

C: So, what kind of markets are we dealing with, is it domestic or international? Are we dealing in the premium segment or the non-premium segment?

I: Consider domestic markets for now and “Speed” is a luxury passenger vehicle.

C: Okay, and why are we planning to introduce new product in the market. Is there a threat from the competition or is there any technological shift?

I: So, we just have a better product, and we want to introduce it in the market. The feasibility of it has to be figured out by you. As far as competition is concerned, we are the market leaders and we set the trends.

C: Sure, I would like to know about our product more and what differentiates Velocity from Speed. I would like to divide the factors of comparison in two major parts – Monetary factors and Non-monetary factors. The Monetary Factors will include the Cost and Revenue part. The Non- Monetary factor will include Performance factors, Comfort factors. In performance factors I would like to look at Capacity of seating, Speed, Milage and fuel tank capacity. Do we have any information about it?

I: Yes, so top speed, capacity of seating and fuel tanks for both the products is same. Although there is a difference in the mileage of both the products. While, “Speed” provides 10 miles/gallon, “Velocity” gives you 12 miles/gallon.

C: Interesting, now I would like to move on to the comfort factors. I would like to know about the safety features, seats, and design features. Do we have data regarding that?

I: Yes, so safety features of both the products are same, design is more aesthetically pleasing for “Velocity” but scientifically same but yes there is a difference in the seats. “Velocity” seats are more comfortable than “Speed”.

C: Got it, now I would like to analyze the cost features of the products. So, I would like to divide it into two parts, fixed cost, and variable cost. Under fixed cost can I know about the manufacturing cost of the “Speed” bus and that of the “Velocity” bus.

I: So, we sell our “Speed” bus at \$1,07,000 and for the “Velocity” bus we would like you to find out the price at which we should sell that.

C: Sure, for that I would like to investigate the variable cost too. So, what I can think of is the maintenance cost that would be incurred by our client as a variable cost apart from what is included in the selling price. Am I right assuming that?

I: Yes, that is correct, and the maintenance cost is different for both the products. So, I can tell you that every 20000 miles both the products require maintenance. The one-time maintenance cost for Speed is \$6000 and for Velocity it is \$6400.

C: Since we have investigated the costs incurred now, I would like to deep dive into the revenue part of the analysis. So, revenue for a bus comes from revenue per day times the days of operation. We can further divide the revenue per day into number of trips per day times the revenue per trip. Further the revenue per trip can be divided into number of customers per trip times the price charged per customers.

I: That seems like a fair division.

C: Can I know about the seating capacity of each bus? And are we operating at the full capacity?

I: So, the seating capacity is 40 passengers, and the operations happen at different load factors for both the products. For Speed it is 80% and for Velocity it is 85%.

C: Got it, now do we have the data about how many miles per day we are plying and how many days a year we are operational. Also, can I know about the life of both the products?

I: Yeah sure, we are travelling for 600 miles/day on an average with ply for 250 days a year. The life of both the products is assumed to be 3 years.

C: And do we have any data regarding the price of fuel they are running on?

I: Take it as \$25/gallon

C: Sure, now we have the data so I would like to do the calculations and find out the difference between the cost incurred and the revenue generated. Can I proceed with that?

I: Yeah, go ahead with that. Do the calculations loudly.

C: Sure, so first I would like to find out the cost incurred in maintenance and fuel for both the products. For that I would like to find out the total miles plied by our vehicles i.e., 600 miles/day \* 250 days/ year \* 3 years. That gives us 450000 miles. Now we know that for Speed the cost of maintenance is \$6000 for 20000 miles. This gives us  $6000*450000/20000$  i.e., \$135000. Similarly, for Velocity it comes out to be \$144000.

I: Correct!

C: Now calculating the fuel cost, we need to calculate the gallons of fuel used i.e., 450000/mileage. So, for Speed it is  $450000/10 = 45000$  gallons and for Velocity it will be  $450000/12 = 37500$  gallons. The cost comes out to be (gallons \* 25) i.e., \$1125000 and \$937500 for Speed and Velocity respectively. Adding up to the maintenance cost the total cost comes out to be \$1260000 and \$1081500.

I: Okay, that is correct.

C: Now moving on to the revenue calculation. We have a seating capacity of 40 with 80% and 85% load factors for Speed and Velocity respectively. Do we have some knowledge about per ticket charge?

I: You can assume it.

C: Okay so taking per ticket charge to be \$60 we get -  $0.8*40*60$  dollars for a single trip for Speed. That comes out to be \$1920. Now total trips =  $250*3 = 750$ . That gives us the total charges =  $1920*750 = \$1440000$ . Similarly, for Velocity we get = \$1530000. Now the overall difference comes to be:

For speed it is \$180000 and for Velocity it is \$448500. Since we are making more profits from Velocity, we can charge up to \$200000 higher here for the product. So, the cost of Velocity will be around \$3,07,000

I: That is great. Now what would you suggest the risks can be here?

C: So, I think the biggest risk is of cannibalization of the older product as velocity is providing better comfort at the same price. Secondly the price of the ticket can be capped by the government regulations and thus the analysis may come to a different calculation.

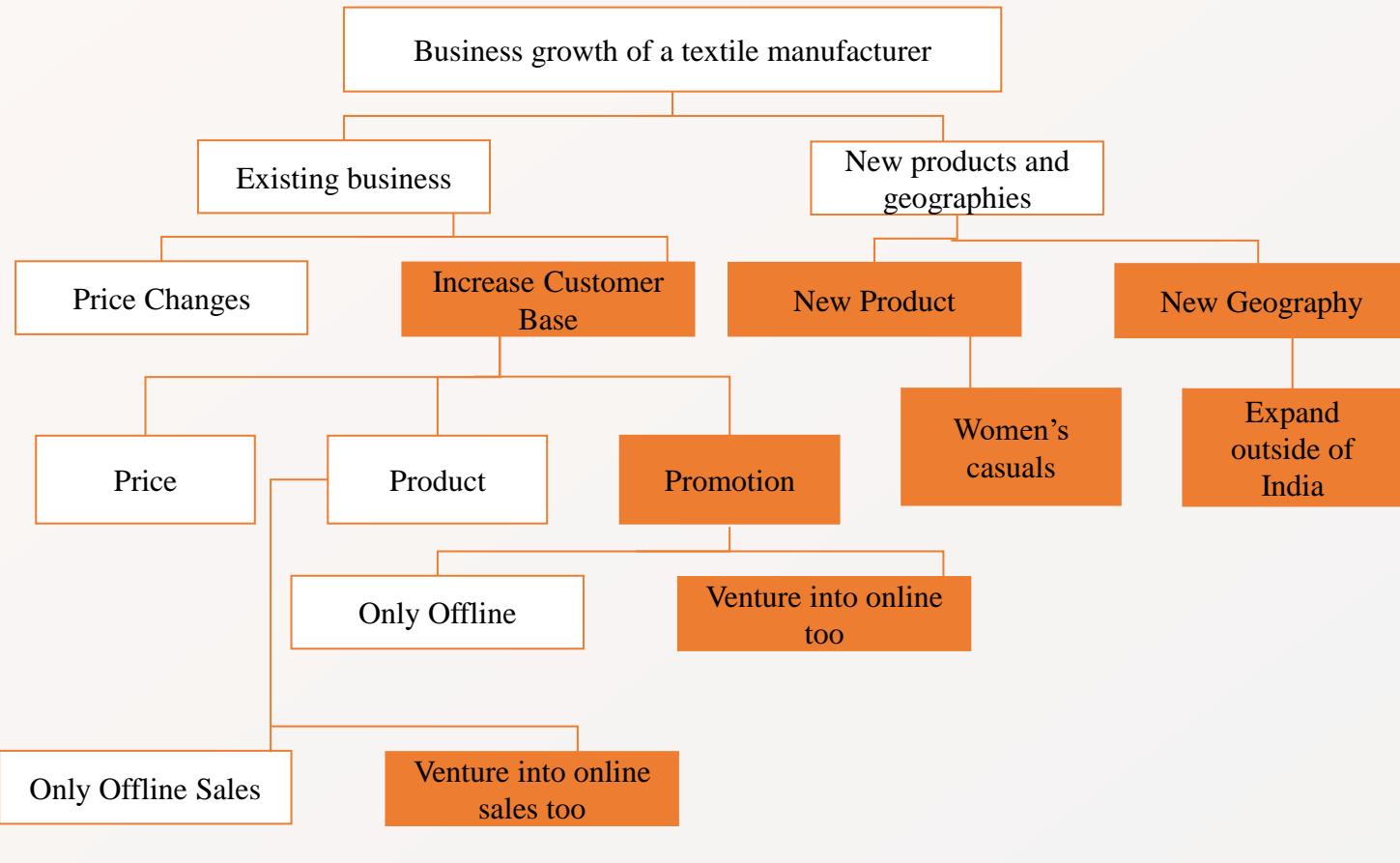
I: That is right. We can wrap the case here. Thank you.

**Case Statement:**

Your client is a textile manufacturer. Develop a growth strategy for him for the next couple of years.

**Background Information**

- Growth:** 2x in the next year
- Current Products:** Women's Formals, Men's formals, Men's Casuals
- Consumers:** Age group of 20+
- Competitors:** Many competitors

**Case tips**

The ranks given here can be used as well if we are lagging in our ranks in a particular product segment to boost our sales.

C: Given that we are looking at growth opportunities and the market has many competitors; can you now tell me about your current market standings?

I: Yes, the client lies 2nd in the Men's Formals. 2nd in Women's Formals and 6th in Men's Casuals. Overall, we are they are the 4th biggest in India.

C: Understood. Can you now tell me about the supply chain the client currently functions in?

I: Yes, the client produces the finished goods and then sells it via two ways. 1. Their own stores. 2. Via retail stores.

C: Can you give me an idea of the distribution of sales from the outlets?

I: Yes, so 70% of the client's sales happen from their own stores. 30% of the sales happen from other retail stores.

C: Is there any differentiation at a product level between the store types?

I: Yes, the client only sells Men's and Women's formals through their stores. These products as well as men's casuals are sold through retail stores as well.

C: Does the client only cater to a particular geography or do they sell pan India?

I: They operate pan India.

C: Understood. I would now like to formulate a strategy to grow the business. I would first focus on existing business.

I: Sure, go ahead.

C: I would first want to focus on the prices. Are the client's prices lower than the market?

I: No, the client's prices are consistent with the market.

C: Okay. Now, I want to look at ways to increase the client's customer base. For this, I will be looking at Promotions and Sales Avenues of their products as it will help me understand if they are currently missing out on a potential customer approachability option.

I: Sure, go ahead.

C: To start with promotions, I would like to divide them into online and offline promotions. In terms of offline promotions, I want to understand if the client is using all available resources to reach our customers.

I: The client is completely covered in terms of offline promotions. However, they do not have any presence in the online area.

C: Got it. That is definitely one area the client should be looking at since the majority of the target customers are moving towards embracing e-commerce. Also, can I also gather from this that they do not sell their products online either?

I: No, currently they do not.

C: Then that is also one avenue the client should look at. I would now want to look at the growth opportunities for the current products they have.

I: Yes, are there any areas of improvement there?

C: As I can currently see, they rank 6th in the Men's Casuals which are not being sold by their own stores. However, apparels sold through their own store: Women's and Men's formals have a high market share. Can the client look at selling Men's casuals through their stores as well?

I: Yes, they can look at that option as well.

C: Would you like for me to suggest new products and geographies as well for our business?

I: Yes, we should explore that option as well.

C: Okay, I will first look at the products. The client can introduce new products to the market. I wanted to understand is there any specific reason as to why don't they product women's casuals currently?

I: The client just ventured into the women's apparel business a few years back. They can definitely look at this opportunity.

C: Sure. Also, in terms of entering newer geographies, they can also look at exporting our finished goods internationally to increase revenue.

I: This sounds like a good approach to consider as well.

C: Would you like for me to do a feasibility analysis for the measures suggested above to find the best possible way?

I: Not required, we can close the case here. Thank you.

**Case Statement:**

Client is innerwear manufacturer catering to only men's segment. It's an economy brand like VIP or LUX. Seeking growth of 5x-10x. What will you suggest?

**Background Information**

- **Expected timeline:** Within 2 years
- **Product:** Vest, brief (priced at 80-100/-)

**Transcript**

I: How do you plan to achieve this growth?

C: Growth strategies can be in the form of diversification, market penetration, market development and product development.

I: Which approach would you prefer and why?

C: Focus should be on coming up with new products in both existing and new markets. The reasons are-

- Current product market is already at mature stage with not much scope for innovation
- Current product market is price elastic

New products can be developed for different customer segments like kids and female. Client can possibly target female as scope of product innovation is higher which could lead to a differentiating factor for the company.

I: Current distributors don't deal in women innerwear. Though the growth rate for female market (20-25%) is higher than male market (5-10%).

C: Then the focus should be on channel development while also assessing if current resources like machinery and manpower are capable of new product development or not. This is based on the fact that women innerwear will require more competency in terms of design to ensure product differentiation.

How competitive is the female market?

- **Market:** Pan India Competitive
- **Landscape:** 50% branded (4 major players including client), 50% local

I: 20% branded, 80% local (divided across 50 local brands)

C: Then M&A is a possibility considering the huge chunk of market being occupied by local players. Local players can be acquired for their design capability and our brand can be leveraged to establish ourselves quickly in the market.

I: If M&A is not feasible, how would you train your current manpower for launching product line?

C: Design competency can be built over time in the current manpower by training or hiring can be done to fast track the growth.

I: What needs to be done if hiring externally is not possible?

C: A part of the current manpower can be trained for the new product development while the majority of the workforce continues to focus on the main product production.

I: How will you segment the customer segment. Also, how will the new product be positioned?

C : Customers can be segmented based on age. Design and material can be used accordingly. As the older customers will prefer comfortable material more than the design while younger segments will focus more on design.

Product should be launched under a new brand preferably. As the current brand name has been only associated with men innerwear in the past and thus, female target segment might not be able to relate to the existing brand name.

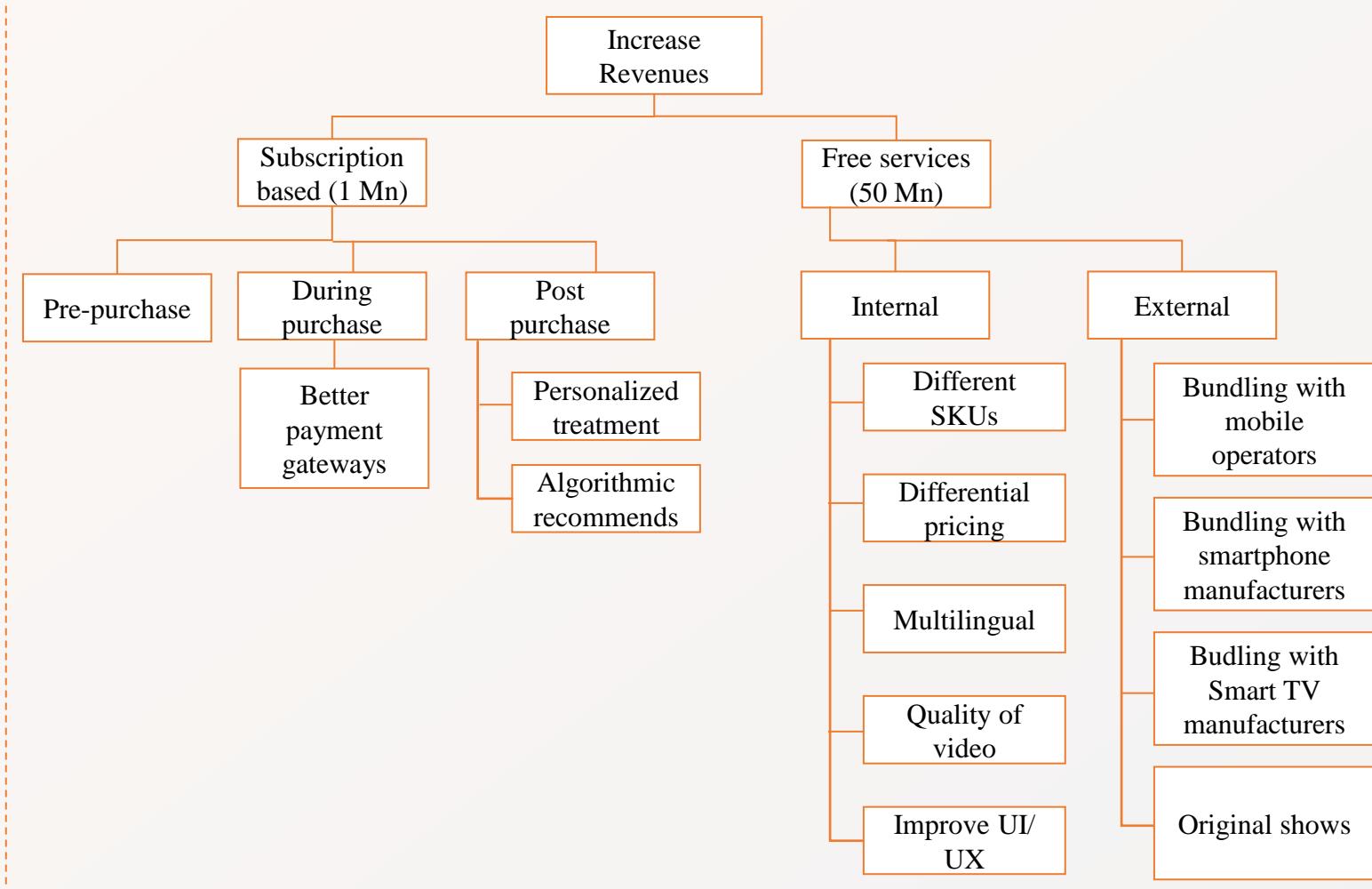
# Video Stream Service Provider

## Case Statement:

Your client is a video streaming service provider. They want to increase revenue. Presently the customer base is 1 million for subscription based and 50 million using free services provided.

## Background Information

- **Client:** Video Streaming Service Provider (like Netflix)
- **Services:** Subscription based and Free
- **Competitors:** 2-3 major competitors (YouTube, Amazon Prime)
- **Timeline:** Medium term
- **Customers:** 1 million subscription, 50 million free services
- **Location:** PAN India



## Case tips

- There is no right or wrong answer in this case, just back up your answer with good reason.

C: Revenue can be increased in 2 ways here:

- Charge higher prices from existing subscription-based customers
- Convert customers from free-services users to subscription based

I: What should we focus on first?

C: First, we should focus on 50 million subscribers. If we can convert 2% of them to existing subscription model, we would be better off.

I: Okay, great. How will you do that?

C: We can divide it into two parts: Internal and External, i.e., what the client can do in-house and how it can cooperate with external stakeholders respectively.

• Internal:

i. Introduce different SKU's (differential pricing for different services on the basis of number of users watching at the same time, quality of the video i.e., HD, ultra-HD, also monthly, semesterly, yearly)

ii. Different pricing for different types of content (some people might like particular genre)

iii. Multi-lingual shows to cater to more customers

iv. Improve UI/UX, improve lags if any

• External:

i. Bundling with Mobile operators

ii. Bundling with Phone and Smart TV manufacturers

iii. Come up with more originals to differentiate from competitors (sign popular actors to gain traction)

I: Look at the existing subscription-based customers now and make suitable recommendations.

C: I would like to make the Customer Journey map here:

• Pre-purchase-Awareness: Already aware.

• During-Payment:

i. Better Payment Gateways, different options like Paytm, PhonePe

• Post-Purchase:

i. Improve Experience: with the content, UI/UX, quality of video (both on mobile and TVs) to retain

ii. User profiles gives leverage for users to personalize their user account and preferences

iii. Receive algorithmic recommendation for new items to watch

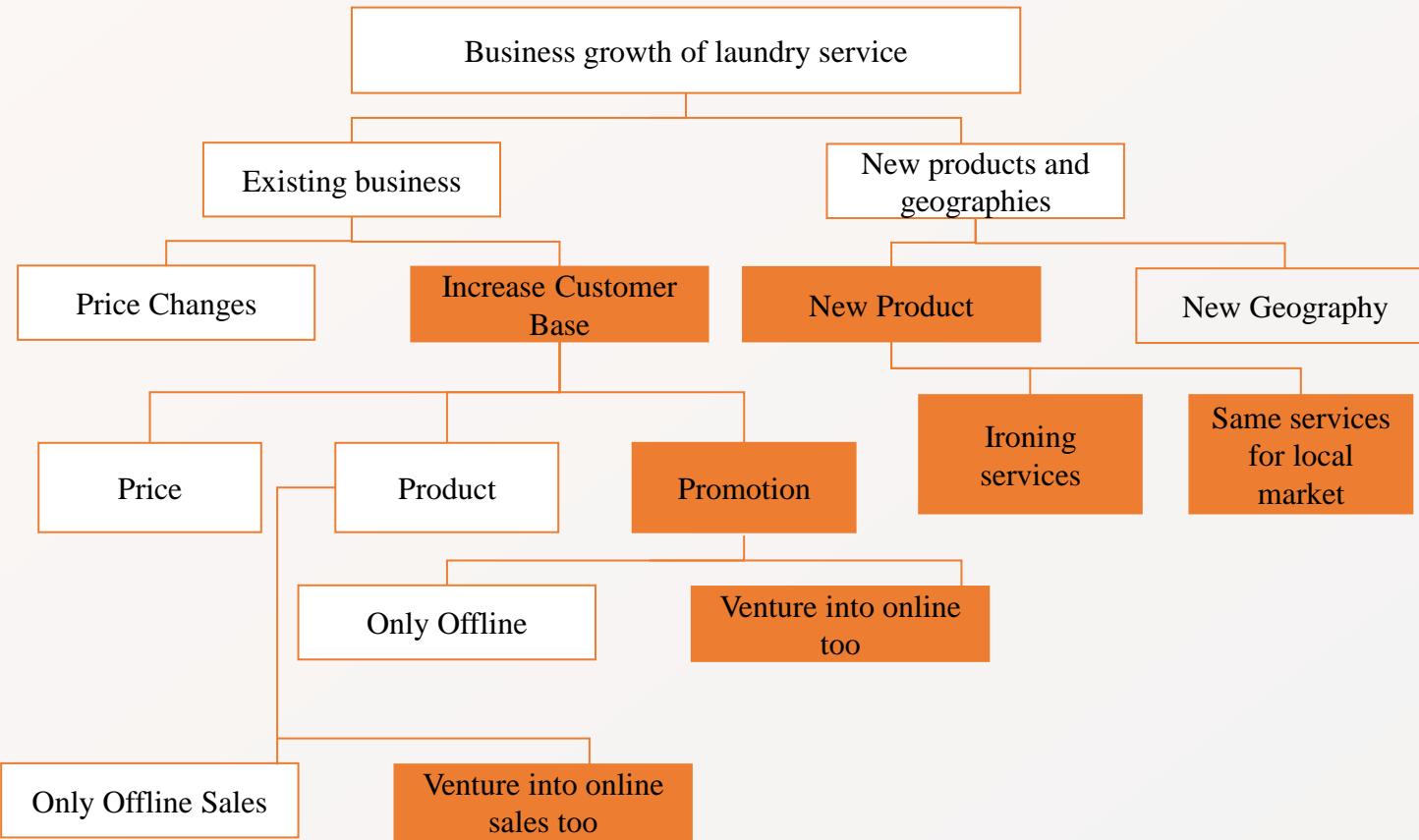
I: Alright. Thanks. We can close the case here.

**Case Statement:**

Your client is a laundry service provider based out in South Africa owning multiple stores across the country. They are witnessing stagnant growth for the last 3 years. Recently numerous local players are emerging in multiple cities. Help the client grow.

**Background Information**

- **Client:** Laundry service
- **Competitor:** No major changes, few local players emerging. The potential threat of erosion of market share due to localized monopolies by the new players
- **Time Frame:** Growth stagnant for the last 3 years.
- **Geography:** Located in South Africa

**Case tips**

The case here is an open-ended case, and structured application of organic and inorganic growth models will keep you on right track. Since it is open ended, maintaining the structure till the last moment is crucial as one can tend to just call out points which are on the top of mind

C: To begin with the problem, I would like to understand our client's business better. Do we have information on the stores' location and the region's competitive landscape? Also, what kind of services are available at the store?

I: Sure, the information I have on the client is that the stores are located across the country in multiple cities. The chain is the market leader in laundry services. Currently, they only provide clothes washing as a service; You can compare it to any laundromat you see in the US.

C: That comparison has helped me understand the business. I see that the client has been in the service for a long time. Has the client been providing the same service since the business's inception?

I: Yes, they have been very good at providing washing service, and this service excellence has propelled them into the market leader position. However, many local players are recently coming up who are providing additional services.

C: So, as I see it, I should focus on ensuring that the client can maintain the market position and achieve growth while doing it.

I: Yes, that should be the way to go.

C: Thank you. There are two factors to consider here; first, growth opportunities can lie in the existing business. Secondly, the client can venture into new service segments and geographies through inorganic means.

I: Can you elaborate on each option?

C: Yes, sure, to begin with, opportunities in existing business opportunities, one option can be to increase the price of our service. We risk losing market share when it is executed.

I: Our client is not open to increasing the price as the customers hail from the price-sensitive middle-class segment.

C: Okay, now another option is increasing the customer base. To do so, we can augment our current services and service delivery channels. Currently, customers avail of the service by visiting the physical store. To provide convenience, pick-up & drop services can be provided. Promotion can also be

channeled using online mode.

I: Well put; can you walk me through the new products and geography part?

C: Yeah, this part will require investing and developing new competencies. New services like ironing, carpet cleaning, etc., can be introduced.

I: That one innovative way to go ahead, now when you suggest venturing into new geographies, what positives and negatives does the firm have?

C: First of all, laundry service should have a substantial audience in the region of operation to make it profitable. Hence, the moderately populated middle class is an ideal target segment class. Most importantly, the country's economic condition should be similar to SA. Hence in Africa presently, the operations are limited. The nearest option can be Middle east countries.

I: Perfect, you called out apprehensions precisely. It was great talking to you! We will close the case now.



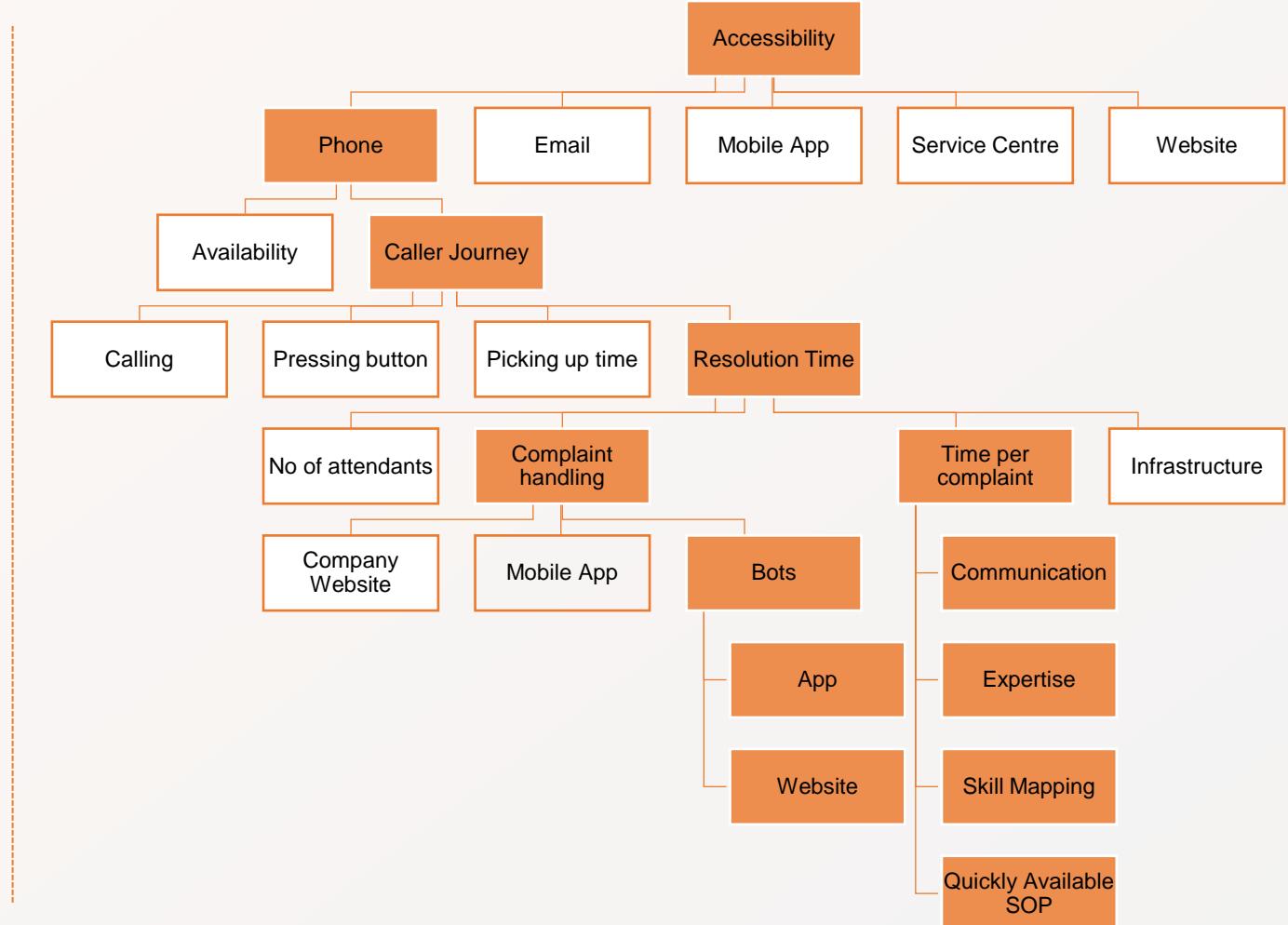
# UNCONVENTIONAL

**Case Statement:**

The clients company has been receiving a lot of complaints about its customer service department and would want you to look into it and fix it.

**Background Information**

- Timeline of complaints:** 2 years
- Client:** Telecom company dealing in internet and cable TV operations in India
- Competitors:** 4-5 Players operating in the industry with similar market shares
- Product:** Company sells Direct TV, Broadband and 4G
- Customers:** 1 million subscription, 50 million free services
- Location:** PAN India

**Case recommendations**

- Short term: Train customer handling professionals better and create better expertise.
- Long term: Streamline complaints registration and resolution though a mobile app
- Long term : Introduce and Interactive Voice Response System

# Telecom Customer Service

C: Before getting into the reasons for increased complaints, I have a few preliminary questions. Since when are we seeing an increase in the number of complaints? Is this a factor of something better being done by a competitor?

I: Let's dive into the case first and I will answer these questions on the go. The problem is being faced pan India and some of the products and services being offered include direct tv, broadband, 4G.

C: First, I will try to understand the different reasons for which the customers require "customer services". Then I will look into the different avenues through which the customers could contact the company.

I: Sounds good! Let's call the first step "Needs" and the second step "Accessibility". Let's talk about these first.

C: Needs would include help/queries about current features or products, complaints about current features/products, enquiry about additional features (e.g., changes in calling or internet pack) . These could be accessed via: phone calls, emails, company website, company's app.

I: Sounds good! But do you think there's one more way through which the customer could access the client's services. Especially relevant during 2014-2015 when internet didn't have as much penetration.

**C: Through the physical service centres!**

I: Correct! Now the client is facing problems because of its calling feature. What shall we do next?

C: I will try to break down a caller's journey to understand at which step the caller is facing a problem. A caller will search for the customer care number, they will call and wait for the attendant to respond, they will be given a compliant reference number, their issue will be resolved then and there, or they would need a follow-up. After their complaint is resolved, their reference number will be closed, they might be asked for feedback later. I'm assuming that all of this will also be recorded. Do we know at which step we are facing a problem?

I: I really like how you've broken down the caller journey. My client was facing a problem at the second step – when the customers call and get their issues addressed.

C: Customer will make the call. I'm assuming that they will hear an automated tone which will direct them to press some digits on their phone to reach the required facility. After connecting with an attendant, their issue might be resolved by the same attendant, or they would be directed to some other attendant. Their issue might finally be resolved.

I:Correct! There are different "wait times" associated with the entire process and callers often drop off because of the inconvenience they face because of huge wait time. Would you help me define each one of them?

C: Wait time 1: time the caller takes to reach to the correct facility/attendant. It often happens that you need to press a lot of buttons until you get to speak to the correct POC.

Wait time 2: time the customer care person (attendant) takes to pick up the call  
 Wait time 3: Time the attendant takes to resolve the issue. They may direct the complaint to another person, which will again lead to some wait time.

I: Our client was facing problems with the wait time 2 and 3.

C: Wait time will be a factor of number of complaints, number of attendants, time taken to resolve a complaint and the infrastructure available with the client.

I: Excellent! I like how you're structuring the problem. Let's call the number of complaints as n, number of attendants as x and the time per complaint as t. Could you make a formula for me to get to the average wait time or avg time taken by an attendant. Then we will see how we could reduce the same.

C:Average wait time will be:  $(\text{Number of complaints} * \text{time per complaint}) / \text{Number of attendants} = (n*t)/x$

I: Perfect! Out of these, the client doesn't have the budget to increase the number of attendants or improve the infrastructure available. We have only 2 options: either to address the number of complaints or the average time taken by an attendant. Let's look at each of these separately.

C: Since we don't have a lot of control over the number of complaints, let's first look at the time taken by an attendant to resolve a complaint.

C: Time taken by an attendant will depend on their manner of communications, their technical skills, their training and expertise. There should be a match between the strengths, area of expertise of the attendants and the type of complaints they are answering. Call attendants should also be given regular training sessions on how to interact with the callers. Also, since there could be a hundred reasons why a customer might call the helpline number, the call attendants should have a quick and structured list of answers to general queries available with them such that they could offer help faster without thinking much.

I: I absolutely loved your last recommendation. This is exactly what we had also recommended. Such a quick list is called an “SOP” in the telecom industry. Let’s see how we could decrease the number of queries or complaints now.

C: The company could come up with self help options. These could include user manuals in case of a product, company website with answers to Frequently Asked Question (FAQs), complaint redressal through mobile application, complaint resolution through bots (both calling as well as chatting feature)

I: This is EXACTLY what we had also recommended. We asked our client to streamline its complaint registration and resolution feature through a mobile application. We also asked them to introduce an IVR system.

**C: What is an IVR system?**

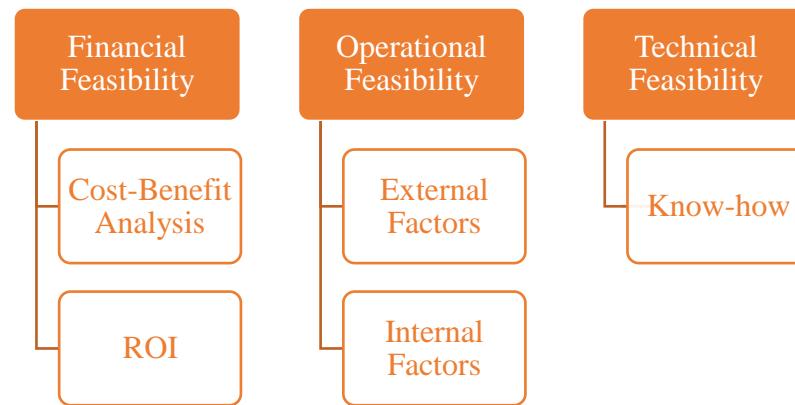
I: It’s an Interactive Voice Response System, exactly as you had recommended. You have made me and the client very happy. Let’s close the case now!

**Case Statement:**

You are the newly appointed CEO of a large manufacturing firm. Just 7 days into joining, the COO of the firm asks for a Rs. 300cr approval. You have to decide whether you'll approve, reject or stall it.

**Background Information**

- **Client:** Large Manufacturing Firm
- **Location:** India

**Case recommendations**

- Evaluate all the factors individually. The 2 major factors for approving/rejecting a project would be financial viability and operational viability.

**Case tips**

- The key points to mention here were the factors to take into consideration while conducting financial and operational viability.
- Another important point was to consider the opportunity cost – the revenue that the firm can generate if the Rs. 300 crores were invested elsewhere

C: I'd like to start by understanding what the COO plans to use the 300 crores for.

I: The company currently has 3 manufacturing plants set up in Gujarat, West Bengal and Orissa. The 300 crores is to increase our production by setting up another manufacturing plant in Mysore.

C: Alright, to evaluate whether the CEO should approve, reject or stall the bid – I would look at conducting a cost benefit analysis to understand if there is enough demand to justify the production increase by investing 300cr. Post that I would look at the operational feasibility of the project – i.e if such a project is possible and finally calculate the break-even period to understand how long would it take to recover this amount. Does it sound like a reasonable approach?

I: Yes, you can go ahead.

C: Alright, so let's start with the financial feasibility. I'd start by conducting the cost benefit analysis, can you share some data for the same?

I: You don't need to use the data; just tell me what factors you would be considering.

C: Sure, I'll start by understanding the project scope. Moving on to determining the costs – Direct costs, Indirect costs as well as opportunity costs. Then, I'll move to evaluate the Benefits from the project, which in this case would be higher revenue and sales from increased production as well as higher market share.

I: Ok, fair enough. Let's say the outcome of this analysis turns positive. What would be the factors that you would take into account for operational feasibility?

C: I would start by considering external factors like approvals, regulations, government policies, availability of labour etc. Then move to technical factors, like if we would be able to smoothly replicate our manufacturing processes to the new plant. I would also take into account factors like location of the plant and the time required to set it up. At the same time identify the major challenges that we might face.

I: Alright, now how would you evaluate the profitability.

C: I would do that by calculating the ROI and then comparing it with my opportunity cost.

I: Alright, let's say you make a new profit of Rs 50 cr. What would be the ROI percentage?

C: In this case the ROI % would be  $(\text{Rs } 50 \text{ crore} / 300 \text{ Crore}) * 100 = 16.67\%$ . If this is higher than the percentage we can get through any other investment alternative, I would accept the project.

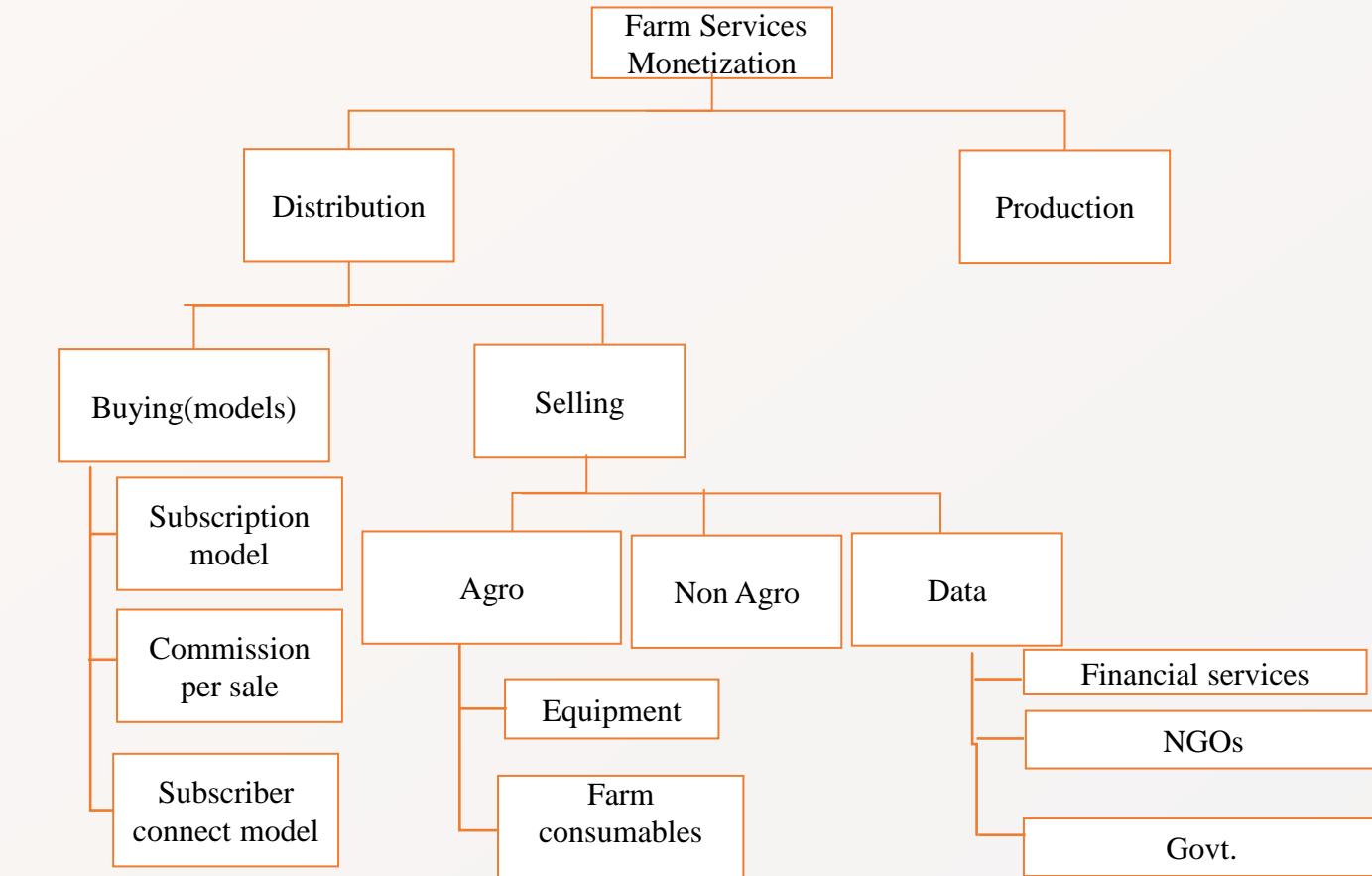
I: Great, thanks for the discussion.

**Case Statement:**

An FMCG company has a platform for farmers where it educates them about a lot of things like what to grow, climate, etc. - how to monetize this?

**Background Information**

- **Client:** mainstream player like P&G and they have a wide range of products
- **Timeframe:** Start monetizing as soon as possible and the platform has good adoption in farmers of the UP Bihar belt

**Case recommendations**

- Co-op and commercial farming partnerships
- Assess export opportunities for some high value produce
- making the data of farmers and their produce available to relevant corporation for research

C: Given that farmers are the primary users of the platform currently - I am inclined towards building monetization cases where we are not monetizing the farmers rather monetize agencies interested dealing with farmers. Does that sound like a fair idea to you?

I: I think that makes sense. Please proceed.

C: I think we can break down our potential sources of revenue into 2 buckets - Users that want to buy from farmers and users that want to sell to farmers.

In users that want to buy from farmers - We can build an extension of the platform that allows corporations to buy the produce from farmers. Here too there can be multiple models where we are :

1. Charging subscription fee to the platform
2. Charge a fee to connect with any particular farmer
3. Charge Commission per sale through platform (Since this FMCG firm is large we can consider even building logistics that bring farm produce to corps)

In Users that want to sell to the platform - we can have advertisements as well as add the functionality to place purchase orders for farmers. The services / agencies we could target here would be:

1. Financial services - loan, banking etc
2. Agriculture equipment
3. Agriculture fertilizers, seeds, pesticides etc
4. NGOs
5. Government trying to promote schemes

I: I think that all makes sense. What all can you think of apart from these monetization venues.

C: I think we can also find venues of creating co-op and commercial farming partnerships. We can also look at using the data at our disposal to assess export opportunities for some high value produce.

I: Anything else?

C: We can consider making the data of farmers and their produce available to relevant corporation for research

I: Yes, data is very important asset here that we should be monetizing. Okay, that'll be all. Thank you.

I: Let's say XLRI is our client. They want to optimize their costs. How would you go about it.

C: This sounds interesting. I would first divide XLRI's costs into two major buckets, fixed and variable. Fixed would primarily include infrastructure and variable would include utilities, compensation for faculties, costs associated with students' residents, research, etc.

I: For now, focus only on faculties compensation.

C: Understood. I think the compensation structure for faculties should have two components, one fixed and other variable. The variable aspect should depend on their teaching performance, research, admin work among other things.

I: Please tell me more about the KPIs you mentioned for variable pay.

C: Sure. The component to deciding variable pay can be divided into teaching and non-teaching activities. Teaching can include a range of things like student feedback, grades, and key learning outcomes among other things. Non-teaching can further be divided into academic and non-academic. Academic can include research output which can be measured based on papers published, conferences, etc. Non-teaching and non-academic can be administration-related work, consulting and advisory gigs.

I: Will student feedback be a good measure of a faculties teaching performance?

C: Feedback alone would not be sufficient but can be one of the measures. Other measures can be student grades, improvement in student performance, independent audit of key learning output among students, etc.

I: Since your variable pay is dependent on so many things, won't the teaching faculty go to some other b-school with less complicated compensation schedule? How would you prevent that?

C: This is a fair concern. XLRI can address this by first understanding the price that its competitor b-schools are paying and then plan their fixed and variable in such a manner that from all b-schools, a faculty will earn the most if they max out XLRI's variable pay component.

I: Is there any other XLRI specific advantage that you can leverage here?

C: I can think of two things. First, unlike most other top b-schools, XLRI is private institution. This allows it to have a far more flexible pay structure as compared to its government funded competitors. Next could be the Jamshedpur-Delhi campus duo.

I: How would you use the two campus as an advantage?

C: XLRI's Delhi campus has a location advantage which can be leveraged. For instance, Jamshedpur faculties can be offered a role in Delhi campus for a pay cut if they wish to move to a metric city like Delhi.

I: Alright. So, you want to optimize XLRI's costs by managing faculty compensation. Let's say you want to decrease the existing salary of your professors without any attrition. How do you do that?

C: I think we can find a solution in our faculty costing structure. For instance, if we are decreasing the fixed pay to decrease the overall salary, we can use other variable components to fill up the gap. For instance, we can provide faculties institutional support to take up more research grants and external consultancy gigs.

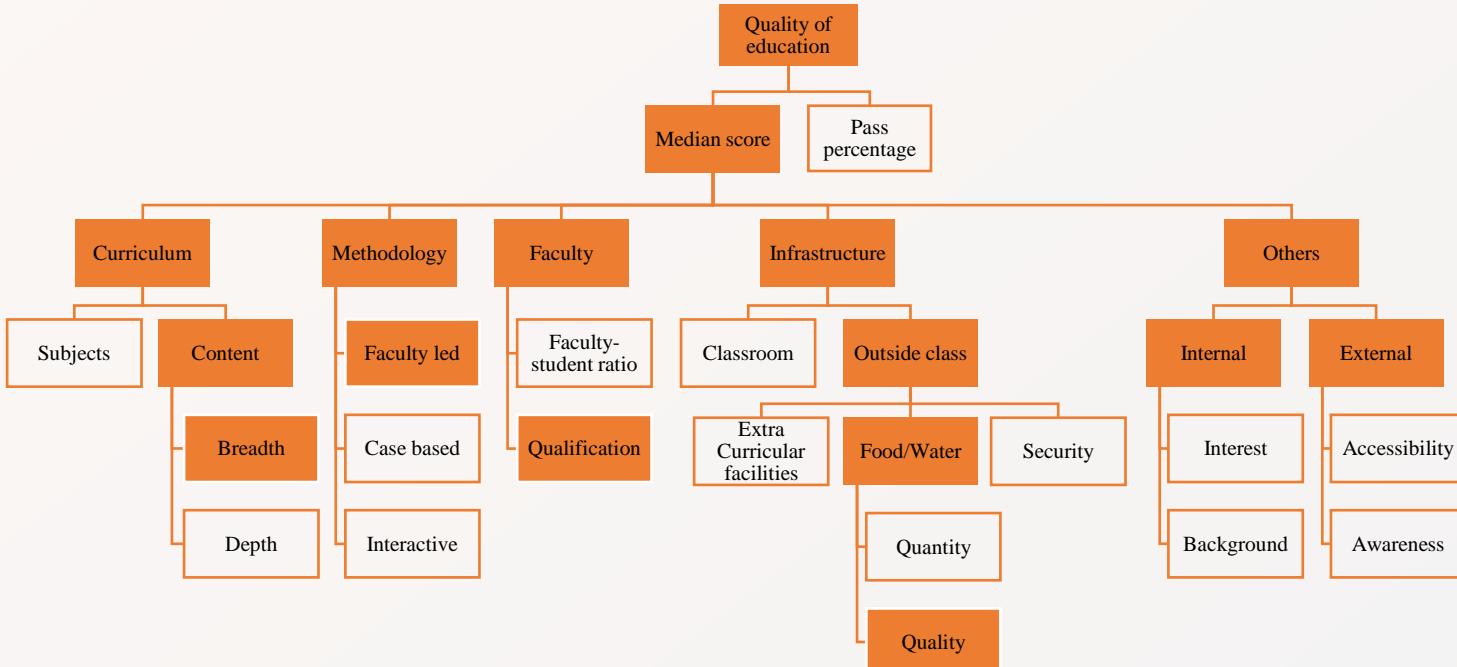
I: Alright. We can end the case here. Thank you for the discussion.

**Case Statement:**

Your client is Govt of Orissa and they have hired you to help them improve the quality of education for school kids in Orissa.

**Background Information**

- Client:** Government of Odisha
- What?** Improve mean score of school students
- Why?** The state scored low during current year's survey
- When?** Before the survey next year
- Who?** Primary school students (1<sup>st</sup> to 5<sup>th</sup> standards) & secondary school students (6<sup>th</sup> to 8<sup>th</sup> standards)

**Case tips**

- An interviewee led case with multiple issues.
- Absenteeism is prioritized because of its importance in attaining the objective, feasibility of implementation and measurability as a statistic.

C: That is an interesting task! Could you please clarify what you mean by the quality of education and how would it be measured?

I: Good question! The performance of students in examinations can be taken as a proxy for the quality of education and the mean score of students can be used to measure it.

C: Alright! Are there any specific class of students for whom the analysis needs to be done?

I: For primary school students (1<sup>st</sup> to 5<sup>th</sup> standards) and secondary school students (6<sup>th</sup> to 8<sup>th</sup> standards) only.

C: Also, what is the objective of trying to increase the quality of education?

I: There has recently been a survey study and the state has underperformed in the education criteria. The objective is to improve the statistics of the state before the next survey that is next year.

C: Are there any other metric that needs to be looked at apart from the mean score?

I: What other relevant metrics can you think of?

C: Along with mean score we could possibly look at median scores and pass percentage of students too.

I: Good, but for now just focus on the mean scores.

C: Alright! We can start by understanding what and how things are being taught in government schools. For this, I would like to bucket the issue into 5 areas: Curriculum, Methodology, Faculty, Infrastructure and others

I: Okay go ahead!

C: I would like to start with Curriculum and sub-divide it into the subjects that are taught and the content of the subjects

I: The subjects that are taught are standard and same as other states. Could you look into content.

C: Sure! Content would consist of the breadth and depth of learning based on the number of topics and the details covered from each topic.

I: Yes, the content is too broad for the primary and secondary students to understand. Let's move to the next bucket now.

C: Now we have methodology. The teaching pedagogy can either be faculty-based, case-based or interactive with class discussions and participation. Which method is currently being used?

I: Most of the schools follow a faculty-based teaching pedagogy.

C: An interactive pedagogy is the most effective way of teaching among the three.

I: Agreed! What else?

C: We can now move to Faculty which can be analyzed by seeing the student to teacher ratio and the quality or qualification of teachers. Do we have any information about this?

I: The teacher student ratio is comparable to other states however due to budget constraints highly qualified teachers could not be employed. Good analysis so far, let's move ahead.

C: The next head is Infrastructure which I would like to further divide into classroom infrastructure and outside class infrastructure. The classroom infrastructure would consist of chairs, table, blackboard, fans etc. If the infrastructure is not up to the mark, the ability of students to learn is hindered.

I: The classroom infrastructure is good enough and does not hinder the learning ability of the students.

C: Okay! We can now look at the outside class infrastructure. The different segments within can be extra curricular facilities, security of students or food and water

I: What would food/water include?

C: Usually government schools provides mid-day meals to incentivize students to come to school, so are those meals available and is the quantity and quality up to the set standards?

I: It has been found that the food provided by the vendor is not of good quality and has led to students becoming unwell leading to absenteeism. Since you had defined an “Others” category. What would it consist of?

C: Others could include the reasons internal and external to the students. Internal reasons would include the interest of students to learn and family background. The external reasons would include the awareness and accessibility including transportation facilities.

I: Understood! However, these are not an issue.

On a whole we have identified four issues that we can work on. However, due to time and budget constraints, we need to choose one among these four to invest in. Which issue should we start with and why?

C: According to me, the absenteeism issue should be looked at to begin with. Firstly, attending school would have a direct impact on mean score of the students. Secondly, it is feasible as all it requires is to change the food vendor. Lastly, unlike other issues, absenteeism is measurable and would help as a stat in the next survey.

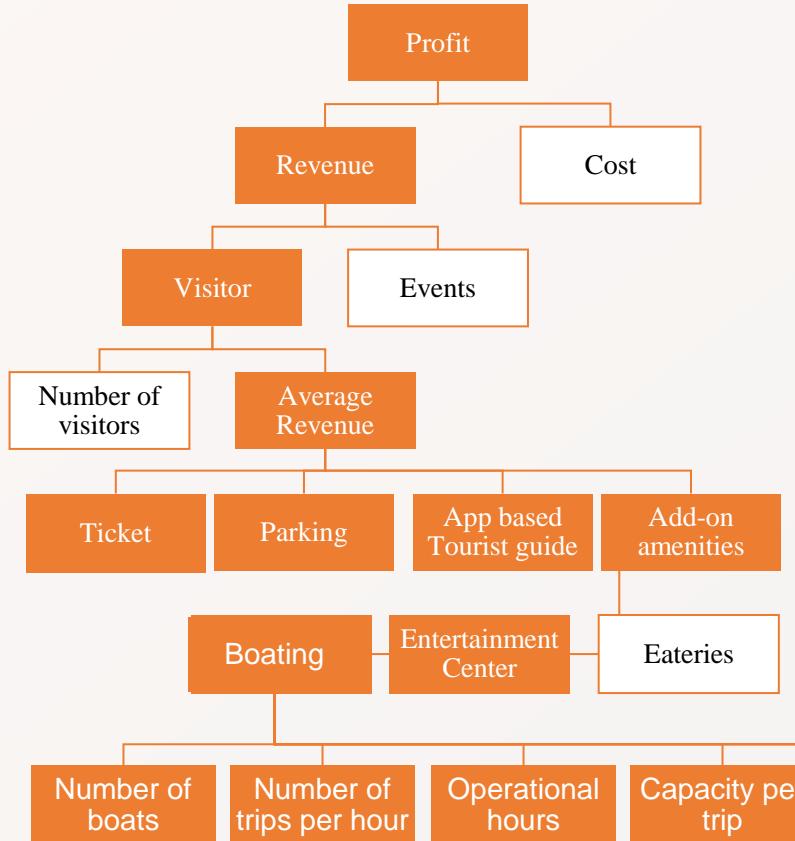
I: Good work! We can close the case here.

**Case Statement:**

Victoria Memorial, a monument in Kolkata, is currently managed by the West Bengal government. It earns an annual revenue of Rs. 1 crore and books a loss of Rs. 150 crore annually. The government is looking to outsource the monument's management to your client, a major private player in the industry, such that the government would earn 20% of revenues. Advice if your client should accept the government's offer.

**Background Information**

- Company:** Market leader in managing monuments
- Product:** Victoria Memorial- Palace, lakes & gardens
- Competitors:** No other competitor offered similar offer
- Consumers:** Foreign tourists (20%) & all age groups



Revenue Stream	Details	Rs. / visitor
	<b>Minimum Target</b>	<b>Rs. 190</b>
<b>Ticket Revenue</b>	Rs. 30 for Indian residents (80%) Rs. 150 for Foreigners	Rs. 54
<b>Parking</b>	Rs. 20 for cars for 4 members Rs. 10 for bikes for 2 members 50% public transport	Rs. 2.5
<b>Boating</b>	Rs. 9 crore annually	Rs. 9
<b>Entertainment Center</b>	Rs. 9 crore annually	Rs. 9
<b>App based tourist guide</b>	Rs. 50 per session 20% people buy it	Rs. 10
<b>Eateries</b>	50% people end up spending Rs. 80 (approx.)	Rs. 40
	<b>Total</b>	<b>Rs. 134.5</b>
	Number of boats	Number of trips per hour
	Operational hours	Capacity per trip
	Occupancy	Days in a year
	Price	

**Case tips**

- Analyze the different possible revenue streams to determine if it would be profitable for the company to accept the offer.
- The case was interviewee led and the candidate identified how to put a price on different streams.
- State the different constraints that are making the offer impractical before rejecting it.

C: Interesting! Just to reiterate, the revenue is 1 crore while the cost is 151 crores, and the client would have to meet all the costs from the 80% of the revenues.

I: Yes

C: Alright! Could you throw some more light on the client and what are the client's objectives behind considering the proposal

I: The client has a pan-India presence and it manages multiple monuments. It has about 60% private sector market share in the industry. The client wants you to analyze if accepting the proposal will make financial sense and what are the risks associated.

C: Since I have never been to Victoria Memorial could you run me through the different areas there?

I: Sure! There is a palace which houses historic artifacts, also there are multiple gardens and a lake.

C: Do we have any demographic segmentation of the visitors in terms of age or tourists to Indian residents' ratio.

I: A lot of families visit and thus there are people from all ages. The tourists to Indian residents' ratio is 1:4.

C: In order to make financial sense, the monument should earn at least more than 20% profits. To bridge the 150 crore loss we need to decrease costs and/or increase revenues.

I: Assume that costs cannot be reduced, look into ways to increase revenues.

C: Alright, what are the current revenue streams?

I: As of now, the only revenue stream is the ticket revenue with ticket being priced at Re. 1.

C: Thus, currently we have 1 crore visitors per year. We can look into multiple revenue streams divided into 2 major buckets: from renting out for events and from general visitors; for the former we could rent out gardens for events and shows.

I: Based on government rules, the monument land cannot be rented or leased to any other organization.

C: That restricts our entire focus to the visitors. To increase the revenues, we look into ways to increase the number of consumers and the revenue per visitor.

I: The government has tried but increasing the number of visitors is not possible.

C: Alright! Given the facts, the breakeven revenue required is about 190 crores ( $151*100/80$ ), thus at an average every visitor should spend at least Rs. 190 to make the proposal financially viable. We could look into the following heads to achieve that.

a) Ticket revenue, b) Parking, c) Additional amenities like an entertainment center in the gardens or boating in the lake, and d) Value added service like an app-based tourist guide.

I: Sounds good! Let's look at each head one by one.

C: In order to increase ticket revenue, we would need to increase the ticket price. We could resort to differential pricing for tourists and for natives after looking into price elasticity of each segment.

I: With a reasonable and competitive pricing, price elasticity would not be an issue.

C: Based on my experience, Rs. 30 is a competitive ticket price for Indian citizens and foreigners would be ready to pay about \$2 for a similar monument in their native place which makes it Rs. 150. Thus, at an average each person spends Rs. 54 on ticket price.

Next, we can look at parking. Let's assume 50% people travel by public transport and other by private transport and for the sake of simplicity can we assume the 50 % travelling by private vehicle is equally divided between cars and bike?

I: Yes that's fine.

C: Now, by experience bike parking fee is Rs. 10 and has 2 riders, car on the other hand is Rs. 20 with 4 riders, thus people using private transport will be spending Rs. 5 per person on parking leading to Rs. 2.5 per person on average. Moving to additional amenities, I would like to start with introducing boating facility in the lake. Maybe we could look at customer demographics and figure out how many people would enjoy boating.

I: Is there an easier way to calculate that?

C: Yes! We can estimate this from a capacity angle. Do we have any information about the size of the lake, how many boats can we have and operational hours.

I: Let's assume, there are 30 boats with a capacity of 10 people. A Rs. 50 ride lasts for 30 minutes and it is operational for 10 hours in a day.

C: Thus, we can earn a revenue of Rs. 9 crore assuming 300 as working days in a year. On a per person basis that translates to Rs. 9/person. Now, we can consider other amenities like an entertainment center in the gardens and an app-based tourist guide.

I: Take the entertainment center to be comparable to the boating, so that is another Rs.9 per person. How would the app-based tourist guide work?

C: The idea was that any person/family can download the app and upon receiving the payment in the monument they would unlock a virtual guide that will guide them through the monument briefing them about the history and importance of the monument. We could charge about Rs. 50-70 for the same.

I: Are you assuming everyone would take this up?

C: No everyone would not be using it. We would be lucky to get about 20% of the people to pay for it.

I: Thus, based on your approach that adds approximately Rs. 10 out of Rs. 190 needed. Do you think we would be able to reach the minimum target of Rs. 190 considering only the breakeven.

C: So, till now based on all the calculations every individual would be spending approximately Rs. 85 without having accounted for the revenue from eateries.

I: What would your final recommendation then?

C: Working under the constraints of constant costs, not being able to increase the number of visitors and not being able to rent area for events, we would be able to earn about Rs. 100 to Rs. 130 per person on average falling short of the breakeven mark. Thus, going forward with the idea would not be the best idea as of now.

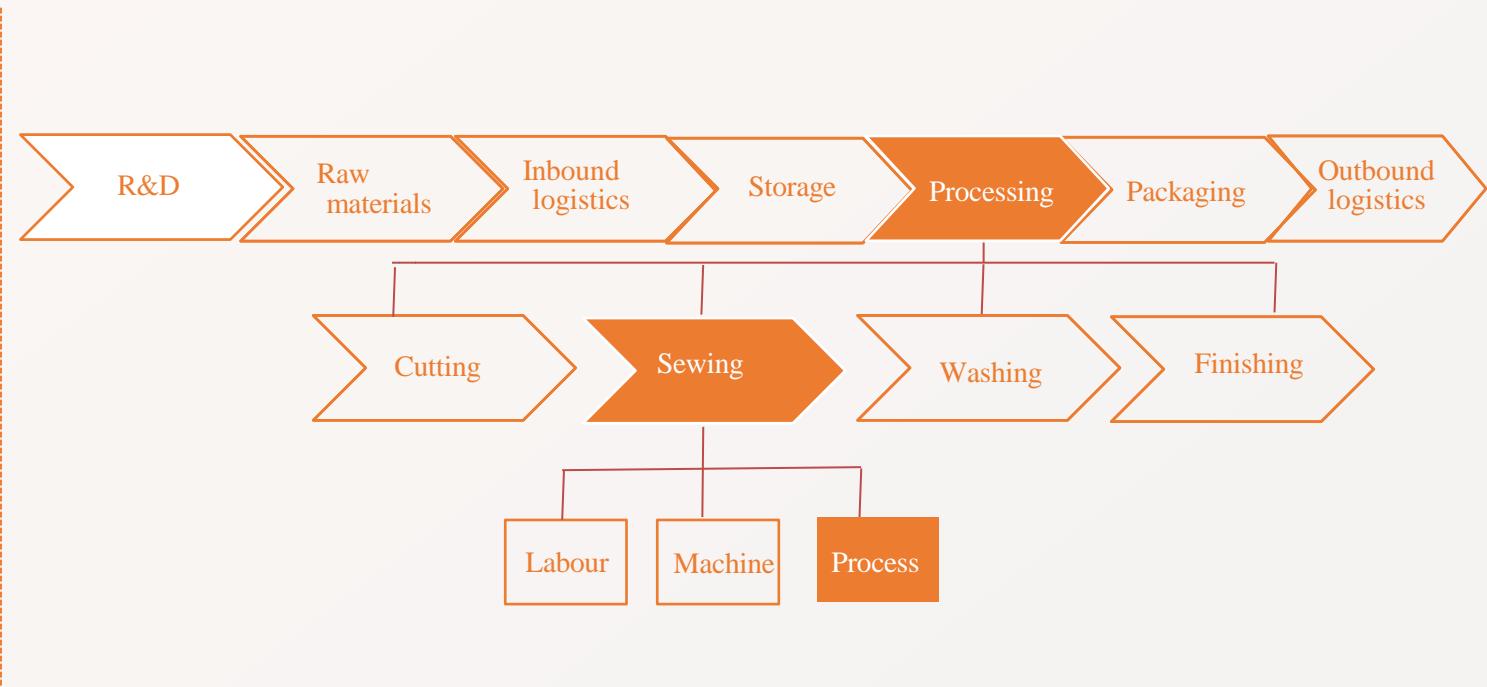
I: Thank you! We can close the case here.

**Case Statement:**

A apparel manufacturing company based out of South Asia wants to increase their efficiency. They have hired BCG for the same.

**Background Information**

- **Client:** Premium range Casual & inner wear manufacturer. Offers multiple products.
- **Competitors:** More efficient than clients
- **Location/Geography:** India, Sri Lanka, Bangladesh

**Case recommendations**

- Asking the definition of efficiency is important as it can vary from one industry to the other.
- Look beyond the prima facie numbers as this can get some additional points.
- Mentioning the points regarding digitalizing or automating the scheduling is a good point which can be used whenever there's an issue with scheduling.

C: Can you tell me something about the client? What kind of apparels it manufactures? Where is it based out of ? And is the client only a manufacturer or are they present in retail as well through their own outlets ?

I: The client manufactures both casual wear and inner wear and offer multiple product categories within the same. They are based out of South Asia, namely India, Bangladesh and Sri Lanka. The client is just the manufacturer.

C: Okay, thank you. Can you also tell me why exactly does the client want to increase efficiency suddenly? Is it because it has been declining or is it because it is lower than our competitors ?

I: Client's efficiency is lower than its competitors.

C: Okay. Lastly, what exactly do you mean by efficiency? How would you define it in terms of the apparel industry?

I: Good question. Efficiency is defined a bit differently with respect to apparel industry. The formula is Standard hours needed to produce the garments/ Total production hours. For example, if ideally a garment is produced in 0.5 hours and 10 garments are produced in 10 hours, then efficiency will be  $(10 * 0.5) / 10 = 50\%$

C: Understood, thank you! I'd like to look at the value chain to identify where exactly the bottleneck lies and the reason for the same. And then I'll come up with recommendations to increase efficiency.

I: Sounds fair. Go ahead.

C: Sure, thank you. So, in the value chain, I'd consider R&D, raw material procurement, inbound logistics, storage and warehousing, outbound logistics, processing, packaging and outbound logistics. Do you think there's a particular stage where we are facing lower efficiency or shall I explore one by one ?

I: The processing stage is facing lower efficiency.

C: Okay, thank you. Before I proceed further, I'd like to know the steps involved in the processing stage.

I: Sure. So, there are 4 major steps involved in the processing stage: cutting, sewing, washing and finishing.

C: Okay. And can you also tell me the current efficiency of each of the steps?

I: Yes, it is 95%, 70%, 95% and 90% respectively.

C: Ok, sewing step has the least efficiency. But there could be a possibility that the overall lower efficiency is not because of it.

I: Why ?

C: Because there could be a case where effectively a less efficient process is producing more garments due to shorter standard hours. And assuming that the order of 4 steps has to be followed for each garment, the less efficient process may not be the bottleneck. Example: if two processes A and B have 50% and 100% efficiency respectively, but the standard hours for A is 0.5 and B is 1, then both will produce 10 garments per hour.

I: That is a great point. But for this case, sewing step is the bottleneck.

C: Okay, so I'd now analyze this step on three parameters where efficiency could be increased: labor, process and machines. Are the labor and machinery sufficient in number and performing upto the expected capacity? And are there any further steps involved within sewing? Is the overall process scheduled in an optimum manner.

I: Yes, there are 20 operations within sewing. Labor are working up to capacity but there could be an issue with distribution of labor. There's issue with scheduling. For simplicity, assume 3 operations A,B and C and a required capacity of 150 garments/hour. Standard time per garment for A, B, C are 0.5 min, 1 min and 2 mins respectively. How many labor should be allotted.

C: A, B and C generates 120, 60 and 30 garments respectively in 1 hour. Therefore, to generate 150 per hour, 1.25, 2.5 and 5 people are needed theoretically. Practically 9 people would be needed: 5 for C and 4 for A & B. One laborer will need to shuffle between A & B. There would be an ideal time of 15 mins for one person. Approximately 3% time is being wasted which could be improved upon.

I: Great. What are your recommendations for this?

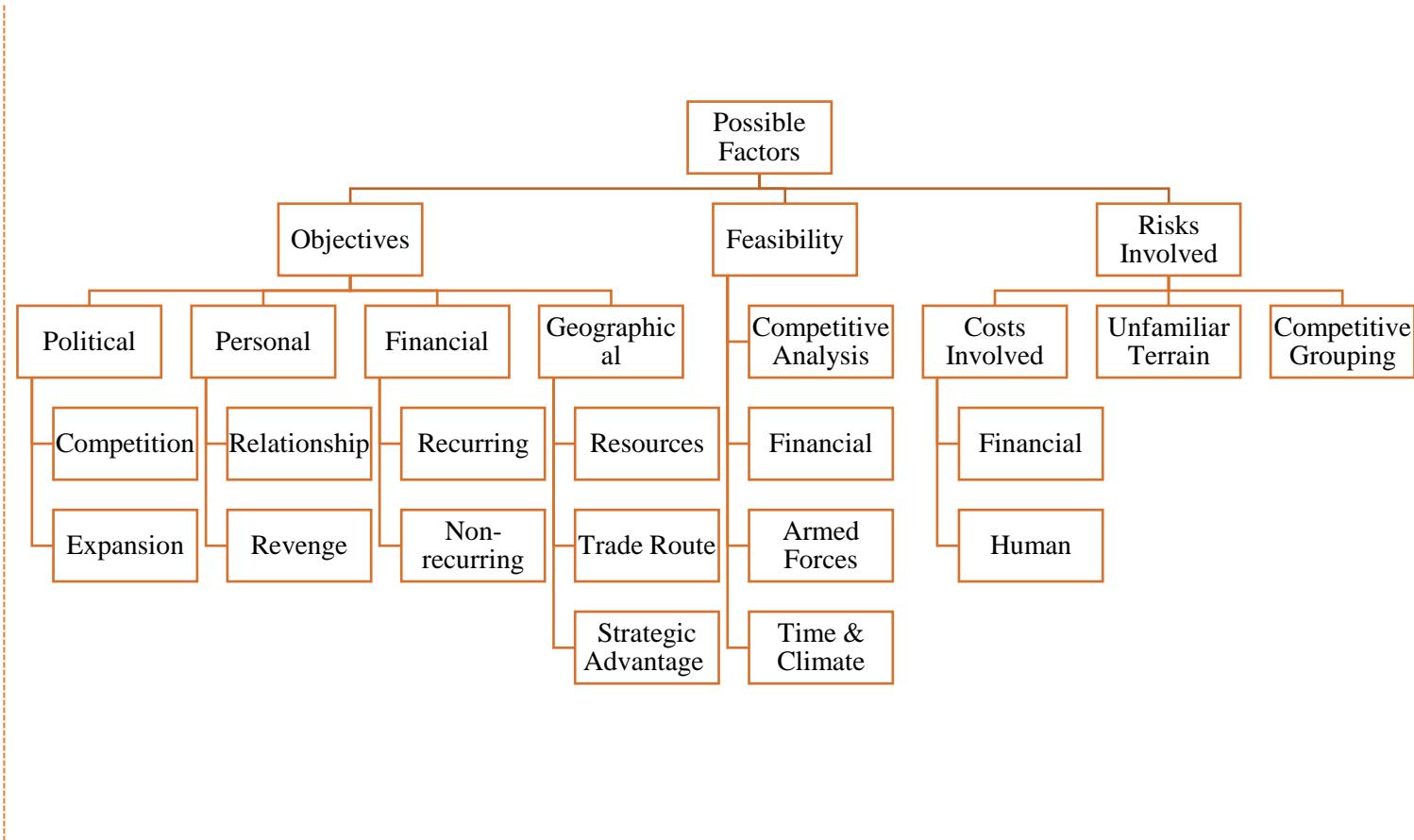
C: Since there are 20 operations, these 15 mins could be adjusted with the remaining 17 operations. Also, the distribution and scheduling could be done using a software so as to ensure the best possible schedule.

**Case Statement:**

Akbar wants to invade the Rajputana. He has approached you, Birbal for advice.

**Background Information**

- Client:** King Akbar looking to expand his territory in 16<sup>th</sup> century
- Competitor:** Neighbouring provinces which are uncaptured by Akbar. Major competition from Marathas
- Capital City:** Delhi
- Timeline of Invasion:** Within a month

**Case tips**

- This case checks your ability to apply knowledge in a structured way.
- The key here was to be calm as this was an unconventional case with no predefined structure.

I: Akbar wants to invade the Rajputana. He has approached you, Birbal for advice.

C: So, Akbar is looking to expand into Rajputana and wants Birbal's advice on the same.

I: That's correct

C: Is Akbar's empire currently stable? Where is the capital. If he decides to go ahead with the invasion, does he have a timeline in mind for it?

I: The empire is stable, and the capital is in Delhi. He would prefer the invasion to start in a month's time.

C: Who are his competitors at present?

I: There are many small competitors, but the main threat is posed by the Marathas.

C: What is Akbar's objective for invading in Rajputana?

I: What do you believe could be his objectives? Give me an exhaustive approach to analyse his possible objectives.

C: His objectives could possibly be of political, personal, financial, or geographical in nature. His political objectives could be due to inherent competition or due to his political will to expand. Under expansion he could look to either reinstate the same ruler under his name or join both the armies and have someone from his court rule on his behalf. Personal motives could be prospects of a marital relationship or revenge.

I: Okay, go ahead.

C: On the financial front, invading a new territory would allow him to secure a recurring revenue stream in form of taxes and a non-recurring revenue stream of treasury. Lastly his geographical objectives could be expanding his accessible natural resource base, taking control of an important trade route or allow his army to secure a competitive advantage at times of crisis.

I: Fair, now how would you approach this question?

C: I would like to evaluate this decision based on the feasibility of invasion and the possible risks involved. Do you think this a good approach.

I: Yes, go ahead.

C: The feasibility of invasion depends firstly on the strength and weakness of our competitors. Rajputana is a very prosperous cluster with mighty armed forces and strategically built forts which could pose an obstacle in our invasion. However, one of the biggest drawbacks is the internal rivalry between the rulers of various provinces, thus disallowing them to pool their resources and present a tough front..

I: That's a good observation, what else could determine the feasibility of this operation?

C: Akbar can look at his current finances and whether his treasury is able to hold the burden of a war. Also, the morale of his forces should also be best to be able to compete with the Rajputana forces. Lastly, he should also consider the timing and climatic conditions as to when we decide to invade.

I: Would you like to add anything more?

C: I would now analyse the risks involved in this invasion. The human cost to be incurred is a huge risk involved. It would hamper the morale of the army and weaken his army till he is able to recruit more soldiers and the surviving soldiers recuperate to fight again. Also, in face of invasion Akbar's army would have to fight in a terrain that is familiar to the enemy and would provide them a huge competitive advantage.

I: Good analysis, what would your advice be then.

C: Despite the strength of Akbar's empire, in my opinion the best way forward is the diplomatic route involving peace treaties, trade agreements and personal relations. This would prevent the large financial and human costs involved while also help Akbar to earn the goodwill of his subjects.

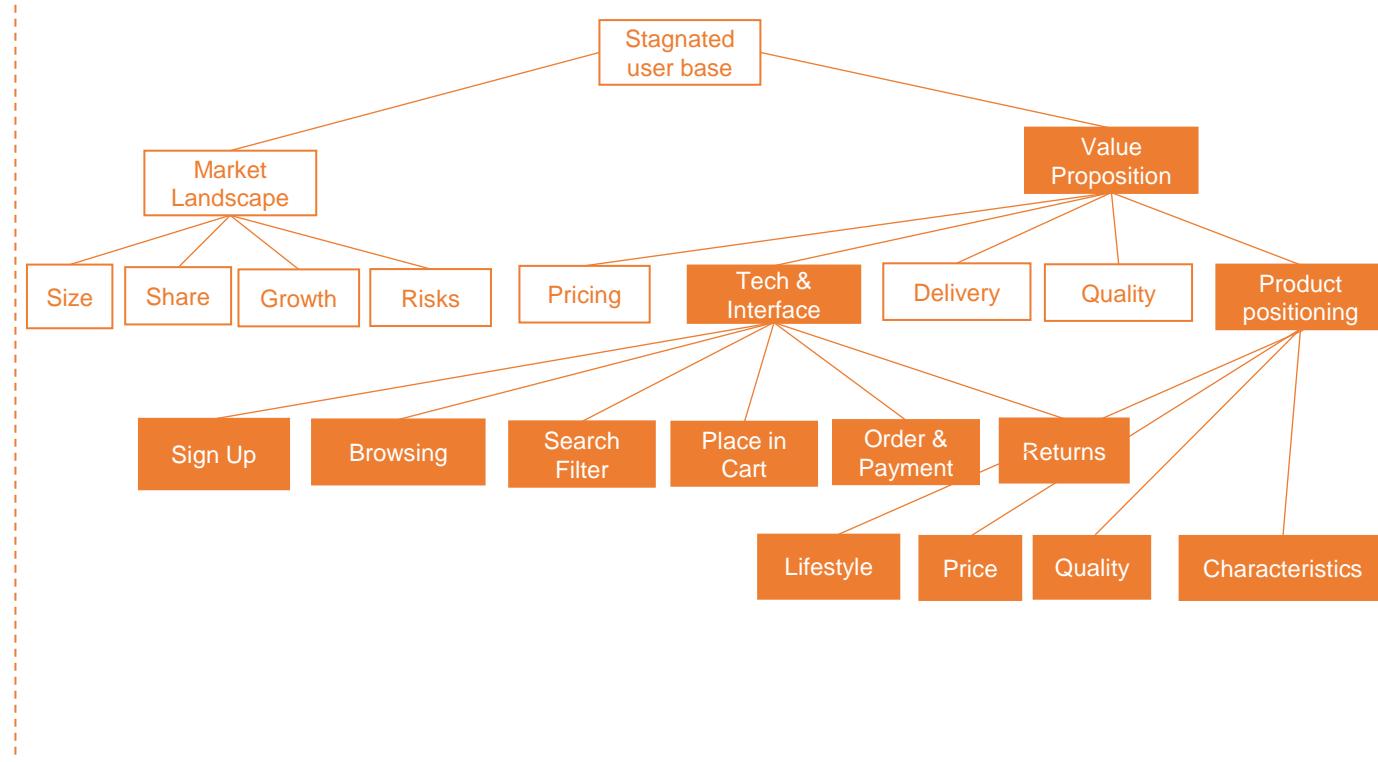
I: Great! We can close the case here. Thank you.

**Case Statement:**

Consumer tech company issue of stagnated user base. Diagnose and figure out ways to improve net user base.

**Background Information**

- **Company** – Primarily an online retailer . Other business includes financial services, hotels etc. Pan India presence
- **Competitor** – Low growth amongst the competitors
- **Consumer** – B2C are the main customers for our client. The customer base has stagnated
- **Product** – Product gamut consistent with that of any normal online retailer like amazon and flipkart
- **Channel** – Primary online channel with the delivery part taken care of the client

**Case recommendations**

- For a short term, the client should look creating a difference in their value proposition by leveraging the technology and interface part and segment leadership
  - a) Make the interface enticing and easy to use to attract a user base from all the demographic segments
  - b) Incentivize new user base by giving them welcome offers and discounts on first and repeated purchases

**Case tips**

- This was a moderate case. The interviewer was interested in checking whether the candidate could bifurcate the major components of the business model into smaller aspects.

C: Okay, just to reiterate my client is a consumer tech company whose user base has stagnated. We are expected to diagnose the problem and figure out ways to improve net user base?

I : Yes, that's right.

C: Do we have a timeline since when the stagnation in user base has been observed?

I: Yes, the user base has stagnated in the last 6 months

C: I would like to know a little bit about my client to understand the situation better. I would like to know what is the business model of the company. Also, does the company have a single revenue stream or multiple sources of revenue?

I: So, our client is an online e commerce company. It sells products that are consistent with the product catalogue of your average online retailers. The client has multiple sources of revenue like financial services, hotels etc. but the user base decline is concentrated primarily in the e commerce business.

C: Understood. Who are the target customers- B2B, B2C for our client?

I: It focuses mostly on B2C customers

C: Sure. Do we have any information on the geographical location which the client caters to and the competitive landscape in that market?

I: Yes, so the client is based out of India and the competitive landscape is fragmented and the competitors are facing low growth like our client.

C: I would like to start further investigating the decline by dividing the causes by into the existing market landscape and the value proposition of the company. Does this seem like a fair approach

I: Yes, please go ahead with this.

C: Right. I'd like to breakup the market landscape into market size, share, growth and risks. Do you want me to go ahead and do a market sizing to ascertain what %age of the target customers have we been able to convert before moving to the company value proposition?

I: So, the company has a very low market share at 5% and hence we know that there is a significant portion of the target population that can be attained. Can we investigate the value proposition of our client that can get our client those customers?

C: Okay, understood. In this case I would like to draw value chain for the app/website of our client to see what improvements we can do to distinguish ourselves. Does this seem like a correct approach?

I: Yes, you may proceed with this approach.

C: As I understand the major heads that can be there are as follows: Competitive pricing, Technology and interface, Delivery of the goods, Quality of the goods and as an add on maybe product positioning. Do you want me to go one by one or focus on anything particular?

I: Can we deep dive into the technology and interface part?

C: Okay, I would like to create a user journey for this analysis. It starts with the downloading of the app which depends on the app availability. Moving on to the sign-up process which needs to be as easy as possible to attract customers for all age group. Next up comes the browsing, cataloguing experience and the ease of placing the order and making the payment. Finally, we have the returns section which plays a very important role in building customer confidence. Should I focus on any of these which might have been adversely affected by internal/external factors?

I: Okay so great breakdown of the journey and the potential part that each of them might play. It seemed self explanatory. Can you elaborate a little on the product positioning aspect before we close this interview?

C: Sure, so product positioning can be further divided into Price based positioning, quality-based positioning, lifestyle-based positioning and characteristics-based positioning. Product positioning can be leveraged to highlight the unique features of your product line-up to achieve high acquisition rate of target audience by designing the product lineup for their needs.

I: Okay. I think we can end the case here. It was good speaking to you.

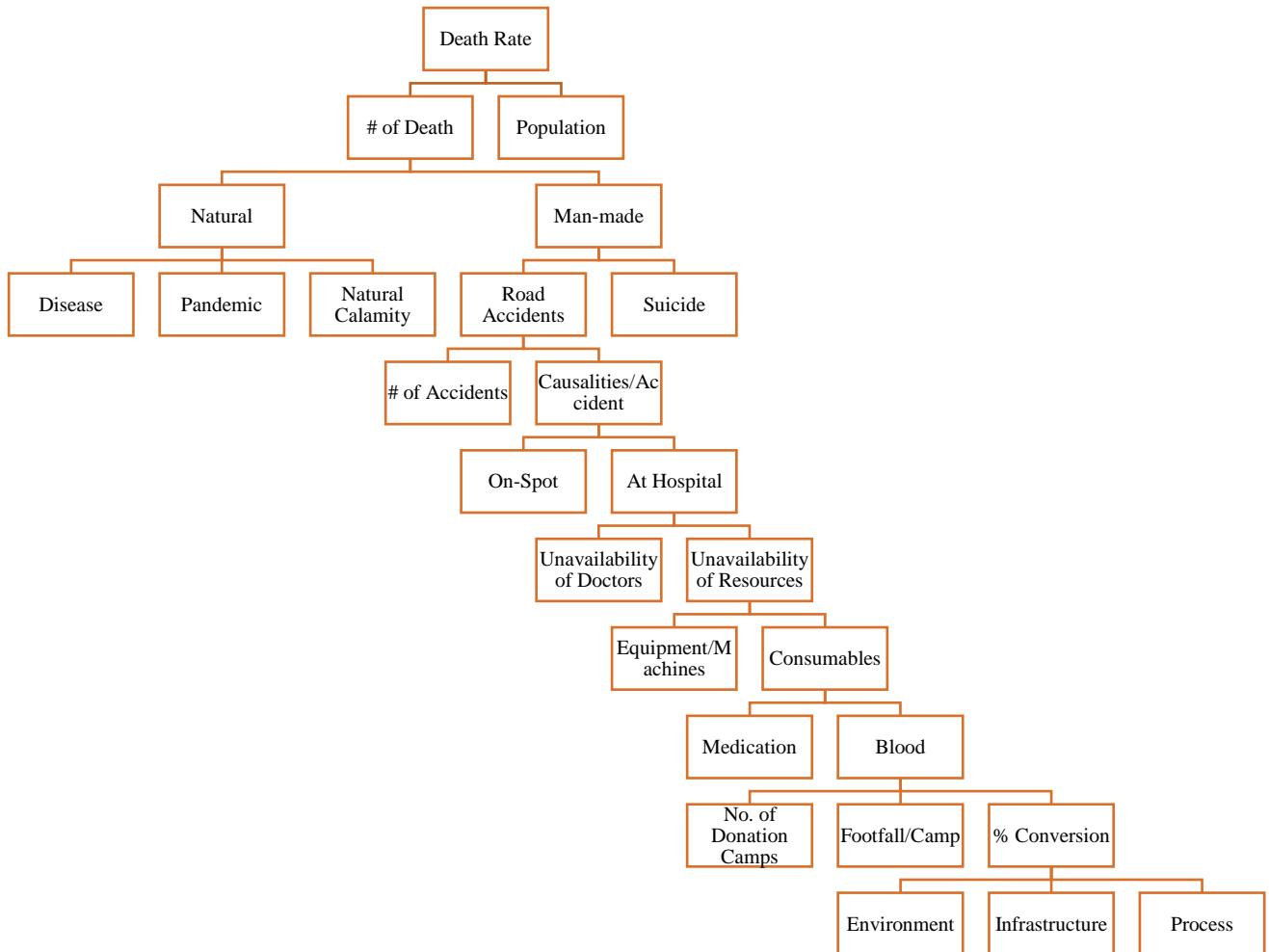
**Case Statement:**

Your client is Government of India, and they are seeing increasing death rates for the past 1 year. Identify the reason?

**Background Information**

**Client:** Government of India observing an increase in death rate

**Geography:** PAN India

**Case Recommendation**

- Checks the ability to be MECE at each level.
- Staying calm and confident helps as there is no predefined structure.
- The case began with an introduction to the candidate and a few BQs.

C: As per my understanding death rate is defined as the total deaths divided by the total population of the country, is this correct?

I: Yes, you can go ahead with this

C: Sure, so has the death rates gone up in a particular state/zone or is it a country wide phenomenon?

I: It has gone up across the country

C: Ok, so are there any other countries which have seen an increase in the death rates or is it specific to India?

I: The issue is specific to India

C: Sure, so do we know whether the number of natural deaths increased or is it the man-made/accidental deaths? The natural deaths will include deaths related to health issues, calamities, pandemic etc. while the man-made deaths will include road accidents, suicides etc.

I: The deaths due to road accidents have increased over the past 1 year. Also, for this case you can assume that we are talking about the pre-pandemic period.

C: Thanks for the info, so the increase in deaths due to road accidents can either be because of increase in number of accidents or because of increase in number of deaths per accident. Do we have any data around this?

I: Good question, so the number of accidents has approximately remained the same.

C: Then this means that the number of deaths per accident is increasing. Now I would like to understand if the increase in the deaths is taking place after reaching the hospital or is it the on-spot deaths which are seeing a rise

I: Again a good question, so we are seeing higher number of deaths in the hospital during the treatment

C: Increased number of deaths during the treatment can be either because of unavailability of doctors or resources.

I: There has been no change in the number of doctors and their qualification over the period of concern. Can you elaborate a bit on the resources part that you mentioned?

C: Sure, so by resources I meant the things that are generally required in the treatment of an accident patient which will include the medical equipment, medicines, blood, saline etc.

I: Makes sense so we are facing shortage of blood which is leading to a greater number of casualties during treatment

C: Ok so now I will try to identify the reason for the shortage of blood. Firstly, I would like to understand if we are facing the issue with a particular blood group or is it across all the blood groups

I: The issue is across the blood groups

C: Ok so as per my understanding the major of blood for the blood banks is the blood donation camps. *Total Blood Collected = No. of Camps × Footfall / camp × % people donating × Blood donated/donor*

I: Right so the number of camps and the footfall per camp are unchanged, but we are seeing a dip in the number of people donating the blood after reaching the camp

C: So, there can be 3 major reasons for the same. First is process related issue, second can be infrastructure related issue and third can be environment related issue. However, since the issue is across the country for past 1 year, process seems to be the most key reason

I: You are right so the registration process at the donation centers has become lengthy due to some of the government regulation which has increased the length of the registration form significantly leading to lower conversion

C: Makes sense, do you want me to deep dive further to understand the reason for the change in the process

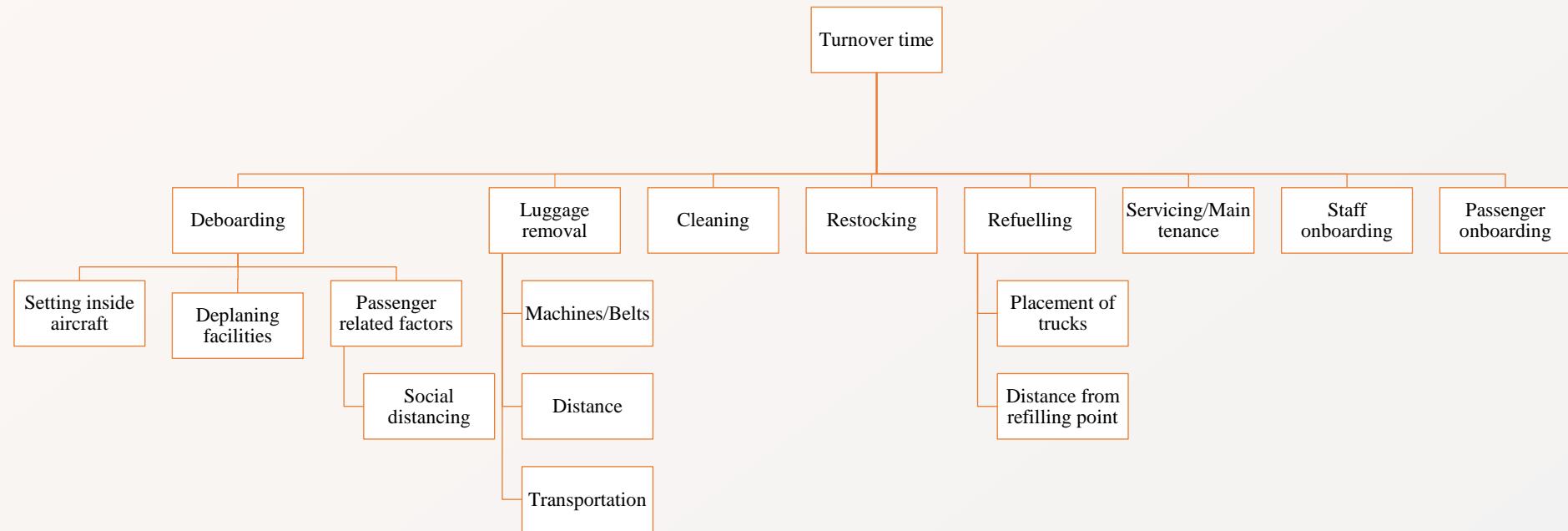
I: I think we can close the case now. Thank you

**Case Statement:**

Your client is a low-cost airline carrier and has suddenly seen an increase in TAT by 3 times. They are looking to you to find out how they can reduce the same.

**Background Information**

- TAT is Turnaround Time, and it is the amount of time it takes an aircraft to land and take off again.
- The case is set in Post Covid Era

**Case recommendations**

- Move to original site and save costs of a spot closer to runway but accept the 5-minute resulting delay.
- Use communication technology for ground staff for readying the carts and tankers before the plane lands. Do a cost benefit analysis of larger and/or more number of vehicles.

I: Your client is a low-cost airline carrier and has suddenly seen an increase in TAT by 3 times. They are looking to you to find out how they can reduce the same.

C: Thank you for the question. I would like to understand what TAT is before I assimilate the question.

I: Sure, TAT is Turnaround Time, and it is the amount of time it takes an aircraft to land and take off again.

C: I'd like to know how much this time has increased by and what it was earlier.

I: It has increased from 15 to 30 mins.

C: Which airport was this at?

I: Good question. Mumbai.

C: Alright, so I'd like to do a journey mapping of the aircraft once it lands.

Lands – Moves to space where it gets ready for take off.

C: Within that time, following activities take place – deboarding – baggage removal – cleaning – restocking – refueling – miscellaneous servicing if required – staff onboarding – passenger onboarding

I: that is very comprehensive. Let's start at deboarding. We have seen a 5-minute increase there.

C: Oh, so that's a third of our time. I would like to understand the reasons for this increase.

I: Sure. What do you think could be the reasons?

C: These could be due to two factors, either change in the setting of the aircraft or facilities for deplaning, or passenger related factors.

I: What do you mean by passenger related factors.

C: I was thinking either along the lines of passengers not wanting to crowd the aisles especially considering COVID-19 regulations.

I: Yes, this has caused an increase in the time to de-plane.

C: Alright, so now I would like to find out where the rest of the delay is coming from. Moving on to baggage removal, are we seeing a slowdown there?

I: Well, we have paid for a spot for our airline close to the runway. And this reduced our TAT by 10 mins. Yet we are still delayed by 15 minutes. Baggage has been taking longer to transport.

C: I would like to know how it has changed from before.

As I understand, there must be some automated baggage carts on which the luggage is first transferred to the belts.

I: Yes, these carts are available where we were initially parked, and they take much longer to reach us.

C: Alright, how much of the time has been increased due to this.

I: 5 minutes.

C: Okay, so there is another 5 minutes that we are yet to account for.

I: Yes.

C: Moving to fuel, are the tankers also placed similarly like the luggage carts and have a new travel time now?

I: Yes exactly. This has added another 5 minutes. What are your recommendations?

C: I'd like to look at two options.

One would be to move back to the original site. Although we would still see a 5-minute delay there due to passenger related reasons, we will be able to save on the additional cost of moving to a site closer to the runway.

The second would be to consider using radar technology to communicate with ground staff to ready the tankers and carts before the plane lands. Keeping it ready in time and possibly investing in larger and more such vehicles to cut time keeping in mind a cost benefit analysis of doing this same.

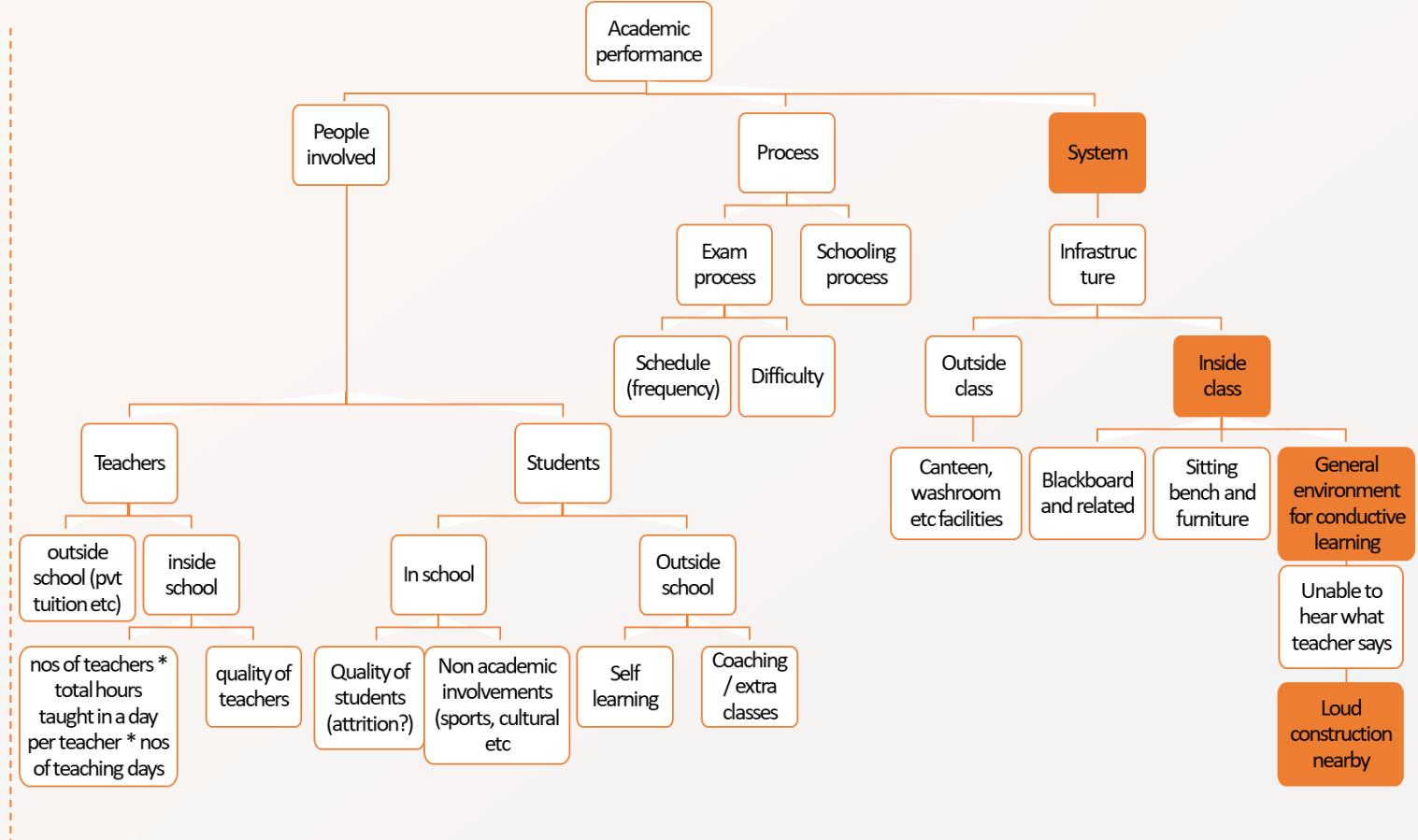
I: Great, thank you. We can close the case here.

**Case Statement:**

Your client is the principal of a Delhi based school. Recently she has been facing decline in performance of the students. Find reasons and give recommendations

**Background Information**

- Client:** Only one school in Delhi. Caters to mid-range segment offering value in terms of cost and infrastructure.
- Competitor:** No major change. Specific to our client
- Consumer:** Students from 1st to 12th grade
- Time Frame:** 6 months

**Case tips**

- The key here was to add a structure at every stage. Giving suggestions in a structured way also helped.

C: I understand there has been a decline in performance, but what performance are we referring to. Is it academic performance or performance at inter-school competitions or financial performance?

I: The academic performance, the average score of students from grade 6th to 12th has declined.

C: Has it declined across all classes and sections?

I: It has declined only for 6th to 12th grades.

C: I'll take some time to come up an approach. A people, process and system approach were taken here.

*(Refer to the diagram. Each header was explored, and the problem was that there was a construction site nearby which made it difficult for students to hear what the teacher was saying).*

I understand that only 6th-12th grade students are affected by it. Will it be fair to say that the other side of the school that houses rest of the classes is not affected by this sound?

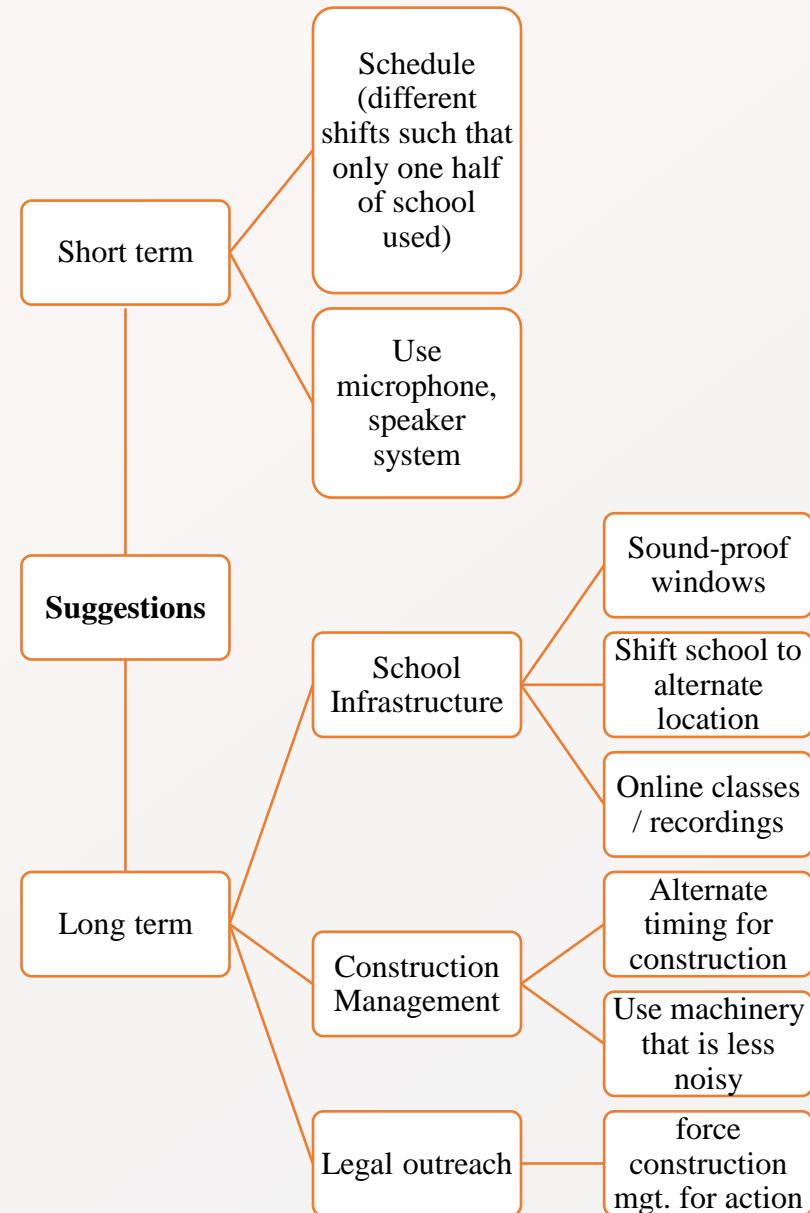
I: Yes, the structure of the school and location of construction site is such that only one side is affected. Could you give recommendations now?

C: The suggestions are as follows.

*(Refer the structure)*

In the short run, the principal can introduce different timings for 6th-12th grades so that they take classes in the half where 1st – 6th grade classes are conducted.

In medium-long period, principal can introduce some changes in infrastructure, have discussions with the construction management or even the government.

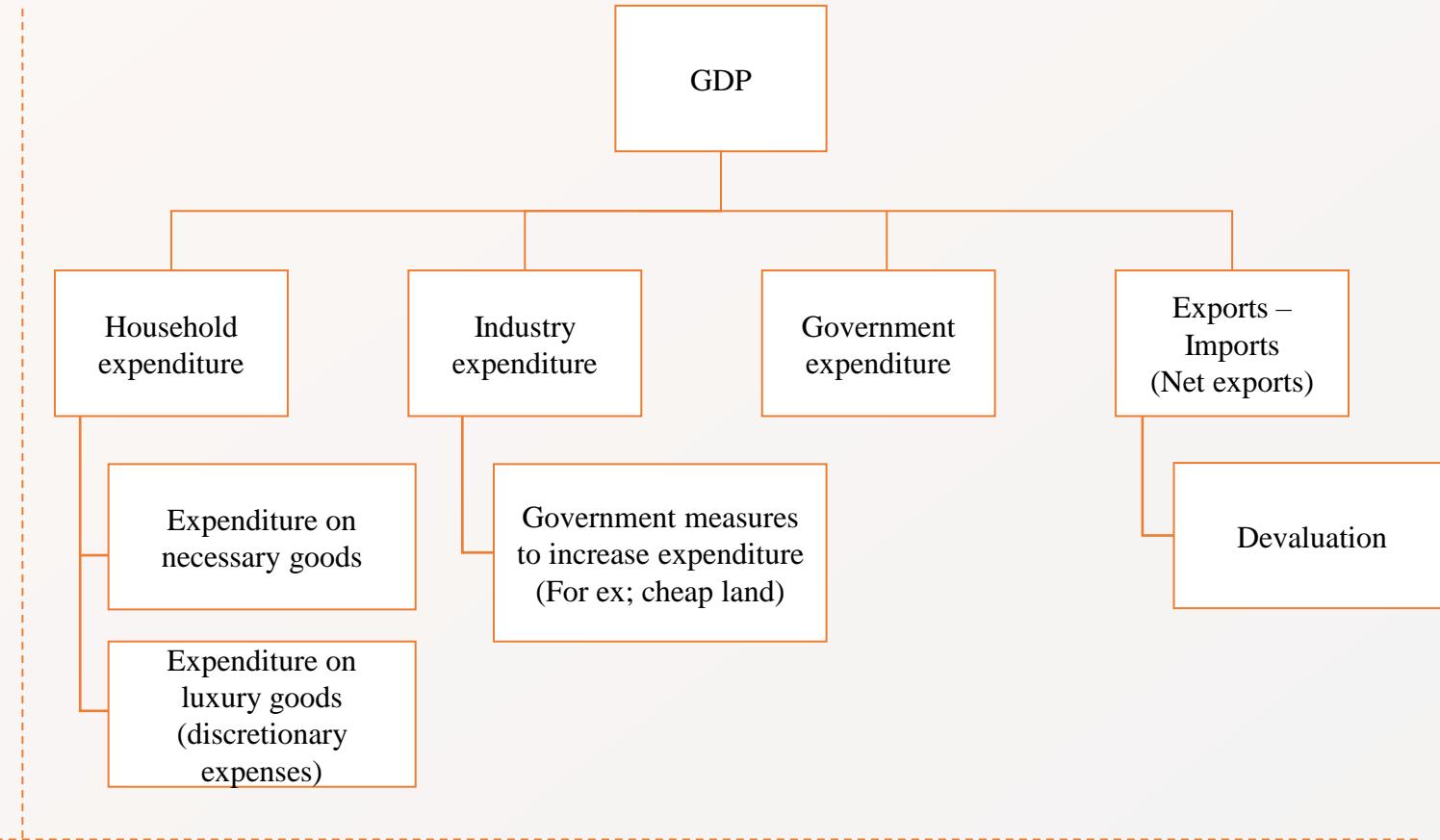


**Case Statement:**

The client is Ministry of Finance. They are looking for short term recommendations to boost up the demand slump and work for recovery of GDP growth rate.

**Background Information**

- **Situation:** Pandemic
- **Formula used:**  
Expenditure model of GDP

**Case recommendations**

- Categorize the economy into different sectors, identify the growth drivers in each of these sectors and then look at areas of improvement.
- Increasing the discretionary expenses by providing rebates on taxes, reducing savings interest rate, devaluing the currency will help in GDP growth recovery.
- Bring foreign players by increasing the ease of getting approvals, bringing in single window entry system and removing other trade barriers.

I: Due to COVID and global recession, the GDP of India is very low. We need to recommend steps to increase the GDP growth of the country. This need not be a long-term plan. We need immediate implementable steps. Our client is Ministry of Finance.

C: From the basic understanding of GDP, it is the total value of goods and services produced in a single year. Is it the right understanding?

I: Yes

C: I am considering the major contributing sectors as agriculture (20%), manufacturing (20%) and services (60%). Is it the right assumption?

I: Yes

C: As my first step, I would go for sectoral cuts, following which, I will go for identifying key growth drivers in each of the sectors. After that, I will look for ways of improving on these identified growth indicators.

I: Yes. Sounds alright.

C: I would like to begin with the agricultural sector. The net production of agriculture in terms of money value can be calculated by the formula (net cropped area in hectares) x (Kgs per hectare) x (Average price per kg). I would then move on and estimate the average prices for different crops. My primary considerations will be for perishable and non-perishable products. Can I go ahead with this assumption?

I: Okay. I want you to step back and look at the GDP through a formula and from the perspective of household and firms. (Hinting at the expenditure model of GDP).

C: From the household perspective, I can look at the amount of money that they spend in throughout the year. The total household spending in one year will give the GDP.

I: Lays down the formula for  $GDP = (\text{Household expenditure}) + (\text{Exports-Imports}) + (\text{Government expense}) + (\text{Industry expenditure})$ . Now you can proceed.

C: I would like to explore each of these heads and list down the scope for improvement under each of these heads. Starting from household expenses, we can divide it under needs and wants.

I: What do you mean by needs and wants?

C: By needs, I mean the necessary items purchased by them and wants, I mean the luxury items.

I: You mean the discretionary expenses.

C: Yes

I: Can you tell the formula of calculating the amount available for discretionary spending.

C: Income- expenditure on necessary goods – savings

I: You are missing one critical component.

C: Is it the taxes?

I: Yes

C: For increasing the household spending, I will focus on increasing the discretionary spend of the household. This can be done by providing rebates on taxes during the mid-year budget review. In addition to lower taxes, I will also suggest for a reduction in the savings interest rate of the banks, thereby encouraging people to spend more.

Moving on to the import and exports - for achieving a trade surplus, we can look at the currency value.

I: Do you think the currency should be devalued?

C: Yes. This will attract exports. We can think about it.

I: Don't you think that this will make the imports costlier?

C: The net impact will be positive. Majority of India's import is oil based. With the demand slump in oil, imports will not be impacted much with devaluation of the currency and we can leverage on the increase of exports. Now I would like to focus on government expenditure.

I: You can go for the industry expenditure.

C: The government is doing a lot of things to promote MSMEs in terms of proving cheap land, relaxed moratorium period, ease of GST filing etc.

I: But in the current times, if my factory is at 40% utilization, why should I invest more, despite incurring the losses?

C: Given the state of NPAs and demand slump in the economy, for utilization to increase, increased household spending holds the key. As additional measures, we can work on increasing the ease of doing business in the country. We can suggest on bringing foreign players by increasing the ease of getting approvals, bringing in single window entry system and removing other trade barriers.

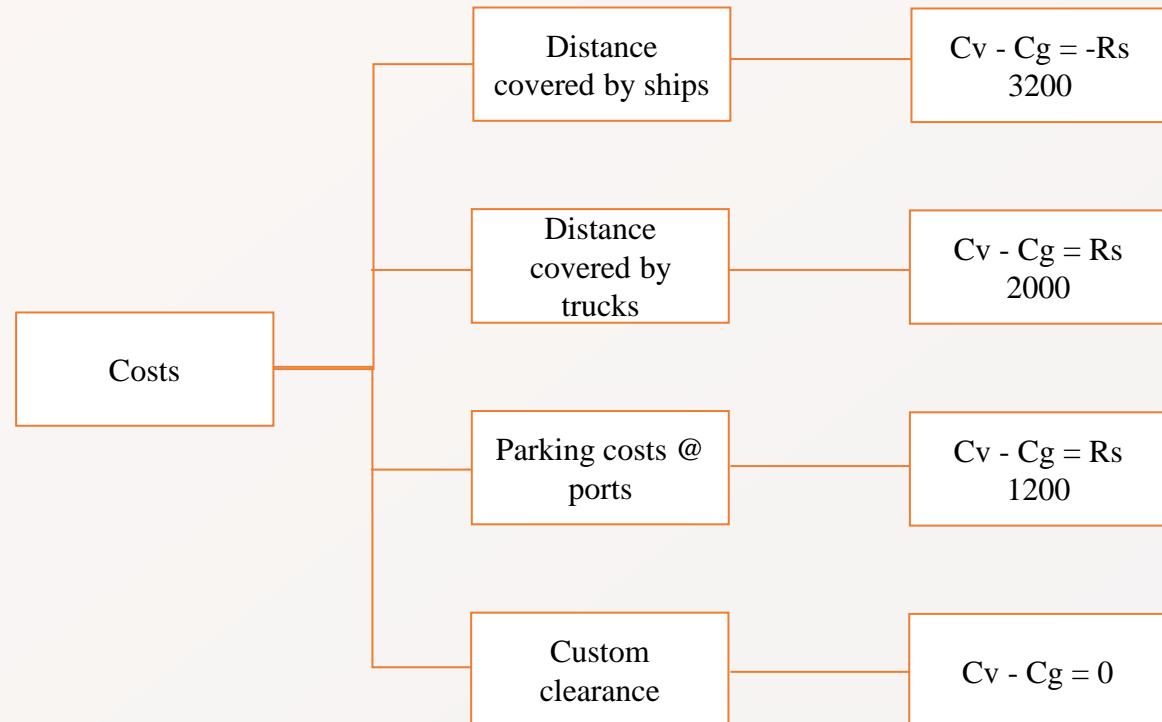
I: Okay, that works. All the best for rest of the process.

**Case Statement:**

Client is dealing with a special technology based electric bulb, he imports it from Australia via a port in Goa and sells in Bangalore. The competitors have shifted the port to Vizag. Our client thinks it is because Vizag port is cheaper. Should the client also shift his operations?

**Background Information**

- All the competitors (4-5 competitors) buy from the same manufacturer in Australia
- Company is in business for 5-7 years and sells only one type of bulb
- Price of the bulb is comparable to that of competitors
- All Deal with similar customers

**Case recommendations**

We should not move to Vizag, though the costs are same, but the docking period is extended by 5 days. This waiting period might cause inventory issue. Since we have been operating for 5-7 years without an issue of supply-demand mismatch, we should continue our operations with the Goa port.

C: Do our competitors also sell only in Bangalore?

I: Yes, and there is enough demand for all the competitors, no inventory issues for anyone.

C: What is the distribution channel used by the client? Is it like that of our competitors?

I: Yes, Australian port -> Ship -> Docking period (Indian port) -> Truck -> Warehouse -> Shops.

C: What is the docking period of port Vizag and port Goa?

I: Vizag has extra 5 days of wait at the port because of heavy traffic at the port.

Since our client is thinking that the operations are cheaper in Vizag. I would like to analyze the costs incurred at both the ports.

C: Since Goa is nearer to Bangalore as compared to Vizag, the transportation costs, that is the fuel costs, would be lesser?

I: Yes, take Vizag- 700km and Goa-500km, and fuel cost as Rs.10/km

C: If we talk about the distance covered by ships from Australia to India, Vizag is on the eastern coast, nearer to Australia as compared to Goa which is on the western coast. So, for Vizag the costs should be lesser. Also, do our ships have this capacity to travel extra distance?

I: Yes, our ships can travel, Vizag saves 400km, you may take Rs 8/km as fuel costs here.

C: Are the ships and the quantity that we are unloading at both the ports similar?

I: Yes.

C: Then can I say that the custom clearance is similar?

I: Yes.

C: As you mentioned that the docking period is longer in Vizag, what is the extra costs that we are incurring while parking 5 extra days.

I: It is Rs 240/day.

C: Are there any other costs, that I am missing?

I: No, these are all.

C: So, the costs are appearing similar for both the ports. We must analyze other factors to understand the competitors' move.

I: I think we can move to recommendations based on the information gathered.

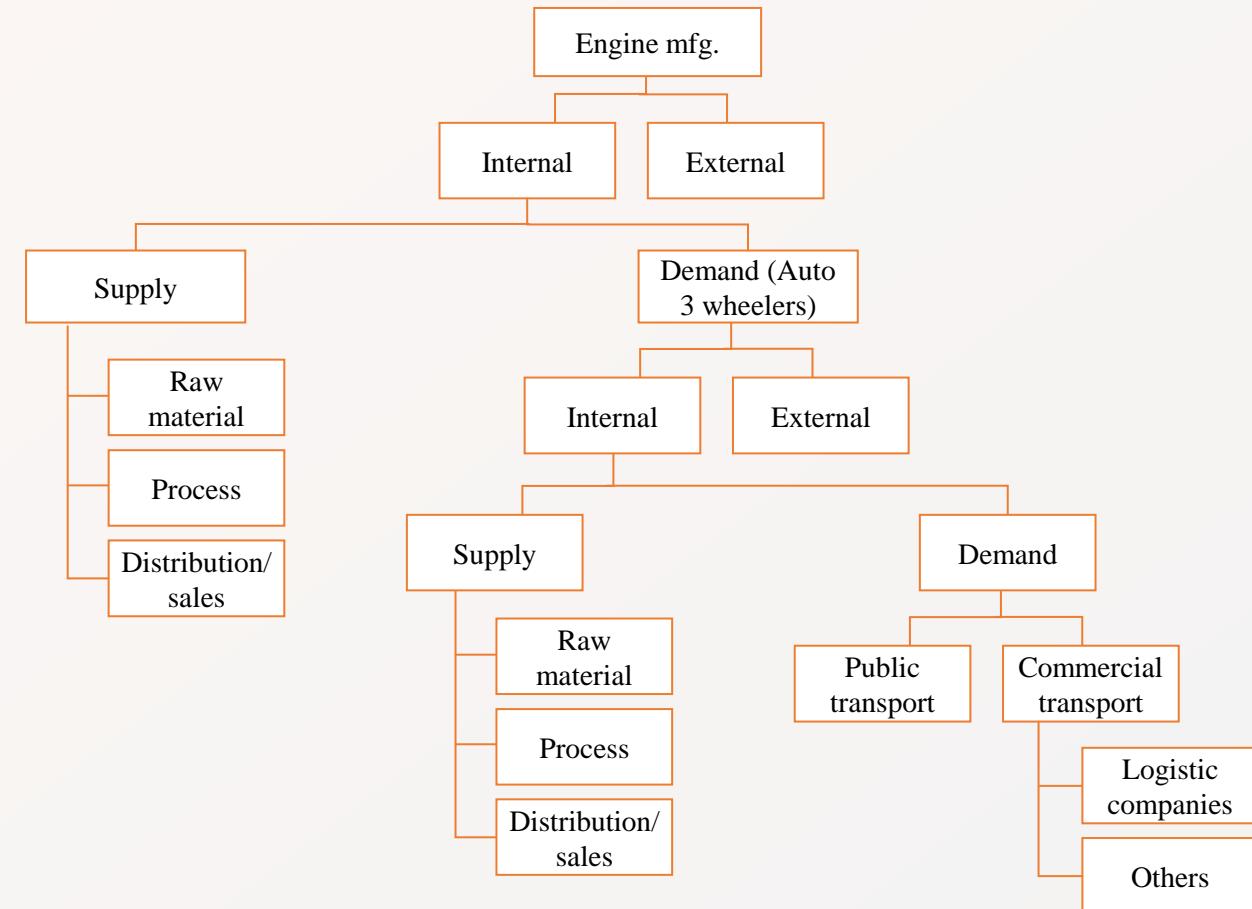
C: Since our client was thinking that it is cheaper to operate from Vizag, but according the analysis, it is not appearing so. Still, we are observing that the competitors are shifting to Vizag port. Based on the information gathered we should not move to Vizag, though the costs are same, but the docking period is extended by 5 days. This waiting period might cause inventory issue. Since we have been operating for 5-7 years without an issue of supply-demand mismatch, we should continue our operations with the Goa port.

**Case Statement:**

The client is a Diesel Engine Manufacturer who has been seeing steady growth for the past few years. Last year the growth stagnated. The client wants Bain to tell them how the industry would look like in the next few years to build their strategy accordingly.

**Background Information**

- **Client:** Diesel Engine manufacturer; B2B sales system
- **Competitors:** Monopoly
- **Customers:** All automotive segments
- **Location:** Pan India
- **Products:** Engines, only one variant

**Case tips**

The key here was to be calm as this was an unconventional case. There was no set framework to apply here and hence asking for time and coming up with a structure of your own in the interview would help.

C: What exactly is the aim/motive of the client? And what exactly is meant by the Industry overview?

I: The client wants to understand the industry outlook in the next 4-5 years. Specifically, what and how are the various factors going to affect it. We need to deep dive into what are all these factors.

C: I understand. We need to see how the client's business would look like, given various internal and external factors affecting the industry. So, I assume that the client's primary driver would be its downstream industry demand and how that demand would be affected by various factors. But before drilling down into that, I would like to look at the current trends that the client might have in terms of its supply-side operations and the external factors that might affect the client. Does that sound correct?

I: Yes, please go ahead.

C: Supply-side analysis - Following could be the trends that could affect the client. Raw materials – is there any new product being used more or a breakthrough in the product variants currently used? For example, a better-quality Metal casing for engines like better quality steel? Processing technology changes or enhancements that are upcoming; Industry 4.0 and its effects on the manufacturing industry; Automation/Digitization that is affecting the manufacturing industry; Distribution or sales channels – Since it is a B2B sales channel, there might not be lot of changes except the use of online B2B sales that might affect its salesperson; In terms of external factors, the primary reasons would be the regulations that are affecting the client. For example, are there any upcoming regulations, such as the recent BS-VI, that might affect the diesel engines' sales? And if the client is prepared to modify the current products to match those changes?

I: That sounds quite comprehensive. These are the factors that the client looked for. What next?

C: Since this covers the supply side scenario – let us now look at the Demand side drivers that could affect the industry. Can I get to know what the major revenue segments for the clients are? I understand that it is the auto sector but is there any specific sub-segment from which the client is generating most of its revenue?

I: Yes, the client generates almost 90% of its revenue from the three-wheeler segment.

C: Great, so I understand that the trends in this three-wheeler segment would be the ones that affect the client's strategy the most. Here in terms of 3-wheeler segment, I would like to break this down into various internal and external pieces. Under external, I would look at the industry regulations – for example, a push to use CNG instead of diesel. Under Internal, I would use the supply and demand side breakdown. On the supply side, we can look at the similar factors that we used for the Diesel engine supply side (for example, the raw materials to manufacture these three-wheelers might have seen an advancement – better quality polymers like ABS, Nylon, Polypropylene, etc.).

I: Yes, those are the points that we looked at mfg. the time. Go ahead!

C: Now I would look at the three-wheelers' demand side, which would be the most crucial information for the client to consider. On the demand side, can you please tell me the various customer segments for these three-wheelers?

I: Why don't you take an attempt at that?

C: Okay, so I think there would be two major segments: the public transport segment and another commercial transport segment. Do you think I am missing any other segment?

I: No, that is correct. These are the two major segments, and our client mainly caters to the commercial transport segment. How do we analyze that?

C: Got it. So, under the commercial segment, I understand that the major factors that could influence the demand could be consumer preference changes. I will first try to see what all areas are used in the commercial segment, and I assume that the majority usage is in the logistics segment. Is that correct?

I: Yes, that is fine!

C: So, things such as are there any other product types that are used now? For example, two-wheelers or four-wheelers? Are there any changes in the ordering style for the end-users of these logistics players?

For example, is the average volume ordered increased and the logistics player prefers a more spacious four-wheeler instead of 3-wheeler? There could be a change in the average distance that needs to be traveled per trip, or also the mileage offered by the substitutes could be better.

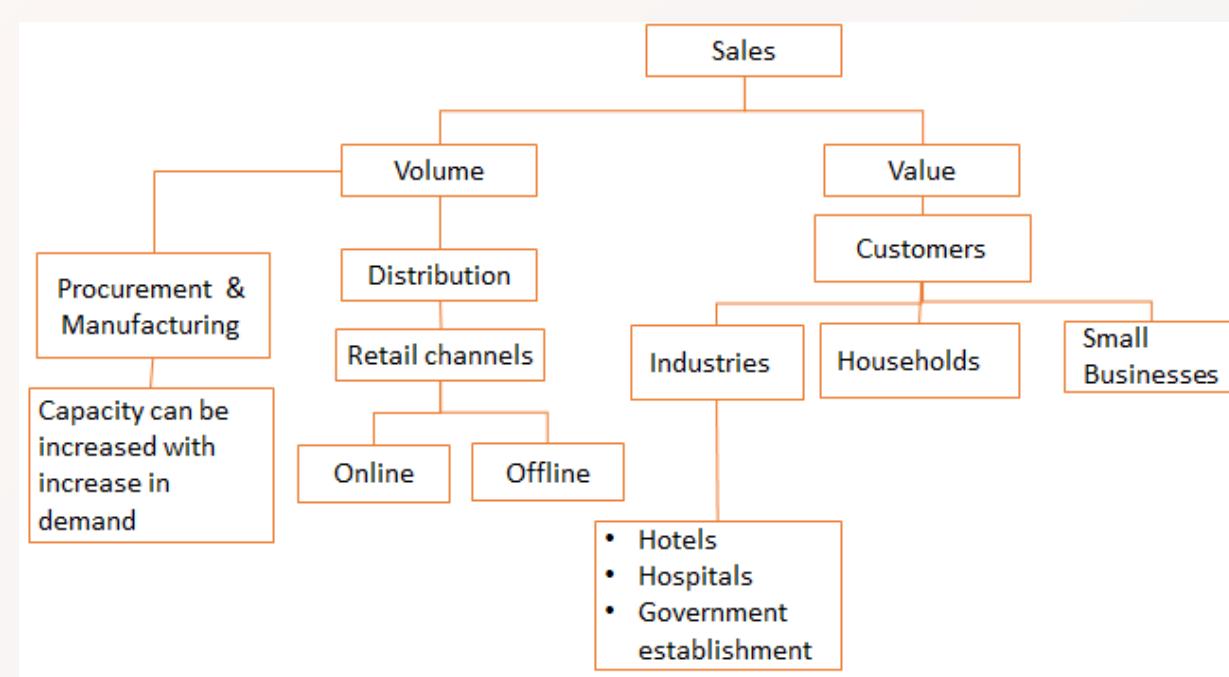
I: Yes, that is a good point to consider, there has been a shift towards the usage of 4 wheelers due to the reason mentioned above. Let us close the case here.

**Case Statement:**

Your client is a mattress manufacturer, and it wants to increase sales. You are hired to give recommendations to do so.

**Background Information**

- **Client:** Mattress manufacturer with self-procurement of raw material but 3rd party retailers. No online presence in retail channel.
- **Competitors:** 5 players including us in the market having 20% share each.
- **Consumers:** Industrial, Household and Small businesses
- **Product:** Premium and non-premium mattresses with premium ones being anti-bacterial

**Case recommendations**

- Large amount of small business market is using non premium products and they can be converted to premium buyers, by leveraging the high quality as well as the longer lifetime of premium products for the sales.
- Set up loyalty programs to provide timely services for the maintenance of the product
- Enter adjacent markets of rugs and carpets or complimentary products as their manufacturing will be similar to our current process

**Case tips**

- Cases are not always MECE in nature. Sometimes, they will be given to you so as to understand your thought process when you are out of the conventional structures and frameworks. Try to use your own judgements and be creative in the answers.
- Generalized opinions like “contracting with more hospitals” are not useful in this case. Be more specific as how to approach towards such goals

C: Okay, I would like to confirm my understanding of the problem by reiterating it. Our client is a mattress manufacturer who wants to increase the sales. We have to give the recommendations for the same. Am I correct?

I: Yes, that is right.

C: Now, I would like to ask some questions around the business to gain some knowledge of the situation. Is our client only manufacturing the mattresses or is it present across the value chain?

I: So, our client majorly manufactures the products, but we have 3rd party retailers whom we contract with to get our product to the consumers

C: And are we dealing in the domestic market or we have international reach too?

I: Consider domestic markets for now.

C: Okay, and what is the variety of products that we are dealing with? Do we have any product differentiation?

I: Yes, we sell two kind of mattresses, one is the premium anti-bacterial mattress, and the other ones are of the low-cost.

C: Do we have a percentage split of the market share between these two sections for our sales?

I: So, 25% of the sales account for the premium products and 75% for the non-premium products.

C: And why do we want to increase the sales? Is there an industry wide trend of increase or it is just the client specific thing?

I: Good question, it isn't an industry wide thing, our client just wants to venture.

C: So, are we planning to increase the sales by value or by volume?

I: Our client just wants to increase sales by any means. The recommendations can be on both the ends.

C: Interesting, talking about the competitor market now, can I know the market share split between our client and the competitors. Also, is there any product differentiation that can set us apart from the others?

I: So, the market is split equally, and we have anti-bacterial mattresses that are not available in the market yet among any other competitors. Although it can be produced easily and doesn't hold a long-term value in terms of uniqueness.

C: Since we want to increase the sales, I would like to split the analysis between value and volume. I will dig deeper in the volume aspect first and then we can look at the value. In terms of volume, I would like to concentrate on the value chain of our company. Will that be fine?

I: Yes, that seems fair.

C: So, is there any information regarding the efficiency of the manufacturing? Are our plants used at the full capacity?

I: No, they are functioning at a lower capacity and we can increase the production as per our discretion. Currently we are meeting the demand that is why we are not pushing it.

C: Interesting, this takes out the option of introducing newer technologies to increase the production too as we can expand on the current one itself. So, the next question will be on our retail channels. Are we present both online and offline?

I: No, we have only offline retailers.

C: What is the presence of these retailers in the market? Are they able to reach to the customers at every location? What kind of customers do they cater to?

I: So, we have a strong retail network with presence in over 2000 cities including both tier 1 and tier 2. Considering the markets, they are catering to that includes households to small businesses to large enterprises like hotels and hospitals.

C: Considering the situation, our presence online can make a little difference as our presence offline is very strong. But we can still explore going online as this might increase awareness among the customers, especially household ones to buy mattresses online. Are there any barriers to enter the online market currently that has restricted us to enter there till now?

I: Yes, in fact there is a barrier. Our current retail partners will not be happy with this as they get a commission out of the sales and we will be stealing their shares.

C: Okay, so what we can suggest is that after going online the sales will still be driven through the retail stores. That way the commissions will not be hampered, and our volume might increase.

I: That is a fair deal.

C: Now coming to the value part of the sales, I would like to specifically look at the consumer requirements here. Whether by selling the premium product, we get a higher margin we can expand the market of premium products from current 25% share to a greater one.

I: Yes, we get a higher margin with premium products. How do you suggest expanding the market for premium goods?

C: So, I would like to know the split between the Industrial, household, and small business customers here. And what is the split in these individual sections related to the products they buy?

I: So, our industrial customers are around 10%, household around 60% and small businesses form the rest of the share. Also, industries prefer premium products while small business have around 30% demand for premium and rest is non premium. For households only 10% buy our premium products.

C: And is there any difference between the lifetime of premium and non-premium products?

I: Yes, so premium products last for 7 to 10 years while the non-premium ones last for 5 years at max.

C: So, what I can observe is that a large amount of small business market is using non premium products and it can be converted to premium buyers. We can leverage the high quality as well as the longer lifetime of premium products for the sales. Also, we can set up loyalty programs where we can provide timely services for the maintenance of the product. We can give credits on the frequent buys too. For households, a 10% share seems fair as these must be the rich and affluent class that is buying premium mattresses. For industries, we can target government establishments too because they can be the potential buyers of premium mattresses. Such contracts can last long and can increase our sales both in terms of value and volume.

I: Interesting Ideas! What else do you suggest?

C: Apart from these, we can use the fragments of our production to tap different markets. Like we can use the cotton used to fill up the mattresses to create different products. We can enter the rugs and carpets market as their manufacturing will be highly similar. We can sell complimentary products with the mattresses. Also, we can provide after sale services from refilling the mattresses to changing them. This will build consumer trust and increase the retention rate of buyer thus increasing the sales of the complimentary products too.

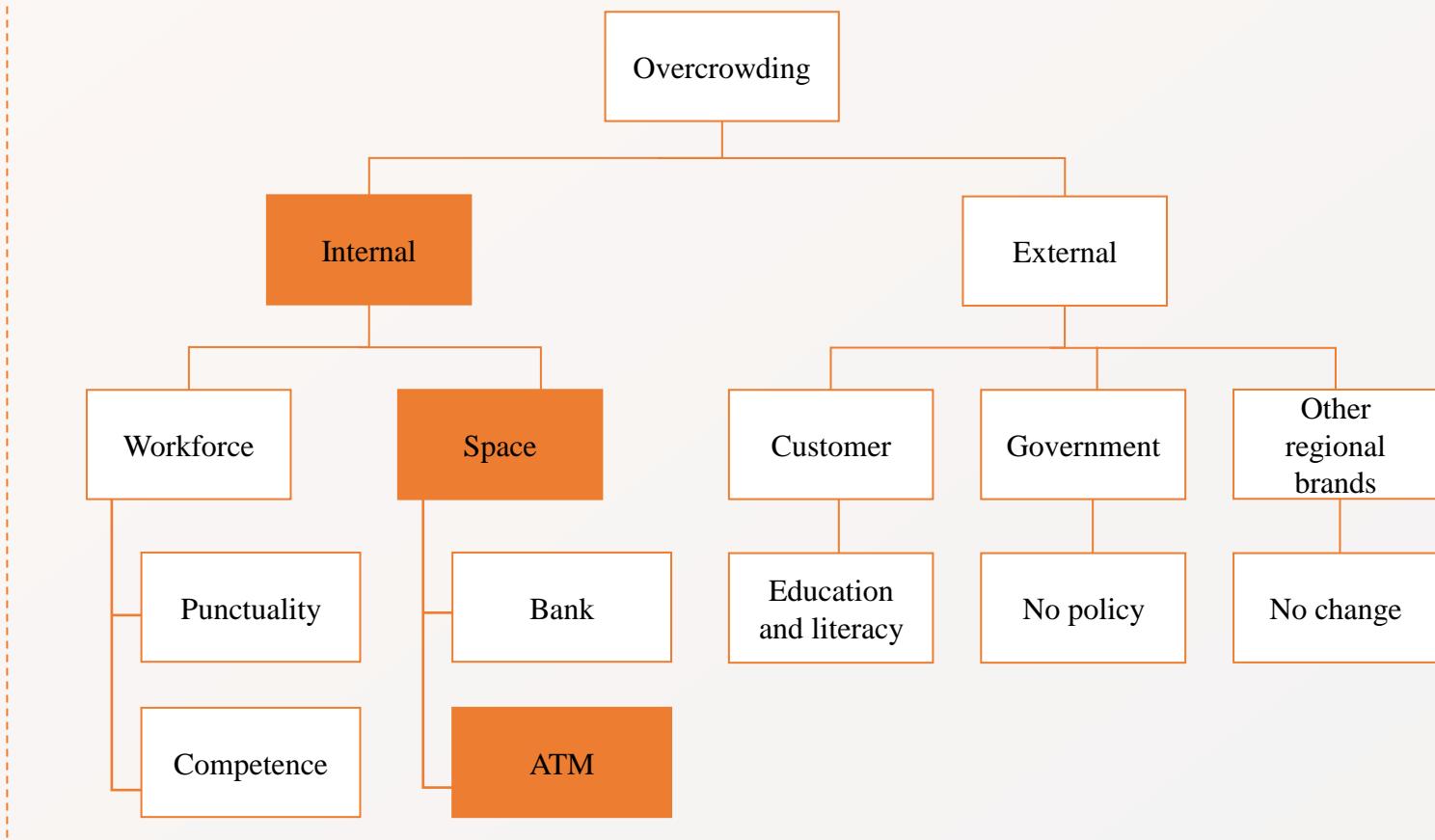
I: All these seem to be fairly good ideas. Thank you, we can close the case here.

**Case Statement:**

Client is a bank located in a village in Andhra Pradesh. The bank is frequently facing overcrowding issues. You need to identify the reasons for this and suggest steps to tackle it.

**Background Information**

- **Client:** Bank located in a village in Andhra Pradesh for a very long time (as old as SBI)
- **Customers:** Educated and well-informed

**Case recommendations**

The bank should take steps with respect to -

- Awareness and education: Guards, poster of steps to be followed, language of machine.
- Adaptability: Training and vocational camps.

I: A public sector bank is facing problems of overcrowding. Help us diagnose the problem and provide recommendations.

C: I would like to know a little more about the problem. Is it a recent phenomenon or has it been there for some time?

I: It has been there for a couple of years now.

C: Is there anything specific that prompts you to investigate it now?

I: No.

C: Where is the bank located? How long has it been operating?

I: The bank is in a village in Andhra Pradesh. It has been there for as long as I can remember. Think of it as SBI.

C: Is there any specific time of the day when there is overcrowding?

I: It is there throughout the day; however, it is more during 10AM - 11AM and 1PM - 2PM.

C: Okay. I would like to begin with looking at internal and external factors. Within internal factors I think either there is some inherent issue with space, or the provision of services is delayed. So, I will divide it into Workforce and Space.

In external factors I would look at Government policy, Customers, and regional banks.

I: Okay, go on.

C: Starting with workforce, are the employees late to office and take extra time for lunch, given higher crowd at that time?

I: Yes, but overcrowding is seen at all other times too.

C: Is the average time spent per customer higher than expected?

I: It is similar for all banks in the region.

C: Okay. Moving on to space, can the bank layout and placement of different workbenches be changed/optimized?

I: No.

C: Is there paucity of space?

I: No.

C: Okay, moving on to the external factors, is there any government policy, the facilitation of which is mandatory for the client?

I: No.

C: Has any nearby bank closed due to which the crowd from that bank has been transferred here?

I: No.

C: What about the customer? Do they understand the policies?

I: Yes, they take a lot of time to understand. They also require help from the staff on automated tasks.

C: Is it also true for ATMs?

I: Yes, in fact the heaviest crowd and longest queues are seen outside the cash deposit and withdrawals counter. Now that you have identified the problem, would you want to give some recommendations?

C: The bank should take steps with respect to -

1. Awareness and education: Guards, poster of steps to be followed, language of machine
2. Adaptability: Training and vocational camps

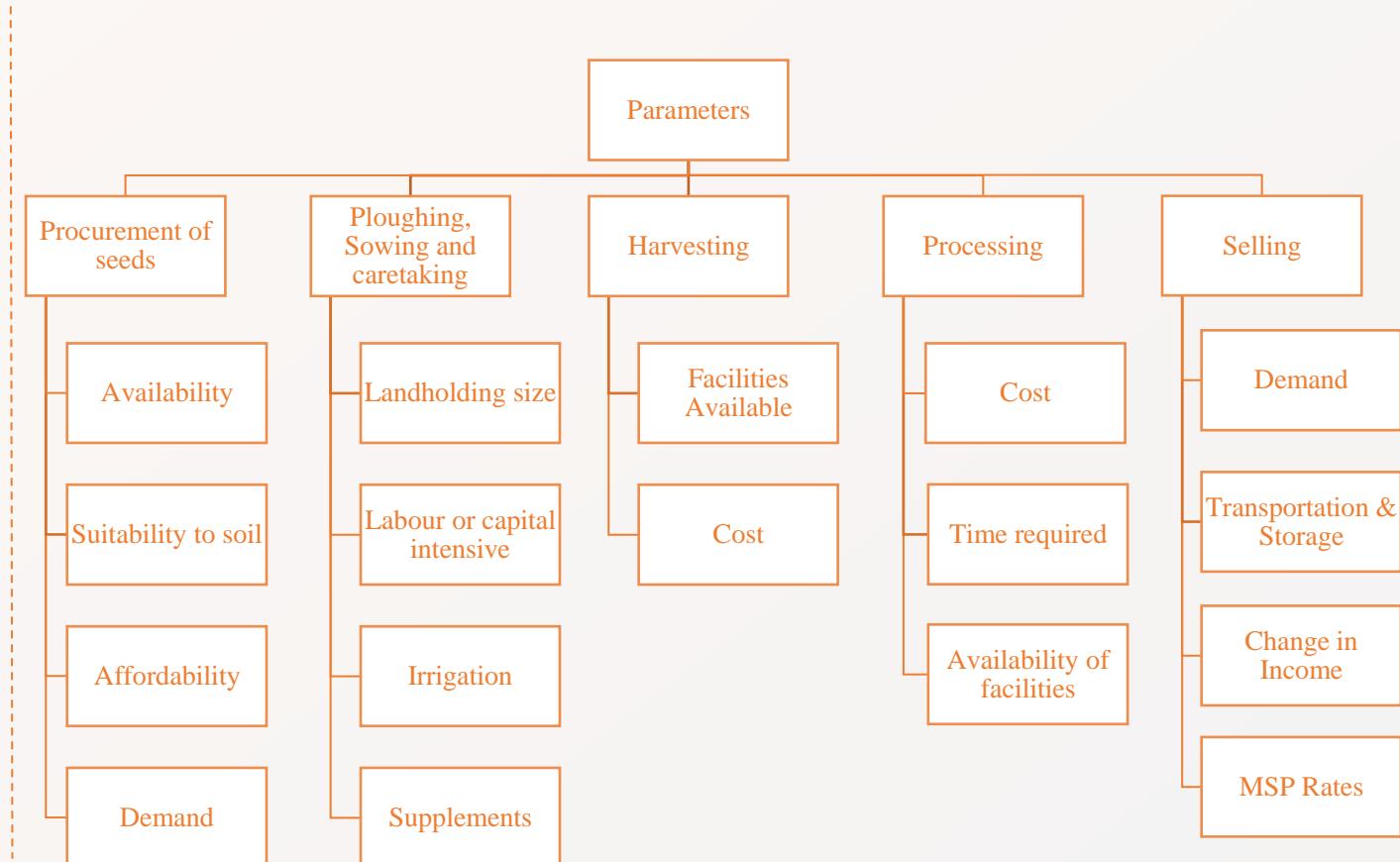
I: Thank you.

**Case Statement:**

Your client is the government of Punjab and they have identified that growing Wheat and Paddy is not good for the state of Punjab because of the excessive stubble burning and requirements for water hence it is not sustainable. As BCG, consult the government of Punjab on which crop they should now grow and how will you convince the farmers for the same.

**Background Information**

- Client:** Punjab Government
- Place:** Punjab
- Additional information:** Punjab has less than 2% of the total land in India whereas it contributes to close to 12% of the country's food grains production. Agriculture contributes around 25% to the GDP of the state
- Objective:** Identify the alternative crops that could be grown

**Case tips**

- The case majorly dealt with identifying the value chain and the parameters to be considered under each head
- The case highly depends on asking the right scoping questions

C: Wow! Seems interesting. I have a few questions, to begin with. Since when have we been growing wheat and paddy and what are the types of crops we are currently into?

I: So, we have been growing wheat and paddy from the time when there used to be a deficit. Now our country is a major exporter of these and hence we do not need as much growth of these as we used to earlier. Then, regarding the types, there is some amount of cotton and some kind of fruits, but these are not cultivated in large amounts as of now.

C: Is there any kind of bottleneck for any particular crop?

I: Assume that there isn't any kind of bottleneck and we can do whatever we need to grow a crop.

C: Finally, by when do we wish to get to a decision regarding another crop, and is there any monetary constraint to be kept in mind?

I: There is no time frame in mind and no budgetary constraint as well. Keeping in mind all this, let's now discuss the major parameters on which you would decide which crops to go ahead with.

C: Fair enough. So, in order to look into the parameters, I would like to break the growth of a crop to the time it is sold into the form of a value chain. We start with the procurement of seeds, then we move ahead with ploughing, sowing, caretaking, harvesting, processing, and finally selling. Is this a comprehensive enough value chain or am I missing out on anything?

I: No, I guess that is a comprehensive value chain. Let's take a look at them individually now.

C: Okay. So, we should start with the procurement stage. We should start off with procuring the seeds that are easily available, suit the kind of soil present (not a constraint since we discussed that we could do anything), are not very expensive, and also have a market where people actually demand them. Then talking about ploughing, sowing, and caretaking, we would have to look into the landholding size, and type of agriculture the farmers undertake, i.e.,

labor-intensive or capital-intensive. Further, we would have to look into the availability of water for irrigation and the kind of supplements like fertilizers, etc that might be required for growing the crop.

I: Good. How will you proceed further?

C: Under harvesting, we would again look into the facilities available and budget with us. Then coming to processing, I would like to take into consideration the costs associated with processing, the time required, and the availability of facilities to process the crops. Talking about selling, we would have to forecast the demand and find out how much exactly would we be able to earn when we change the crop. Transportation and storage also need to be looked into over here. Additionally, when finding out our new income with the new crops, we need to ensure that there is a significant enough delta that will actually motivate the farmers to shift to a new crop. We can also look into the MSP rates that are prevailing so that we can understand where the government is ready to pay high.

I: Very good analysis. Now according to your analysis, let's say we have chosen fruits and cotton as the two alternatives out there. Cotton grows fast but earnings are less. Fruits take time to grow but give high returns. Now how will you decide which one to grow?

C: We can look at 3 scenarios over here. If farmers grow only fruits, they will have ample amount of free time when their fruits are growing on the field. During this time, we can look into providing alternative working opportunities to them. However, we must understand that changing this might not be something that would be easily accepted considering farmers' pride is something that is very precious to them. Then the next is where we only keep on growing cotton throughout the year. Between the two, we can find out the present value of the expected earnings that we might get in the next few years and calculate the one that gives us better cash flows, essentially using the NPV method. There is a third method also that involves dividing the land into two portions, one for cotton and the other for fruits, which might not be possible scientifically but still would give a good output, essentially the best of both worlds.

I: Makes sense. We can close the case now.

**Case Statement:**

You are in middle of a jungle. Solve.

**Background Information**

- Objective:** Uncertain
- Situation:** Wakes up one morning in jungle. Any random jungle. Weather & daytime as per time of interview
- About person:** Assumed to be similar to interviewee
- Possessions:** Matchbox, smartphone (no signals), Swiss knife

**Case recommendations**

- Choose to escape the jungle since no knowledge of how things work in a jungle
- Make use of possessions – Light fire by matchbox to attract people, use phone to track GPS, and Swiss knife to find food and survive

**Case tips**

- This is an exploratory case and helps candidates learn to structure their thoughts. The key takeaway is to be always MECE
- Quick-practical mindset & binary breakup of options helped the candidates structure the case

## Lost in Jungle

C: Well, this sounds like an interesting problem statement. I'd like to make sure if I have understood it correctly (candidates reinstates the problem statement).

I: Yes, you have understood it correctly. What would you now do?

C: Thank you. I'd first like to ask if there is any objective that I need to solve here? The first thought that comes to mind is how to get out of the jungle? Or we could also be rescuing someone else? Or we could also be setting up a house in jungle?

I: So the situation is like this. You went to sleep yesterday just like you always do, but when you woke up, you woke up in a jungle. Now to get out of the jungle or not, its all upto you. I want to know what would be your next steps.

C: Okay. Well, I think I am going to put myself in the situation and then think what would I actually have done. (Asks for 30 seconds to structure thoughts). I would have a lot of questions in my mind, and I'd like to ask them.

I: Sure. Go ahead.

C: So my questions are broadly around 3 things. Firstly, I want to understand the scenario a little better. I'd like to know what kind of a jungle we are talking about here? Where is it located? What time of the day is it? What is the weather like?

I: Good set of questions. You can imagine it to be any random jungle near or around your city. As for other things like time of day and weather, you can consider it to be just like what it is now.

What are your next set of questions?

C: Next I'd like to understand the person in jungle. While I know I have assumed it to be myself, but I'd like to clarify some things. Do I have any possessions with me? Can I assume myself to be in the same state as I currently am in, healthwise, and knowledge about jungle?

I: Yes, you do have certain possessions. You have a matchbox, a swiss knife, and a smartphone but no signals. I think this is enough information. I'd like to know your next steps.

C: Sure. So for someone who woke up in a jungle, there are two options with the person. One is they'd want to get out of the jungle or two, they can choose to stay within the jungle. I'd like to start with first exploring what if the person wants to get out of the jungle and then come back to 2nd option. Does this sound like a good approach to go about?

I: Yes, sure. Go ahead.

C: So when the person wants to get out of the jungle, there can be 2 possibilities. Either I have the knowledge of how things work in a jungle (like which directions to follow, how to hunt, right set of plants/fruits to eat etc.) or the person doesn't have this knowledge. In case he doesn't have the knowledge, depending upon the time of the day, he'd have 2 options. If it's night time, he can take shelter – can build through plants or find a rock/cave. If it's day time, he can start walking to find a way out. Further possibilities could be, he either finds a way out or he doesn't. In case he doesn't, he can keep walking or give up. In case he gives up, he might die or some external help might come in.

I: Well, that's an interesting set of possibilities you listed out there. What if the person has the knowledge about jungle?

C: In case the person has the knowledge of how things work in jungle, again depending upon the time of the day, he'd have multiple options. In case of day time, the person can make use of Sun's position to stick to one direction and circle around the jungle. The person can also try to find a water body or some community establishment.

I: Great. I think I am convinced that the person can now get out of the jungle. But what if he wants to stay?

C: Sure, if the person chooses to stay in the jungle, his stay can be either short term or he can choose to permanently live in the jungle. In case he chooses to stay in the jungle for short term, he can first needs to decide on a place to settle, somewhere close to a water body. He can either find a community to live with or he can choose to set up his own establishment.

## Lost in Jungle

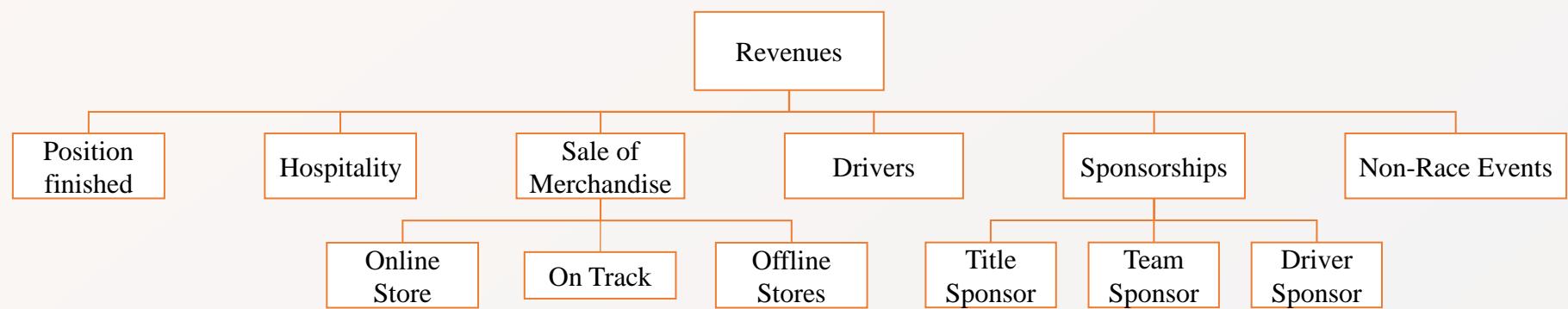
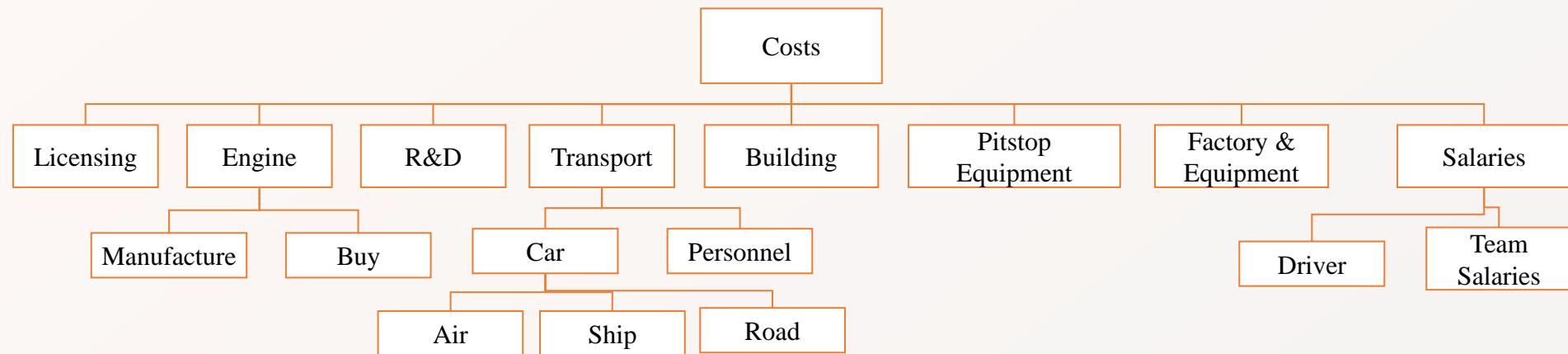
I: Well. Now that we have all the options explored, could you please summarize everything and suggest what could be the best course of action here?

C: Sure. So the person broadly has two options to go ahead with. Either he can choose to stay within the jungle, where further his stay can be for short term or can choose to permanently stay within the jungle. Or else, he may want to get out of the jungle and depending upon his knowledge about the jungle, he can have various possibilities. The best course of action, given that the person suddenly woke up in the jungle, would be to escape. One can make good use of the possessions, like use the mobile phone for GPS, matchbox to attract people from far off and swiss knife to survive.

I: Thank you for summarizing the case and sharing the best of course of action. You could have also pinched yourself hard enough to wake up from your dream or just slept in jungle in hope of waking up back at home.

**Case Statement:**

Your client, Tata Motors has been offered the McLaren F1 team for \$400 Mn. They have asked you to evaluate the opportunity.

**Background Information**

- Does Tata Motors have the funds to finance the deal** – Yes, they can finance the deal by themselves i.e., they need not take any loans
- Has a similar deal happened in Formula 1 recently?** – No there have not been any recent instances of a team sale
- What is included in the sale?** – the McLaren F1 trademark, factory, equipment, and all licenses and patents owned by McLaren F1

I: Your client, Tata Motors has been offered the McLaren F1 team for \$400 Mn. They have asked you to evaluate the opportunity.

C: Just to reiterate, our client Tata Motors has been offered to buy out McLaren F1 for \$400Mn and we need to analyze if it is a good deal or not.

I: Yes, that is correct. What are the ways in which Tata Motors can move forward in this deal?

C: We can find the NPV of the McLaren F1 deal and depending on the value we can either - accept the deal, reject it, or negotiate with McLaren F1 for a better deal.

I: That is correct. How would you go about finding the NPV of the deal?

C: We can find the valuation of McLaren F1 by understanding their cash flows for the current year and by finding the expected cash flows for the next few years. We can divide the cash flows into two parts – Costs and revenues. The various expenses of the team are – licensing, the engine which can further be divided into a buy or make decision, R&D, transport which can be divided into travel expenses of personnel and car by either air, ship or road, building, pit stop equipment, factory and equipment and salaries for the drivers and staff. Can you let me know the expenses of McLaren under each header for the current year?

I: I do not have the data for individual headers, but the total expense incurred by the team this year was \$180Mn.

C: Okay, so the spending of the team was \$180Mn. We can now move on to the revenues. The revenues can be divided into prize money depending on the constructor position, hospitality, merchandise sale, pay drivers, sponsorships, and non-race events. Is this an exhaustive list?

I: Yes, we can move through individual components and understand the revenue amount for each vertical.

C: Okay, we can start off with the constructor position. What position did McLaren finish this year and are there any rule changes in the upcoming years?

I: This year McLaren finished 6<sup>th</sup> and there are no rule changes for at least 5 years. You can assume that they would be finishing 6<sup>th</sup> for the next 5 years.

C: Got it. What is the prize money that the team receives for finishing 6<sup>th</sup> in the constructors?

I: The prize money 2 years ago was \$75Mn. Since then, it has risen by 10% for 2 years and it is expected to grow by 25% for the next 5 years.

C: So, the prize money for year Y-2 = 75, Y-1=82.5, Y0=90, Y1=110, Y2= \$140Mn, Y3=\$175Mn, Y4=\$220Mn, Y5=\$275Mn. Moving onto the revenue through hospitality, F1 teams can sell tickets that provide on-track experiences to their fans. These tickets are sold for every race. Do you have any information on the revenues gained through the sale of such tickets?

I: How many races are there in a calendar year, and how many fans attend a race on average?

C: The number of races changes on a yearly basis but this year there are 20 races in total. Around 150,000 fans attend a race.

I: Okay, for our calculations let us consider 10 races in a year with an average seating of 150,000. Every race has 75% occupancy and 5% of the occupied seats are bought for hospitality.

C: The total number of hospitality seats per year per race is given by the product of total seats per race, occupancy rates of the race, and share of hospitality seats as a percentage of total tickets sold. This gives the total hospitality seats as 5500 per race. 5500 divided by 10 teams gives us 550 seats which is the number of seats allocated to McLaren F1. Are all the hospitality seats sold? Could you also provide the price per ticket for the seats?

I: No, the hospitality seats are 90% full in every race. They are sold for \$2,500 a piece.

C: Okay, this gives us a value of 500 seats which will be sold multiplied by 10 races at a price of \$2,500 resulting in a revenue of about \$12Mn.

I: Yes, that is correct.

C: Moving on to the sale of merchandise, do we have details on revenues by individual channels namely – online store, offline store and race day sales?

I: The sale of merchandise brings in a revenue of \$15Mn per year and is expected to grow at the rate of inflation for the next few years.

C: Okay. What is the type of sponsors that McLaren F1 has and what are the amounts paid by each of them?

I: McLaren has received \$60Mn in sponsorships but this is for a 10 year long agreement.

C: Does McLaren have any pay drivers in its lineup?

I: No, currently there are no pay drivers.

C: Okay. What is the revenue from non-race events?

I: McLaren Gets about \$3Mn from non-race events every year.

C: I have all the information I need to find the valuation and NPV of the investment. I would need a few minutes to calculate the same.

I: Okay. Can you find the break-even point instead?

C: Yes, Tata Motors would be able to break even in their fifth year of operations, which is a very good return on their initial investment.

I: The calculations seem to be right. Can you provide a few recommendations for Tata Motors?

C: Can I get a few seconds to think about the recommendations to be provided?

I: Sure.

C: Since Tata Motors can retrieve their investment within the first 5 years this is a good deal for them. I would however recommend Tata Motors to try and negotiate with McLaren F1 for a lower price this would enable them to get the return faster while also reducing the risk that they are undertaking.

**Case Statement:**

Your client, Tata Motors has been offered the McLaren F1 team for \$400 Mn. They have asked you to evaluate the opportunity.

Particulars	Figures in Mn (\$)					
	Y0	Y1	Y2	Y3	Y4	Y5
Investment	400					
Returns		30	55	85	125	170
Cash Flow		$\frac{30}{1.05^1}$	$\frac{55}{1.05^2}$	$\frac{85}{1.05^3}$	$\frac{125}{1.05^4}$	$\frac{170}{1.05^5}$
Breakeven						Yes

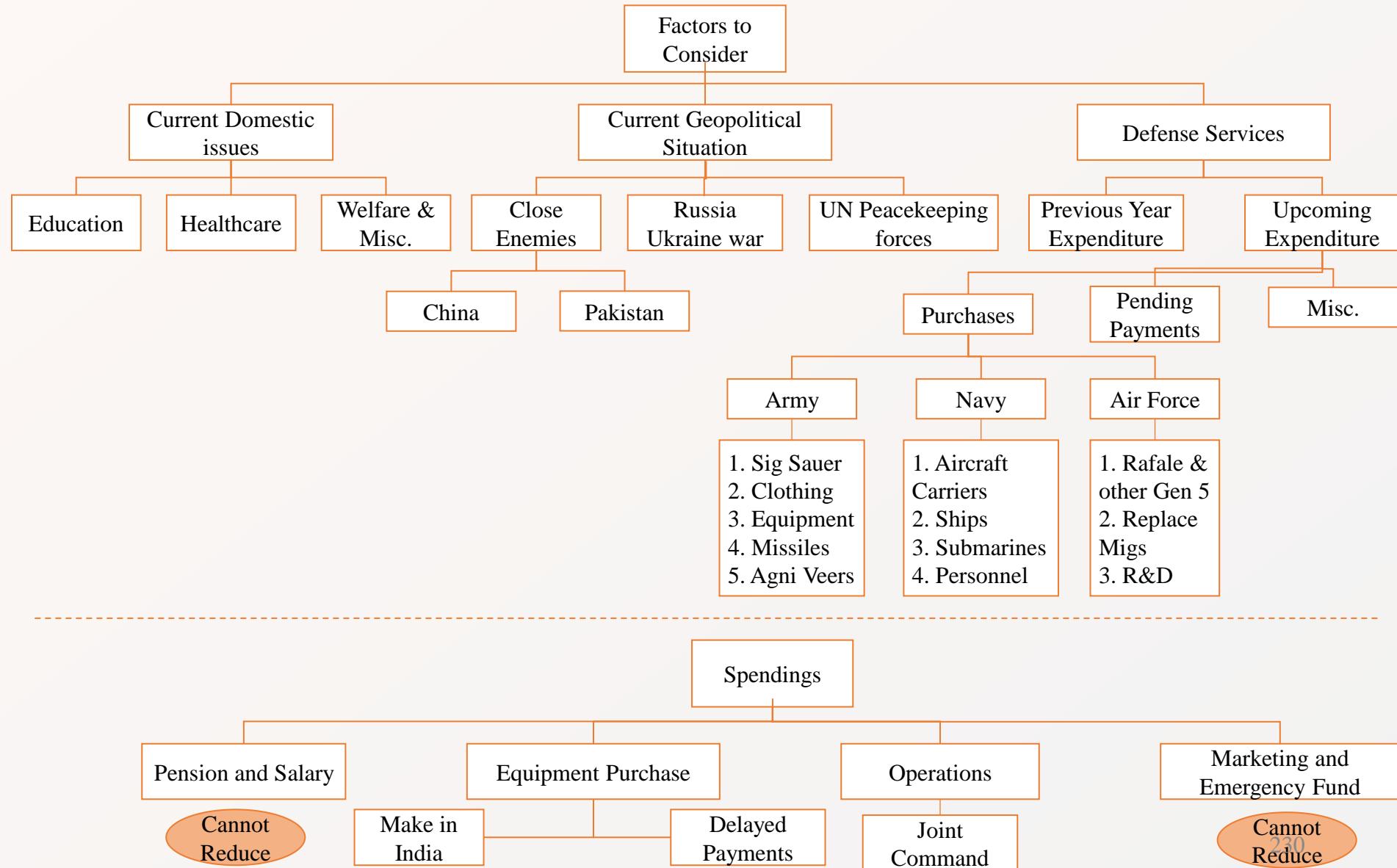
**Note** – Inflation was assumed to be 5%

**Case tips**

- Drill down into the cost and revenue sources, once the interviewer is sure you know the cost structure, they will provide the necessary data.
- Brining in numbers and formula wherever possible presents a clear and concise picture of the case.
- I was a quant heavy case which required long and precise calculations
- The interviewer was looking for in-depth knowledge of the sport which was mentioned as a hobby during BQ.

**Case Statement:**

The Defense Minister approaches you to come up with a defense budget for the upcoming year.



I: The Defense Minister approaches you to come up with a defense budget for the upcoming year.

C: Just to reiterate, you want me to come up with the defense budget of India for the upcoming year. For that, I would like to know what is the ratio of the defense budget to the total budget.

I: Okay, so the defense budget is 15% of the total budget and 5% of the GDP. Now, can you calculate the current defense budget?

C: So, as the current GDP is \$2.7 trillion. 5% of that would be \$135 billion.

I: Okay. let's not delve into numbers but tell me the factors you would consider for the same.

C: While creating the budget I would consider the following factors – current domestic issues, current geopolitical scenario, and defense expenditure. Now, the current domestic issues can be further divided into education, health, welfare, and other miscellaneous factors. We would also factor in the current geopolitical scenarios, in which China and Pakistan are our nearest enemies. We can base our estimated spending based on what they spend. There is also a threat of WW3 looming in the world which has been amplified by the current conflict between Russia and Ukraine, so the budget should cater to such emergency needs as well. We are also the largest contributor to UN peacekeeping forces which would require us to spend on the same.

I: So, how will you compare the defense spending of different countries, will you look at spending as a percentage of their GDP and try to match them?

C: No, I won't be following that because different countries have different GDPs and thus % of GDP would not be a good estimate to compare different-sized economies. A better way to compare would be looking at the armament, weaponry, arsenal, and personnel with respect to our adversaries and trying to match and further supersede them in these.

I: Right, we can continue with the discussion on defense expenditure.

C: Defense expenditure would be impacted by 2 factors – last year's expenditure & its utilization, and an estimated expense for the upcoming year. The upcoming year's expenses can be further divided into purchases, past payments, and miscellaneous. The purchases can be divided into 3 services – Army, Navy, and Air force. The army is planning to spend on Sig Sauer rifles, which are replacing the existing INSAS rifles, new clothing, and equipment purchases such as helmets, night vision, and bulletproof jackets. The upcoming budget will also accommodate the training and salary of the Agniveers. On the Naval front, India aims to spend on purchasing new ships and upgrading its existing fleet to gain parity with China. The Airforce is also spending on purchasing Rafale and other 5th gen fighter aircraft, Apache helicopters, and other missiles & anti-air defense systems, while replacing the current Mig-21s and spending on R&D to develop an in-house gen 5 aircraft.

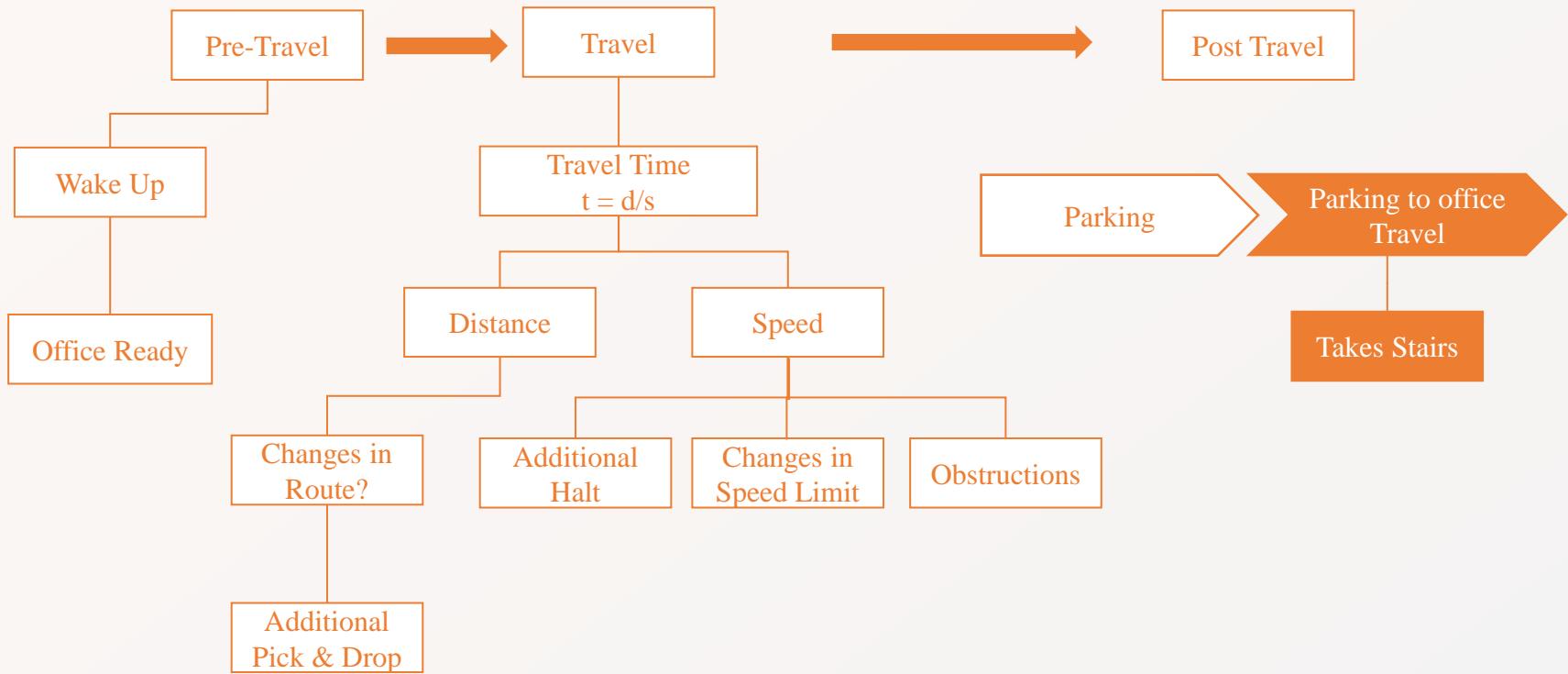
I: Okay, your analysis seems fair, but now when you approached the minister, you have been asked to cut down the budget by 15%.

C: So, in order to reduce the budget, I will identify the various cost centers – pension & salary, equipment purchases, operations, marketing, emergency fund, and other expenses. Now, I would investigate each cost center and find out if it's feasible to reduce costs there. We can neither reduce costs in pension and salary as these are integral to the functioning of the armed forces nor can we reduce costs in the payments sent to the emergency fund. With the Make in India initiatives, we can reduce the costs of equipment purchases. We can also defer a few future equipment payments to reduce the expense burden. We can also improve the operational efficiency of the armed forces through the current ongoing joint command initiative by sharing the resources between the tri-services. For e.g., the army and Airforce can share their bases to cut down on expenses.

I: I think we are done here. Thank you.

**Case Statement:**

An employee of the client is consistently reaching the office late by 5 mins. The client wants you to analyze the cause for it.

**Case tips**

The case here is an open-ended case. Generally, in such cases, rather than just listing the possible causes, bucketing the factors under a title helps in giving the structure. If the structure is nailed, the major part of your case is done. The questions which are to be asked can be questions that draw parallel with industry-wide dynamics v/s the company in focus

C: To begin with, I would like to get a better understanding of the problem at hand and have a few questions which can help me out in the same.

I: Sure, go ahead!

C: Where is the office located? Also, has there been a change in office timings & what are the problems this 5-min delay is causing to the organization ?

I: The office is in Delhi and no there has been no change in office timings. The team that the employee works on has a client call at 9:15 am. Since he is late, the preparation of the call get hampered.

C: Are we seeing this trend with only a single employee?

I: Yes

C: Also, have seen a change in the behavior of the employee lately?

I: No, we haven't.

C: Okay, to begin with understanding what might be the reason for the delay, I would like to break down the travel of the employee into 3 parts. The first part will be pre-office travel. The second will be Office travel and the third one will be post-office travel.

I: The approach seems interesting. Can you elaborate on each of the parts?

C: Sure. In the first part, I would look for any changes in the routine between waking up and starting the commute to the office. Similarly in the second part, I would check for any difference in the commute routine and finally, from the end of the commute to his office desk.

I: Sounds right, go ahead.

C: In the first part, has there been a change in the time the employee wakes up?

I: No.

C: Is he leaving his house at the same time as he was when he was punctual ?

I: Yes.

C: Okay, based on that information we can rule out the pre-office travel part. Moving to office travel (i.e) the second stage. What mode of a commute does the employee use, and has there been any change in it?

I: Well, he drives his own car and there has been no change in the mode he commutes.

C: The time taken to travel office is basically distance divided by the average speed. Factors like changes in routes, obstructions/road quality can alter the time taken. Have we observed any such digression from the routine route?

I: Your factors are quite precise and comprehensive. Unfortunately, there has been no change in either the speed or the distance travelled. You can proceed to the third stage.

C: Yes, sure; To analyze the final leg of his travel, I would break it down into; Office premise entry, parking & travel to his desk. Have we seen a change in pattern in any of the three-part mentioned??

I: One change in this leg of travel we have noticed is that due to fitness reasons he prefers to take the stairs and not the elevator.

C: I think that should be the reason for his delay.

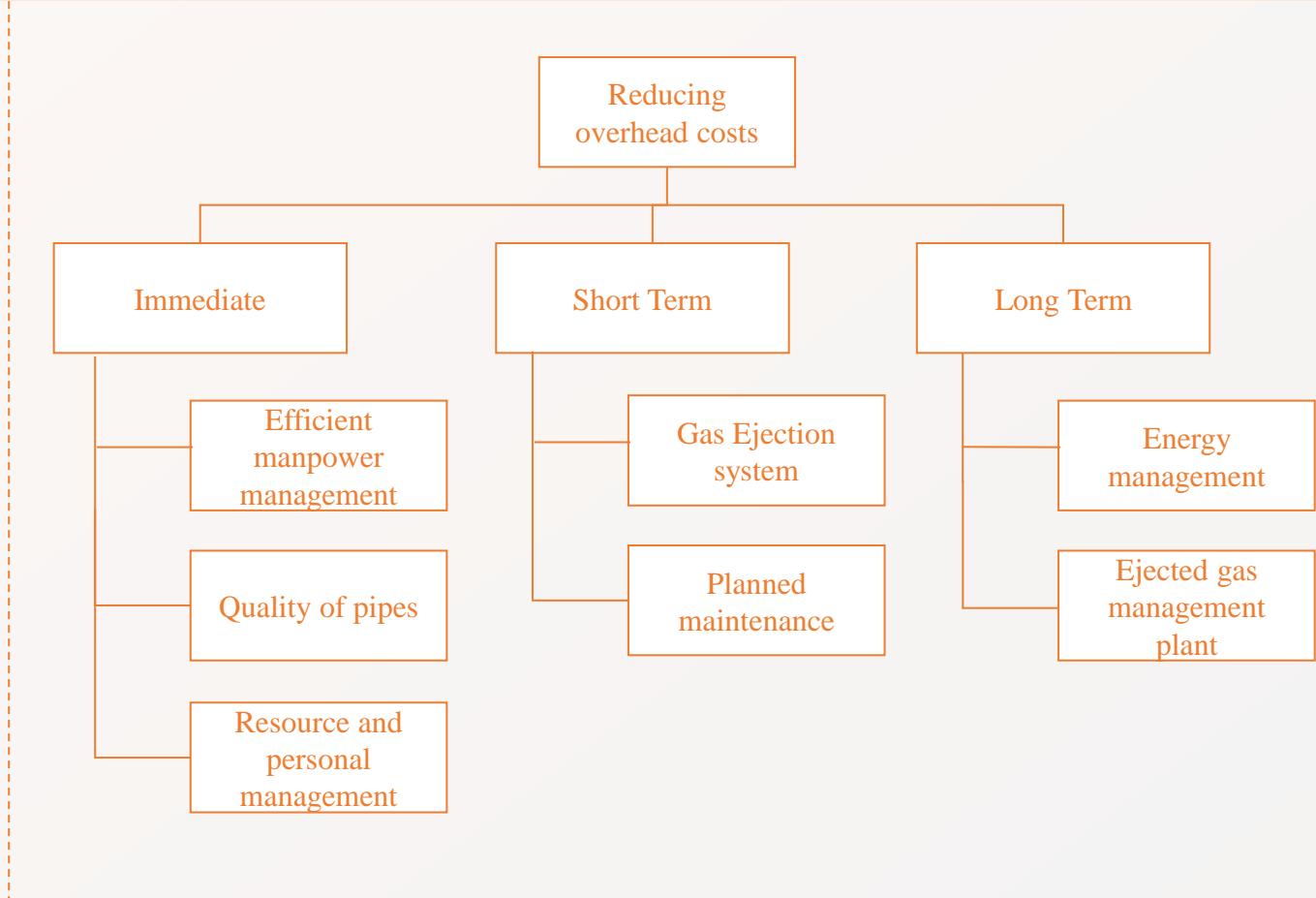
I: Yes correct. We can close the case now. You put forth crisp and clear points. It was great talking to you !

**Case Statement:**

As a manager reduce the overhead costs for an oil drilling rig.

**Background Information**

- **Situation:** Reduce the total overhead costs
- **Industry:** Oil and gas
- **Timeline:** Over the next 5 years

**Case recommendations**

- Collaboration with renewable energy industries.
- Breaking down such cases into different timeframes with attainable goals for each.

I: As a manager of an oil and gas drilling rig, you are tasked with reducing the overheads associated with it.

C: Can you provide some details regarding the timelines associated with it.

I: Sure. The required timeline for the plan should be planned out over the next 5 years.

C: Based on the information provided, I would like to break down the process into 3 stages.

- 1) Immediate goal (Less than 1 year)
- 2) Short-term goals (1-2 years)
- 3) Long-term goals (3-5 years)

I: Sure. That sounds good, can you explain what factors you would look at.

C: The primary factors to be addressed for overhead reduction are:

Efficient manpower management.

Quality Management

Resource Management

Efficient maintenance activity

Gas ejection systems

Energy management

Gas management plant

I: Sounds good. Can you bifurcate the same based on the various stages defined previously and provide some details regarding each of the mentioned points

C: Stage 1: Immediate goals

Efficient manpower management: Employees are often required to work in 12-hour shifts, and due to fatigue associated with work, their productivity reduces overtime lossing up to 3 hours per shift.

Quality Management: One of the main components prone to wear and consequent damage are the pipes and drill bits. Proper maintenance of these like sharpening the bits and powder coating the pipes will drastically extend their lifespan.

Resource Management: Often, supplies such as food and water, and personal are brought to the rigs via helicopters. Shifting these activities to use boats in its place will drastically reduce the costs associated with transportation. Planned transportation schedules would be the easiest option for this.

#### Stage 2: Short Terms goals

Planned maintenance: Planning and scheduling maintenance activities such as inspections, replacements and maintenance of equipment will help reduce delays and resulting losses. For this an external management application can be developed and integrated with the rig.

Gas ejection system: While drilling, a lot of gasses escape with the mud that is removed during the process. Using a proper separation system will reduce the emission of these untreated gases into the atmosphere thereby reducing the penalties associated with the same

#### Stage 3: Long term goals

Energy management: One of the primary costs is the shipping of fuels for generating electricity. Setting up systems to efficiently use renewable energy sources like wind and solar coupled with tidal energy and harnessing energy from waves though expensive to set up, will help reduce the energy requirements and costs associated with it in the long run.

Gas management plant: Setting up a power generation plant running on the filtered gas from the ejection system will further reduce the costs associated with power generation, help the oil rigs to be self sufficient in terms of its power requirement.

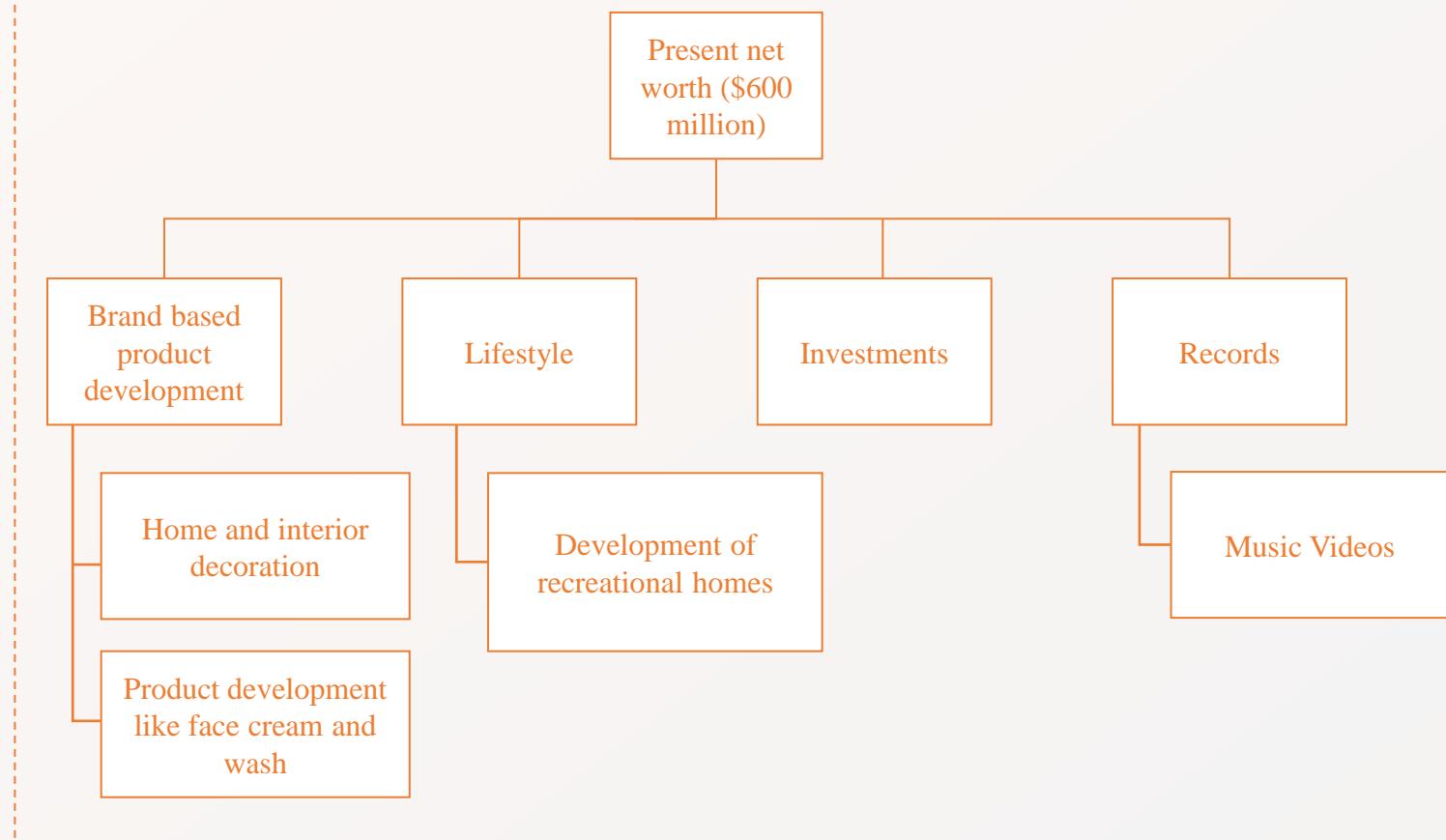
I: The points put across are excellent. We can end the case here..

**Case Statement:**

As a wealth manager, your aim is to increase Shahrukh Khan's net worth. How will you go about doing it ?

**Background Information**

- **Situation:** Increase Shahrukh Khan's net worth
- **Structure used:** Through investments and specific product development
- **Timeline:** Over the next 5 years

**Case recommendations**

- Analyze the individual to see what all activities can be associated with them.
- Segregate their interests into what can and can't be used
- Strategize and capitalize on what relates with the public as well to arrive at a plan

I: As a wealth manager, you are tasked with managing and increasing Shahrukh Khan's net worth.

C: Can you provide some details regarding his present net worth, and the required timelines for the same.

I: Sure. His present net worth is over \$600 million, and you are required to come up with a plan for the next 5 years.

C: Can you provide some inputs regarding his lifestyle and some of his preferences.

I: Yes, he has an affinity towards luxury homes with a high involvement when it comes to colors and possible uses of the ceiling, and flooring. He also believes in taking care of himself and wants to reduce his involvement in long term projects, specifically movies.

C: Based on the information provided, I would like to breakdown the process into 3 stages.

- 1) Immediate goals (Less than 1 year)
- 2) Short term goals (1-2 years)
- 3) Long term goals (3-5 years)

I: Sure. That sounds good, please go ahead

C: As a part of immediate goals which can be undertaken right away, the primary aim can be divided into existing portfolio management and lifestyle development. His present assets can be managed effectively with strategic investments in stocks, mutual funds, equities, cryptocurrencies coupled with investments in booming startups. In addition to this recreational homes can be bought and modified with references and props from his most famous movies to give customers a chance to walk in his footsteps as they get to be a part of it. To reduce his involvement in long term projects, venturing into music videos will allow for smaller commitment projects to be taken up as per his schedule.

In accordance with short terms goals, due to his high affinity towards specific interior decoration and development, he can coordinate with designers to create a business which will allow customers and fans to modify and develop their homes or offices with décor based on his likes and dislikes. This will allow customers to create and enjoy homes with references based on his personal homes.

As a part of long terms goals, due to his inclination towards personal development, he can start his own or partner up with companies to develop products like face cream, face wash etc, which can then be sold under his own brand. This will serve as a source of steady revenue post his retirement as well.

I: The points put across are excellent. We can end the case here.



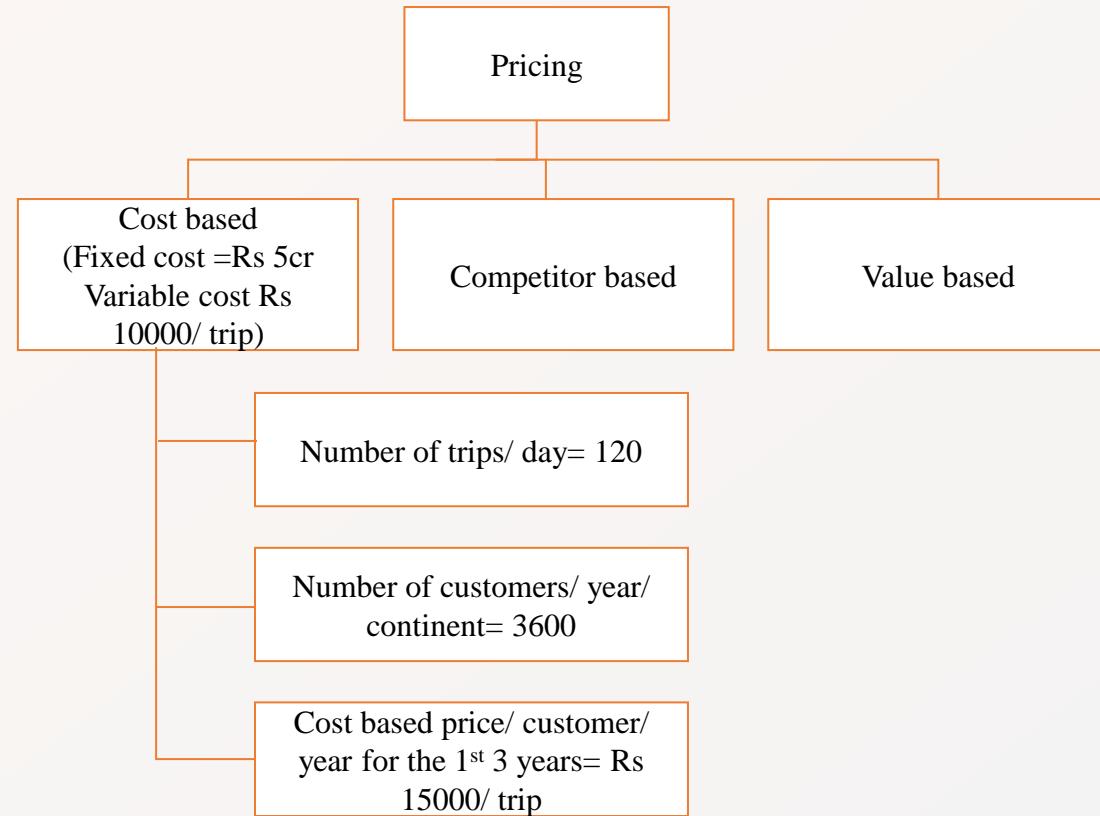
# PRICING

**Case Statement:**

An engineer developed a teleport machine that teleports people from Mumbai to London as of now. He is planning to launch the machine in some time which will enable only a one-way trip for passengers. How should he price it?

**Background Information**

- **Customers:** High profile businessmen
- **Objective:** Primarily to increase profits and later considering the acceptance, earn for the value provided.
- **Product:** Scalable, 5 minutes to travel, 5 minutes to set up

**Case recommendations**

It is a new product competitive benchmarking cannot be done but as per value-based pricing, it will depend on the time saved by a passenger from the airplane's travel time perspective, and the time cost saved of a middle or high-end businessman per day derived from their monthly salaries.

C: There can be three approaches to pricing- value-based, cost-based, or competitive benchmarking. Is there any competition?

I: Yes, right now the only way businessmen and CXOs travel in the same route is through the air which is available from multiple airlines. But this machine is the first of its kind.

C: I shall proceed with cost-based pricing first. So, what are the upfront investment and variable costs associated with the machine?

I: One-time investment is Rs. 5 crores to be recovered within a period of 3 years. Over this, he wants to recover a variable cost of Rs. 10000 from the customer per trip.

C: Given the data, machine time for travel & return is 10 minutes. Is it okay to assume that the machine would be kept at rest for a few hours per day for maintenance?

I: Yes! The machine needs 4 hours per day for maintenance.

If it stays for rest for 4 hours a day, it is travelling for 20 hours.

Then, number of trips= 20 hours/ 10 min=120

So, no. of customers in the first year= 120 \*300 (assuming no. of days in a year operating to be 300)

= Rs. 36000

So, there are some businessmen from India going to London, and there are some who came here to work from other countries and are on their way to London. I am assuming there are 5 business heavy continents (Europe, Asia, N & S America, Africa) who need to travel often. Do we have an idea of the number of people travelling on this route?

I: Going by the assumption made, take the no. of people travelling proportional to the number of business-heavy continents.

C: Okay, the number of one-way travels between any two of these continents are:  $5C2=10$ , and Mumbai to London is one of the 10 options. So, the no. of customers=  $36000/10= 3600$

Cost base price per customer per year for the 1st 3 years=

Rs.  $[(5/3) \text{ crores} + 10000]/3600 = \text{Rs. } (1.7*10^7 + 10000)/3600$

= about Rs. 15000 per trip

I: Okay.

C: We can keep the Rs. 15000 as the lower price bound. We can now directly look into value based pricing due to lack of competitors. We know that the primary functional benefit for the product is saving time for the customers. In order to compute the value based pricing, we could value the time saved by calculating the estimated salary of the person based on the time saved on average.

I: I like your approach! We can close the case here!

**Case Statement:**

Your client manufactures and sells toothbrushes in USA. Their R&D team has developed a new toothbrush with the following characteristics-

1. It has special bristles that won't lose shape
2. It is made from an unbreakable plastic
3. It has a protective covering that protects it from germs

How should they price it?

C: I would like to know what do these characteristics exactly entail?

I: The toothbrush will last forever, basically it will be the last toothbrush you ever buy.

C: How much investment has already been made and should it be included while pricing it?

I: No, not required.

C: Is the technology scalable?

I: Yes.

C: There can be three approaches to pricing-value based, cost based or competitive benchmarking. Differential pricing can also be looked at later.

I: Which one will you do here?

C: I think value-based pricing makes sense here. Cost based cannot be done as value of initial investment is not known and since it is a new product competitive benchmarking can't be done either.

What is the price of the current toothbrush sold? I think it would be around \$3-4.

I: Correct, about \$4.

C: So now I'll look at the number of toothbrushes used over a customer's lifetime and the cost associated with it. The average age of a US citizen is 25-30 years so they will live for another 50 years and assuming they replace their toothbrush once every year

Price of new toothbrush=  $4*50 = \$200$

But I believe nobody will pay this much for a toothbrush because people don't keep a toothbrush for so long and people own multiple toothbrushes for different purposes like travel etc. So, the price of this toothbrush should be lower.

I: Good point. Assume the price is \$120. What will be the market size and revenue?

C: The population of USA is 320 Mn and since most people use a toothbrush and the standard of living in general is high, I think the market size would be 320 Mn.

Revenue=  $320*120 = \$38.4 \text{ Bn}$

I: Suppose now that another firm wants to buy this product for \$38.41 Bn. Give reasons why this is not a good bargain?

C: More revenue can be generated in the following ways-

- This product has great scope for generating more revenues by expansion. Since the US market will eventually get saturated, other geographies can be tapped into.

- This technology can be used to make other products since you mentioned that it is scalable.

- Another consideration is time value of money.

- Some people might buy this toothbrush again, especially if new variants are released.



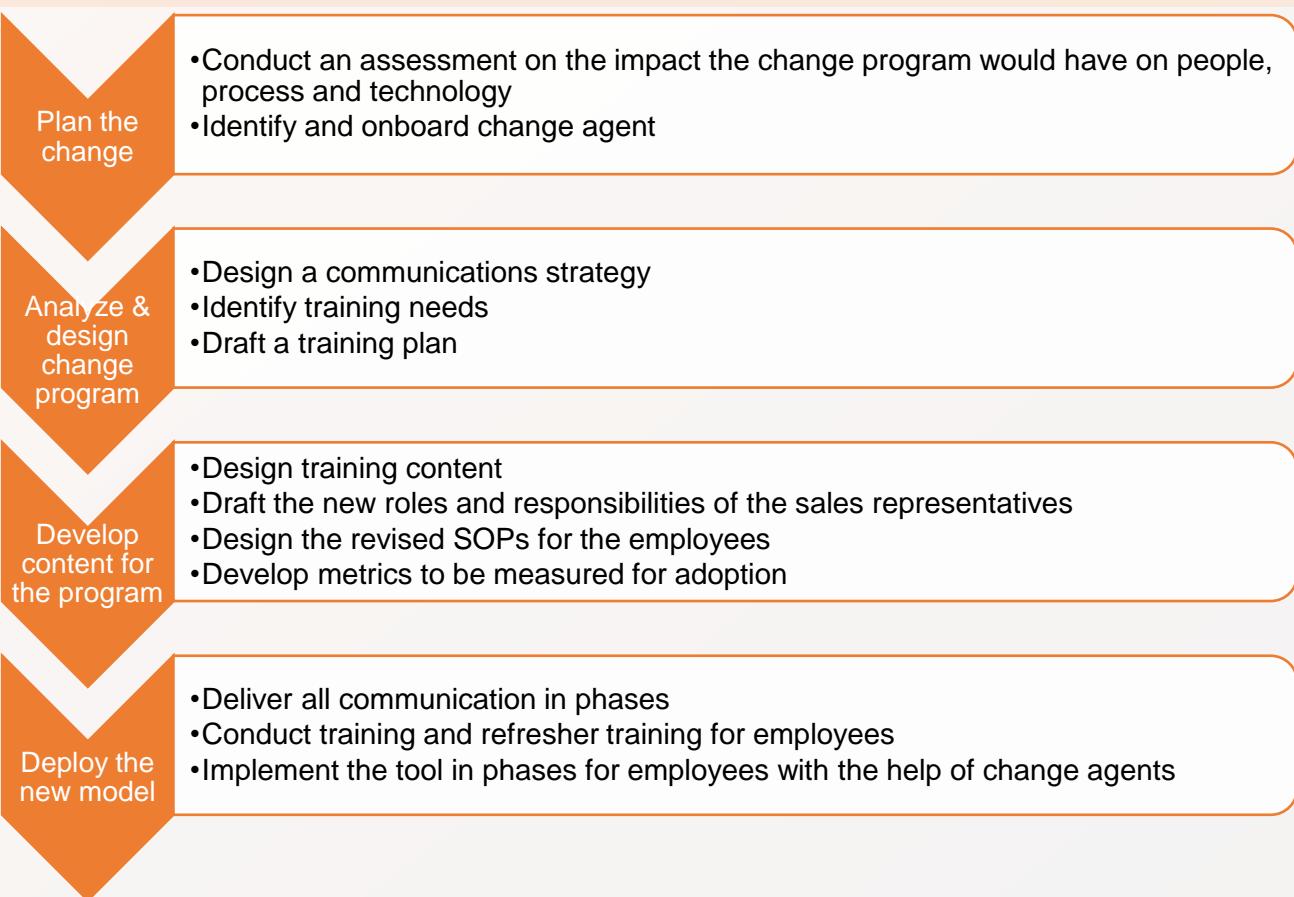
# CHANGE MANAGEMENT

**Case Statement:**

The client is a global company and they have decided to implement “Salesforce” as a new tool instead of the already existing tool, across the group. Suggest an approach for implementing the new tool within the organization.

**Background Information**

- **Client:** Operates in Europe, US and India in the retail industry
- **Number of employees:** 3,000 in US, 5,000 in Europe, 10,000 in India

**Case tips**

- Ask clarifying questions about the details of the company. If any new software is to be introduced, get details about the features of the software and why is it better than the existing one.
- Follow a structured approach, right from planning the change to executing the change in the organization.

C: Since I do not know much about the tool “Salesforce”, can you please tell me more about it?

I: “Salesforce” is a tool that is used to record the details of a client, the lead generated and the key contacts. It is a lead management translating tool that is used by sales representatives of the company.

C: Thank you! Is there any advantage the client would have by using “Salesforce” over the existing tool and why is it better than the existing tool?

I: The existing tool has become outdated which arises the need for a new tool. It has become a highly complex tool due to which our operational costs have increased, and the sales representatives must focus on delivering the best customer experience. However, there is one disadvantage of the new tool - Earlier the sales representative used to take 3 minutes to record the details of the lead. The new tool will take 6 minutes. Then why should the company implement the new tool?

C: The way I would see it is, this con would be outweighed by the numerous pros that the CRM tool would provide a sales representative. For example, when talking to a potential lead, a sales representative might want to send customized email/ message to the lead, schedule an appointment and be reminded about it or even want to update the conversation he/she had with the lead ‘on the go.’ So, time investment in the initial phase would result in saving more time in the further lifecycle of the lead.

I: Good. Now that you have a decent context of the use case, we should move towards the approach. How will you convince the sales representatives to use the new tool?

C: Sure. My approach would be to first understand the ‘change’ in detail. By this I mean, exploring the current state in terms of how the work is done, who does the work, how is it monitored and what would the new CRM tool change in these areas.

I: Okay! Then what would you do with this information?

C: First, I would communicate the gravity of the change to the leadership of the client. Then, I would create a change plan which would cover the timelines for the following elements-

- Communication plan
- Training plan
- Documenting new roles and processes
- Creating training content
- Assessing current skills of the employees and readiness for the skills required for using the new tool
- Delivering training to employees
- Deploying the new tool
- Monitoring and sustaining the implementation

For convincing the employees on using the tool, I believe that we will have to create a communications strategy that clearly informs them about its benefits followed by comprehensive support to develop capabilities to use the new tool. Also, it would be beneficial if we could have some employees with us from the starting and they could be our ‘change agents’ for the project.

I: What do you mean by change agents?

C: By change agents, I mean the more influential sales representatives across geographies who can be the first ones to use the new tool. These employees can help us deliver our message of benefits of using the tool and can thus help us drive adoption.

I: This sounds like a plan! How will you identify these change agents and convince them?

C: I think we would have to take the help of the leadership and their line managers for this. While communicating the gravity of this change, we can make a request to them to nominate change agents and we can specify the time commitment that would be required from their end. We can then have a meeting with them and explain their role in detail.

I: You mentioned something around readiness of the employees. What do you mean by that?

C: We would have to focus on what the employees need to be able to adapt to the new tool. It would go beyond their will to identifying the new skills they to learn, the revised process they need to be aware of and the technology changes that would happen.

I: Overall, are there any concerns that you can think of while following this approach?

C: I feel that the above approach is rigid. If we could add the learnings from our own implementation in the plan and make it iterative, we would reap better benefits.

I: That is an interesting insight. We may close the case here.

C: Thank you.



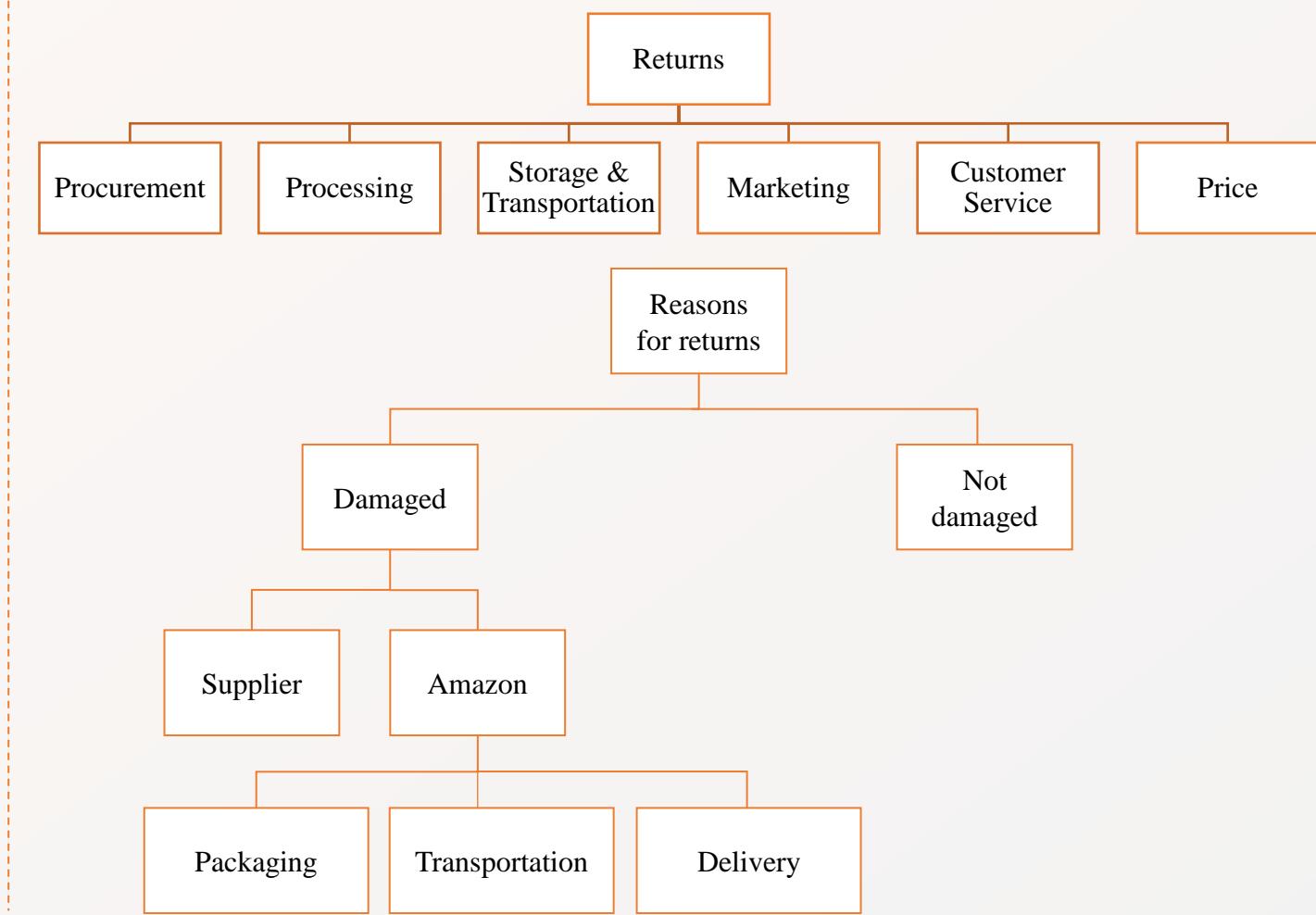
# VALUE CHAIN

**Case Statement:**

Your client is Amazon India Fashion, and they've been facing large costs of returns. They're looking to reduce the number of returns and the cost of returns.

**Background Information**

- **Competitors:** reasonably competitive with a couple of other big players
- **Customers:** All apparel segments
- **Location:** Pan India

**Case tips**

This was a very open-ended case; The interviewer just wanted to see a basic structure and how far can the interviewee push his thinking. Once you are able to setup a basic process map – the rest was creative thinking.

C: I'd like to know a bit more about the problem, how big is the problem of returns. How much are we incurring?

I: We are incurring \$30 on \$100. There is a problem. We want to know how to reduce the returns first.

C: May I know what our customer base looks like? The share between men, women and children etc.?

I: Our customers are 50% men and 50% women, 50% in cities and 50% in other areas.

C: Right, and what about our competitors, how are they doing, are they also seeing such high number of returns?

I: No, they're seeing returns but we're observing higher numbers. There's this problem with us and it's been a long-standing problem. I want you to think of how we can reduce returns.

C: Alright, I'm going to be discussing 6 factors here for why a product might be returned. The Product, is the product defective or of inferior quality. The Packaging, is the packing subpar and torn giving a bad customer experience. Is there a Delay in delivery, for example a birthday dress arriving late has no use for the customer now. Inaccurate information, is the information being shown about the product incorrect leading to a gap in communication. Is it a problem with our customer service, is the consumer not able to interface with the customer service about the details of the shipment or the product. Is the price higher than those available on other platforms or in the retail stores.

I: Great, now how can we look at reducing the costs of returns?

C: Firstly, I'll divide the returns in two segments, the defective and non-defective categories. If the product is defective, it's either the supplier's fault or Amazon's. If it is the supplier's fault, we will return it to them and bear no further costs. If it's our fault, we will investigate it further. If the item is not defective, we will repack it and sell it.

Next the different heads for return costs I'll be discussing are 5 in number. The collection costs, we would need to collect the product from a delivery boy. We can categorize the collections as urgent or non-urgent. The urgent collections can be done ASAP and the non-urgent collections can be clubbed with other collections in the nearby areas. This would reduce costs on transportation. Next would be the processing cost, since an item coming back to the warehouse would need to be processed in the system, this would consume time and labor. We can categorize items as primary and secondary; the primary item will be processed with priority the secondary item can wait for the peak traffic hours to be over. We can also bucketize the items for example all apparels together, all electronics together. This would save sorting and categorizing time and costs. Next would be the storage costs, since the returned item would occupy physical space in the warehouse. We can reduce this by deferring the collection to as late as possible. For example, if we have a 3-day collection policy, then instead of collecting on the same day, we can contact the customer and collect it on the third day and save the 2 days of storage costs. The fourth would be repacking costs, we can ask the customer for the original packing and return it along with the item. We can also go for standard repacking solutions for all sizes and different types of apparel, this would save costs on different sizes of repacking material. Finally, the compensation for bad customer experience. We can opt for providing the compensation as Amazon coupons instead of cash so that we can get that lost revenue back later and tie the customer in, or we could opt for the Amazon wallet since the chances of it being used on an Amazon purchase are higher.

I: Great now suppose you're Amit Aggarwal, Amazon India Head, what 5 steps would you take to keep or gain the market share against Flipkart, Jiomart etc.

C: First I would focus on continuing to deliver value to the customer. To filter the bad supplier and avoid cases such as where bricks get delivered instead of a smartphone, these incidences invite bad PR. Secondly, I would move forward with an India centric approach, investing and creating programs to collaborate with local retailers since the biggest accusation against e-commerce is that it will kill the local retail infrastructure. Also, JioMart and Tata have a reputation for bearing losses to support the Indian public, hence an effort in that direction will be beneficial for us. Third, I'd increase the cohesivity of our products by bringing people into the Amazon ecosystem. This can be done by increasing the utility of the Amazon Pay Wallet, so that people get tied in the ecosystem and look at Amazon as the default platform for payments to shopping. Fourth, I would promote bundling Amazon Prime with more products, say with a data recharge we can provide 2 weeks of prime subscription. When people will use it for video, music, shopping etc. they'll get hooked onto it and subscribe. Finally, I'd look to capture exclusive sales such as OnePlus. How Motorola has partnered with Flipkart, Oneplus with Amazon, with more such exclusive partnerships of popular products we will get more customers for these products, and when they will have a positive shopping experience, they will come back to shop with us.

I: Great, Thank You.

C: Thank You.

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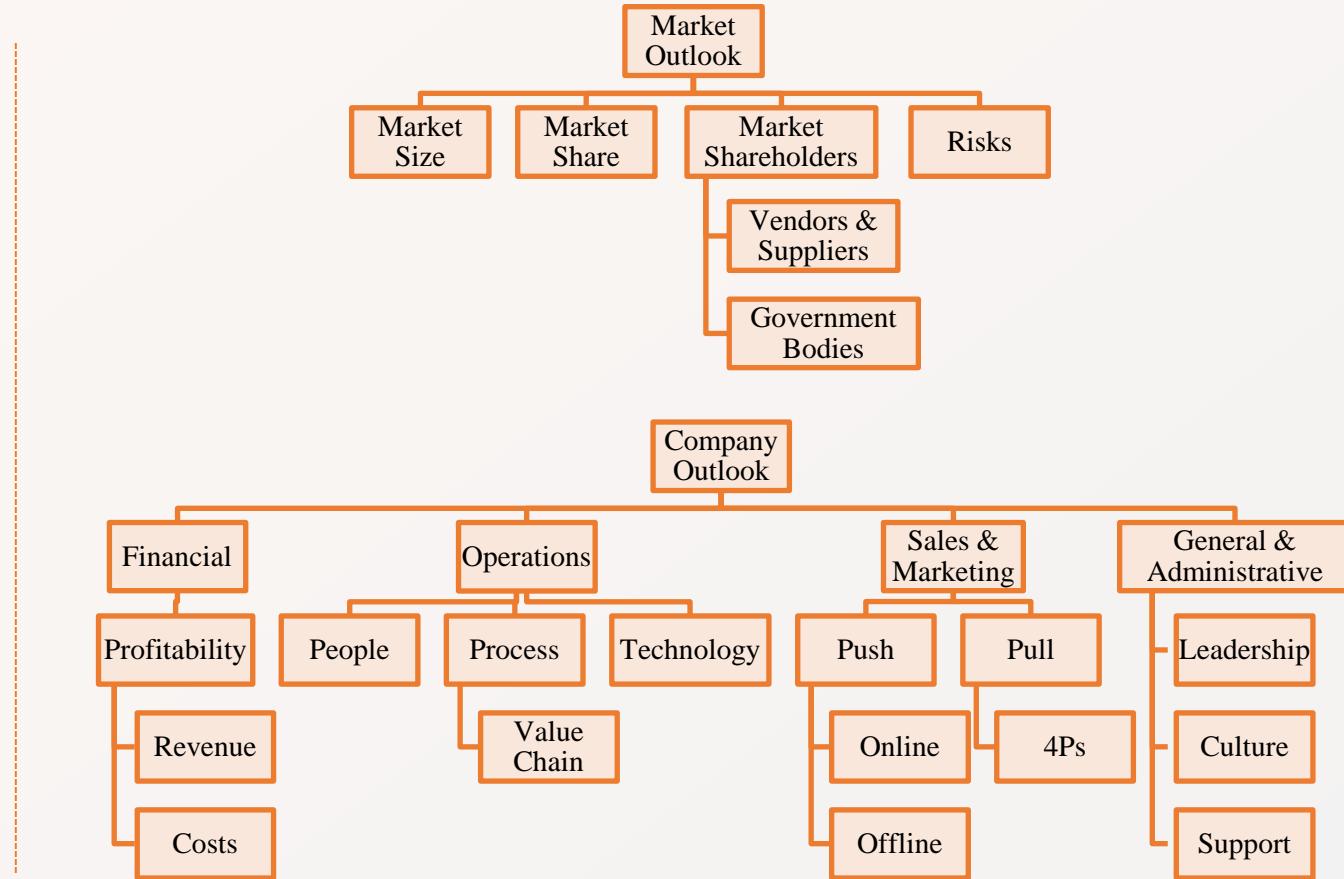
# PRIVATE EQUITY

**Case Statement:**

Your client is a private equity firm that is looking to acquire a chain of schools in South India. Develop a business case for them.

**Background Information**

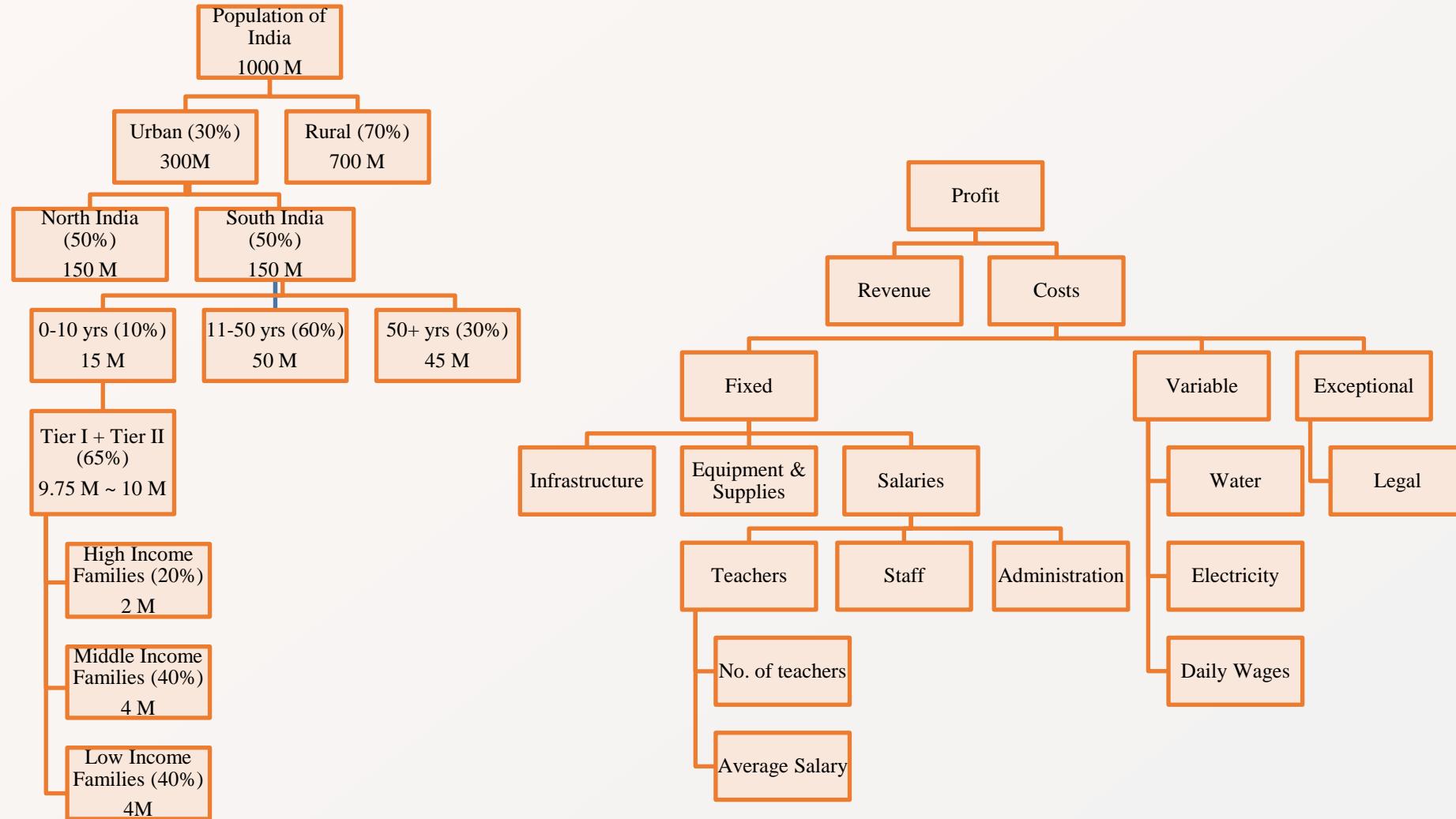
- PE firm based out of the US, previously invested in the startup space
- Chain of schools based out of tier-1 and tier-2 cities of South India catering to students from kindergarten to class V
- Profitability of chain of schools is higher than other schools with similar revenue numbers

**Case recommendations**

- Invest after conducting thorough due diligence by considering the Sales & Marketing and administrative aspects of the business.

**Case Statement:**

Your client is a private equity firm that is looking to acquire a chain of schools in South India. Develop a business case for them.



I: Your client is a private equity firm that is looking to acquire a chain of schools in South India. Develop a business case for them.

C: *[Reiterates the case for any clarifications]* Can I get some information about the client? Where are they based out of, and what sectors have they invested in previously? And do they have a particular time frame for this acquisition?

I: The client is a PE firm based out of US and has previously invested in the start-up tech space in the US. They are looking to acquire the chain of schools within the next 2 years.

C: Alright, can you also tell me something about the chain of schools?

I: It is a chain based out of tier-1 and tier-2 cities in South India and accommodates students from kindergarten to class V. They cater to children from higher income class families.

C: Got it. What is the current growth rate of the chain of schools and how does it compare to the market?

I: The growth rate of this chain is in accordance with the industry standards.

C: Okay. So, I would like to analyze the case on two aspects- the market outlook and the company outlook. Within the market outlook I'd like to look at the market size, the target market share, the market shareholders, and finally the risks associated with this investment. In the company outlook, I'd like to look at the financial, operational, sales & marketing, and other administrative aspects of the chain of schools. Is there something in particular that you would like me to start with?

I: We can start with sizing the market for the school.

C: *[Guesstimate as shown in the flowchart]* The market that we are targeting for the school is about 2 million students from high income families of urban tier-1 and tier-2 cities in India.

I: That sounds about right. Now, the firm has analyzed the chain of schools and understood that the profitability of the chain of schools is higher as compared to the other schools. Can you explain why that might be?

C: Sure. For this I'd like to understand if there has been any spike in the revenue generated or any reduction in costs that the chain of schools is looking at?

I: There has been no additional revenue generated, it's on par with the competition.

C: Then would it be safe to assume that there has been a reduction in the costs incurred?

I: Yes, go ahead.

C: Here, I would like to look at the various costs involved- fixed, variable, and exceptional. Under the fixed costs header, I would include the land cost, infrastructure and equipment cost, and salaries paid to the employees. In variable cost, I would include the water and electricity costs, and wages paid to workers. I would also consider any legal costs incurred under the exceptional header. Has there been a change in any particular cost that I have mentioned?

I: Let's discuss about the salaries cost.

C: Okay, the cost incurred in paying the salaries can be broken down into the salaries paid to teachers, staff, and management. These salaries can be further broken down into the number of employees and the average salary paid. Do you think I am missing out on something here?

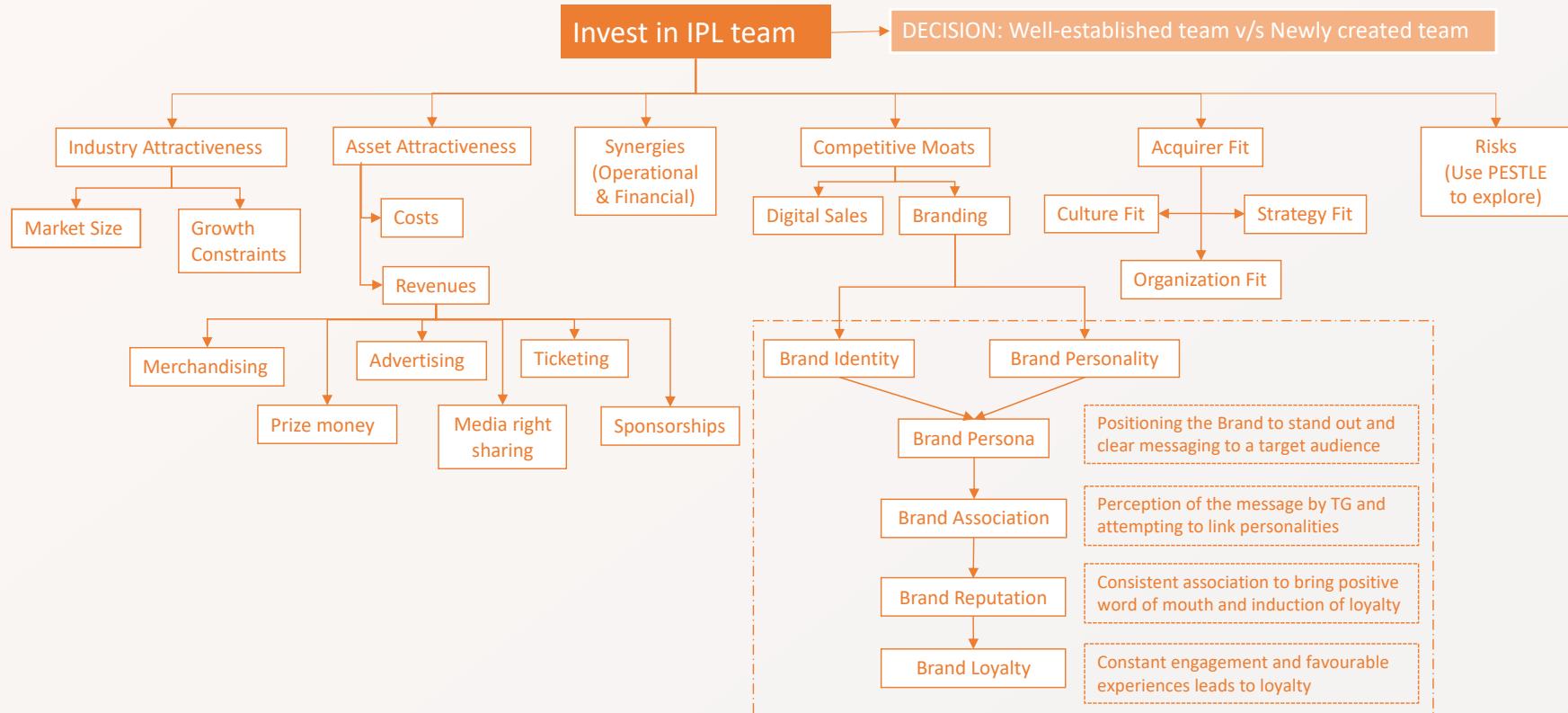
I: No, this is good. The average salary paid to the teachers is as per the market standards. Additionally, they have also noticed a slight increase in the infrastructure cost. Can you analyze why?

C: It seems to me that the number of teachers employed has reduced while the infrastructure cost has gone up marginally. This could be because the chain of schools is undergoing a major transition to the hybrid/online mode of teaching. This would reduce the number of teachers required, as classes are now recorded and distributed to the students. However, this will also attract some equipment expense for the set-up of the computers and the necessary software.

I: You're right. We can close the case here.

**Case Statement:**

Your client is a P&E firm, and they are looking to invest in an IPL team. Devise a strategy to triple their revenues in 3 years timeframe.

**Case recommendations**

- There are many nuances to this case, one can rely on the standard framework and extrapolate it to this case, but it is important to identify all the factors and segment them.

I: Your client is a P&E firm, and they are looking to invest in an IPL team. They are primarily looking to triple their revenues in 3 years timeframe. Let's start discussing by exploring what can be the key levers to their growth before asking for any information. Post that, we can explore on how they should go investing in it?

C: (Reiterates PS, then..) Discussing levers to growth, I would like to explore them in those that are derived from the IPL team's internal environment and those due to its functional external environment. For analyzing the investment decision, I would explore the attractiveness of the industry, ways to create competitive moats, and potential risks. Can I go ahead with this approach to enlist and discuss them in detail?

I: Sure, this approach sounds great. Go ahead.

C: When I mean to refer to the internal environment of the IPL team, I was including the management structure, quality of support staff (for players and decision-making) and sound financial status (e.g. debt holdings, equity shareholdings, profitability). In the external environment, we need to look at the performance of the team in league, the existing fan base, presence of marquee players, merchandise and ticket sales and advertising efforts across media when discussing growth possibilities.

I: Great, it sounds comprehensive. You can start rest of analysis and ask any questions you have.

C: I would like to know more about the IPL setup currently i.e. number of teams, profit splits across teams, and popularity of teams. Further, I would also like to know more about any financial constraints and other objectives especially in long-term sought out by client.

I: Good you pointed these. The selected IPL team should give high growth for the next 5-6 editions of IPL and IPL 2022 template can be taken as a reference. Also let's discuss on which can be a potential target to invest for client: Established Team like Mumbai Indians/ Mid Table teams like KXIP/ New team like LSG.

C: Sure. Based on my understanding, as growth in multipliers is expected for revenues over a considerable period, the best option seems to be to invest

C: Then would it be safe to invest in a new team and build it from scratch relevant to changing fan preferences and carve a loyal fan base via offerings, marketing efforts, marquee player buys, etc. The other option can be to take a mid-table team and analyze their shortcomings in performance and outreach and implement steps to improve on them to develop more engagement with their fans.

I: Comprehensively stated. With the information given, can we proceed with the analysis? Assume that IPL is already well established and is expected to stay lucrative in long run too.

C: Sure. I would like to analyze the attractiveness of investing in an IPL team, followed by looking at the brand building process and analyzing key risks to achieving the targets. Is this approach fine going forward?

I: Sure. Let's restrict our discussion to the attractiveness of the team and risks involved in the process

C: Okay, so, then, I would like to first delve into looking at the attractiveness of investing in a new IPL team by looking into revenues and costs that the decision may bring onto the investor. Is there any area that I need to focus on during the analysis?

I: Let's focus on the revenues of the prospective IPL team predominantly for the analysis. Go ahead and discuss the revenue streams

C: The major revenue streams for an IPL team are sponsorships, media right sharing, merchandise sales, ticket revenue sharing with BCCI, Prize money (as a function of performance in the league) – arranged in decreasing order of relevance to an IPL franchise. Anything specific that we can pickup and take a deep dive into?

I: Comprehensively put. The client is looking for an IPL team that can give high returns in merchandising-related revenue aspect. For reference, take a well-established team like MI to make 150 cr+ in merch sales. The new selected team, let's say, has projected sales of 20 cr in first 1-2 years. How do we boost it by 5x in next 2-3 years or so?

C: Got it. So, a team like MI has a widespread loyal fanbase and I believe it makes maintaining such a high volume of merchandise sales easier. Hence, I would like to explore the ways our invested team can build a loyal fan following predominantly via brand image creation to get the sought-after multiplier growth. For it, I propose to divide the financial year into Just before IPL > During IPL> Just after IPL> Rest of the Year and look into possible strategies that can be followed at each stage.

I: Sure, sounds great. We can look at the brand-building exercise as suggested in stages.

C: Ok. In the time period just before IPL, the focus should be on creating buzz and focusing on consumer activation, and helping recall via digital media- TV Ads, Internet, YouTube, etc. and traditional media-Newspaper, Posters, packaging, etc.,& introducing marquee players.

Also, during IPL the initial efforts must be continued and delivered upon with increased efforts on the lines of ensuring engagement via incentivization and continuous recalling of the team and their progress in IPL (e.g., react, participate and win on the scores scored- Swiggy, Sunstone Scholarship, etc.).A focus on advertising to boost ticket sales via tie-ups, loyalty programs promotions needs to be brought here at this stage.

Post-IPL, the exploits of the team must be spread further to attract enthusiasts and remind loyal watchers of their favorite moments in the short run. In the longer run, engagement must be done primarily via social media posts, and occasional TV & paper ads over the rest of the year to keep the buzz going and engage larger audiences.

I: Great. Do you think that target is feasible or too steep? Give reasoning based on your understanding of the cricket viewer market in India.

C: Sure. The merchandise sales are directly related to engagement quality, the popularity of the team, and the presence of marquee players. Given the tight schedules of the cricketing season and the presence of teams like CSK&MI with a strong and rich IPL legacy and fan base across the nation, it is indeed difficult for a new team to carve out a sizeable loyal fan base quickly with 1-2 years.

I: Correct. So, we can continue with the analysis and suggest what should the team focus on?

C: Sure. At start, the team should start acquiring players at auction who have excellent fan followings or are potential match winners. There needs to be an aggressive digital marketing campaign to attract customers to the Website/app to purchase merchandise. Also, tie-ups need to be set up to procure, sell and promote merchandise in modern trade outlets. The product mix design for merchandising also needs to be kept in mind and varied as the team gains popularity over time (start with more of lower cost items initially – keychains, badges - along with the official team kit and later keep on adding items such as memorabilia, collectibles, special edition merch. etc.).

At a later stage on the development of a stable purchaser base, the merchandise range can be expanded to areas such as training kits, exercise jackets, seasonal wear, etc. This I believe will help to maintain buzz and create engagement even in the period between the seasons.

I: Nice. Can you enlist your framework & KPIs for short-term and long-term for boosting merchandise sales to conclude the case.

C: Sure.

#### In the short-term (1-2 years):

Invest in Crowd pulling players > Design content (theme song, logos, etc.) & look for exclusive niches >Decide on merchandise mix to be sold > Invest in Digital Marketing >Estimate & Invest in setting up procurement> Monitor and Engage throughout the year

**KPIs:** Impressions, CAC, Bounce rate, Reshares (for posts), Sales Growth

#### In the long-term (2-3 years)

Track and monitor market response to merchandise > Expand Merchandise Product Mix if needed > Engage in special and seasonal events/sales of merchandise > Develop tie-ups/loyalty programs to create regular buyers of merchandise

**KPIs:** Sales across Mix, CLTV

I: Excellent. We can end the case discussion now.



# MERGERS AND ACQUISITIONS

I: An Indian electronic hardware company 'A' has merged with a foreign electronic hardware company 'B'. Should the brands be merged? What should be the plan for the existing employees? Should there be 2 sales heads be employed?

C: I would like to understand the pre-merger business models of both the companies. What is the product portfolio of both the companies?

I: Both the companies are dealing majorly in electronic switches.

C: Understood. Who are the customers base we are catering to?

I: Both the companies operate in B2B and B2C market. However, for this case you can consider only the B2C portion of the business.

C: Okay and pre-merger, did both the companies have sales team and what was the hierarchy? What was the price range and quality of the switches for each company?

I: Both the companies had a well functional sales team with a sales head at the helm. Company 'A' operated in the price range of Rs. 20 – Rs. 50 while Company 'B' operated in the price range of Rs. 30 – Rs. 100. Company 'A' deals in non-premium switches only while Company 'B' deals in both premium and non-premium switches.

C: Is the Indian company 'A' have enough experience in the Indian market? Has the Foreign company 'B' already doing business in India?

I: With these case facts in mind, answer all the questions posed earlier.

C: So, the approach to the first question in my opinion should be that

- The products in overlapping price range should be merged to reduce the number of SKU's. The non-premium switches to be clubbed under the same brand.
- The premium switches should be sold under a different brand name to maintain the value attached to it.

In short, less SKU's at lower cost and wider SKU's range under the brand would optimise the market strategy.

I: Can you gauge the effects of having both affordable and premium switches in the same brand segment.

C: As I understand it, to allude to the exclusivity of the premium switches we can probably launch these under a different brand name. Since the higher priced SKU's come from the former foreign parent company, it is likely to add to the premium quality image

I: Okay how would you approach the second question pertaining to the plan for existing employees

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C: If we have an option, we should look to reduce the sales team. Further, the sales team should be segmented based on the reduced number of SKU's depending on their experience in that SKU and the general market experience of the Sales team.

I: Okay and what is your approach to the last posed question.

C: Lastly, only one Sales team head should be maintained who should ideally be from Indian Company 'A' because he/she might have a better knowledge of the Indian electronic hardware market given the prior experience. The Sales head of Foreign Company 'B' should be moved to another functional role.

I: Thank you, I think we are done.

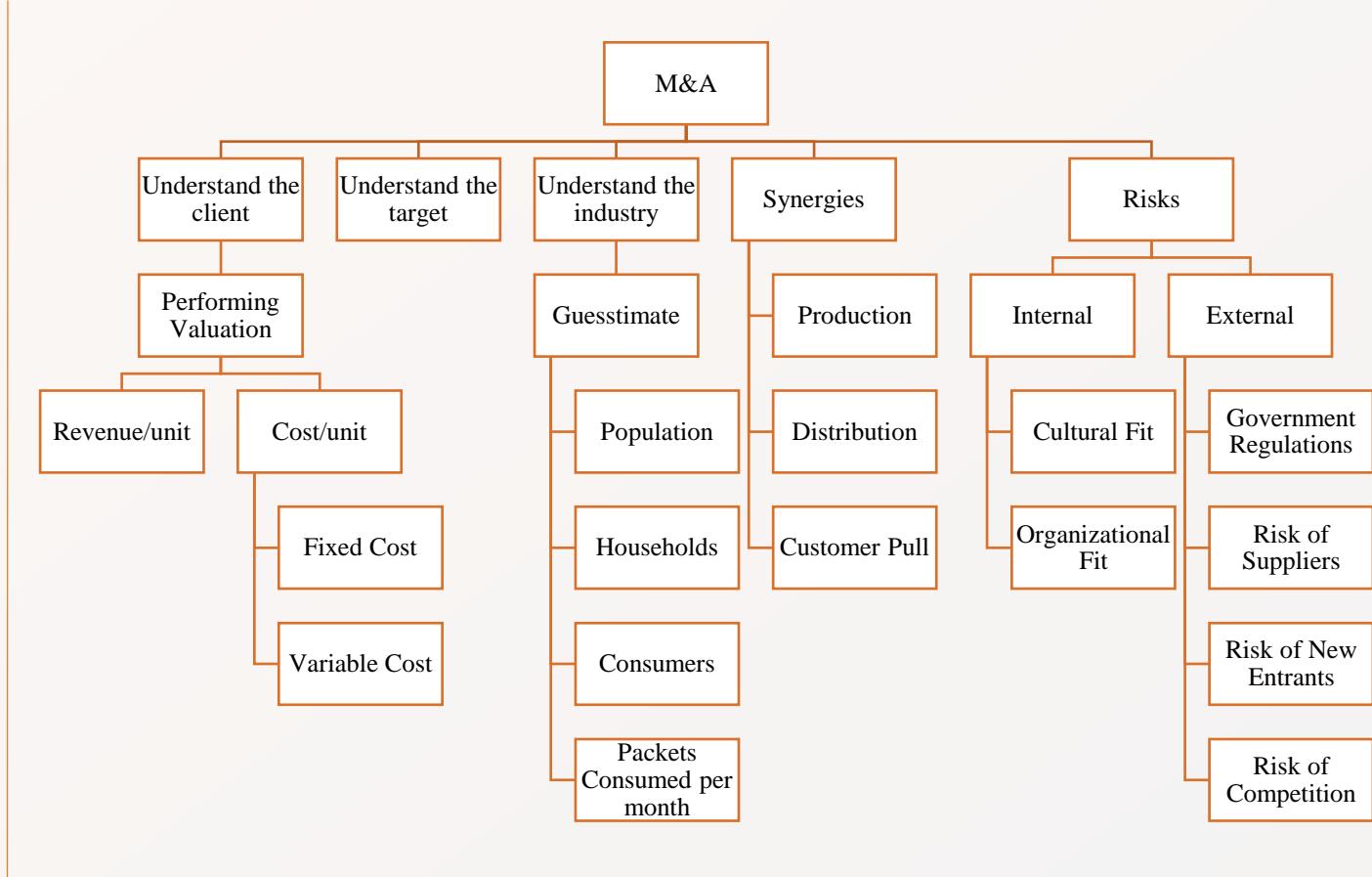
Particulars	Company A	Company B
Origin	India	Foreign
Segment	B2B &B2C	B2B &B2C
Price Range	Rs. 20 – Rs. 50	Rs. 30 – Rs. 100
Sales Team	Yes	Yes
Sales Head	Yes	Yes

**Case Statement:**

Your client is a snacking peanut manufacturer and they wish to acquire a snacking almond manufacturer. You have been asked to help them with this.

**Background Information**

- **Client:** Located in Seattle, manufactures 1 kind of peanuts sold at \$2 per packet. Customers lie across the US. Amongst the top 4 players.
- **Target Company:** Almond manufacturer in NY. Produces 1 kind of Almonds and amongst the top 5 players in the industry.
- **Rate of Growth of the Industry:** GDP+4%

**Case tips:**

- Being aware about major economies like the US.
- Talking about risks gives brownie points
- Being aware of simple concepts like Time Value of Money (TVM)

C: So, I have a few questions about our client first. I'd like to understand, where exactly is our client located, how does our value chain look like, who are our customers, how many product SKUs do we have, what market share do we hold and finally why do we wish to acquire this almond manufacturer?

I: Our client is present in Seattle, US. We manufacture only one type of salted peanuts which are then packed and sold through third-party distributors. We sell the peanuts at \$2 per packet and our customers are spread across the entire eastern US market from all income segments, given our products aren't that expensive. Additionally, we are amongst the top 4 players in the market. Profit maximization is our aim with this acquisition.

C: Okay, I feel I have enough knowledge about the company. Now I would want some information about the Almond manufacturer. How exactly does their value chain look like, where are they located, who are their customers, how many product SKUs do they have and how much share do they hold in their category?

I: They are located in New York, USA. Having only 1 SKU, they cater to people across all income segments throughout US. They manufacture themselves and then sell through their own outlets. They are amongst the top 5 players in the segment.

C: Understood. Next, I would like to understand something about the dry fruit snacks industry and the almond industry in particular. Is it a lucrative industry and at what rate does it grow?

I: Good. So the dry fruit industry is growing @GDP + 1% while the almond industry is highly lucrative, growing @GDP + 4%.

C: Noted. Now that I have decent knowledge about the company and the Industry, I want to understand the valuations at which we plan to acquire the company. Is there any data that you have available that would help me in calculating the acquisition price?

I: Yes, good question. We shall be using profits as a metric and we wish to get a payback in a period of 4 years. You can ignore the time value of money. Now I want you to calculate the profits, given the variable cost of producing almonds is \$1, the selling price is \$3 and fixed costs are \$100,000.

C: Okay so now I would have to find out the market size for the almond-eating population in the US. For this, I'll take the population of the US, divide it into households since almonds are purchased majorly by houses, take a certain proportion of houses that consume almonds, divide it into income levels and finally take a certain number of packets they will consume per month and hence per year.

I: Good approach. Assume that the number comes out to be around 200,000 people that we can target and capture.

C: Okay so this gives us \$300,000 in the first year of operations. Taking a GDP growth rate of 5%, so almond industry @9% implies 327,000 in 2<sup>nd</sup> year, 356,430 in 3<sup>rd</sup> year and lastly 388,508 in 4<sup>th</sup> year. Ignoring TVM, we get \$1,371,938 as the acquisition price that we can actually pay. Next, we can look into budgetary constraints, if any.

I: Makes sense. Ignore the budgetary constraints for now. What other things would you like to look into.

C: Yes. Synergies in terms of operations i.e., in terms of Production, Distribution and Customer Pull. We'll have savings throughout the value chain, from production to storage as well as packaging. We can get newer Channels of distribution since the almond manufacturer has its own stores. When we talk of creating demand, we can have a merged brand, better product categories, a better marketing team and so on. We can even cut down on admin-related costs by downsizing the departments that we have.

I: Good pointers. Any last few things that you would like to look into before we close the case?

C: Yes, every M&A transaction involves a lot of risks. I'll break risks into internal and external. Internal risks would involve risks relating to any cultural fit issues, organisational structural fit issues etc. External risks would include risks of Government Regulations like those of CCI in India, then risks of suppliers, threats of competition and new entrants etc.

I: Nice. That's all that I wanted. We can close the case now.



## HR Cases

**Case Statement:**

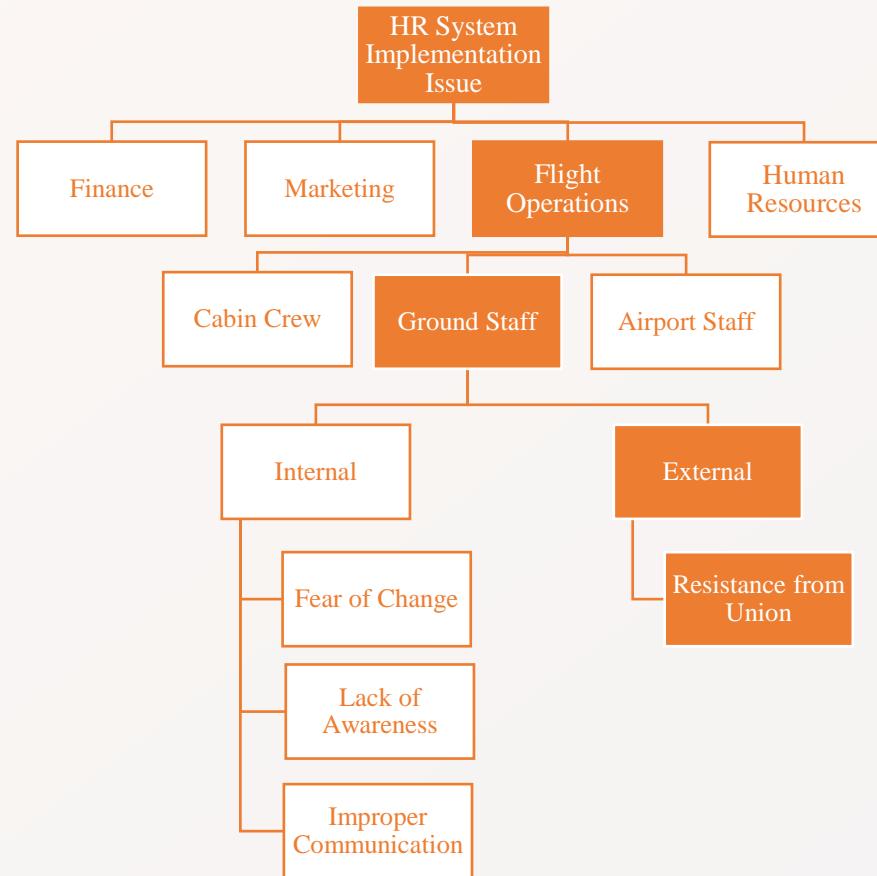
Your client is a multi-national airline company. It's trying to implement a new HR System but it's facing resistance from its employees. You are the CHRO of the MNC. What should you do?

**Background Information**

**Client:** MNC Airline Company

**Service:** Cargo & Passenger Carrier

**Objective:** Implement a new HR System

**Case tips**

- The case majorly dealt with structuring and identifying where to get the data from.
- There is no right or wrong answer in this case, just back up your answer with good reason.
- Focus on identifying the core of the issue at hand and the structure with which you get to the solution.

I: A multi-national airline company is trying to implement a new HR System but its facing resistance from its employees. You are the CHRO of the MNC. What should you do?

C: That seems like an interesting case. I have a couple of questions to understand the situation a little bit better. What exactly is the new HR System about? Can you please elaborate further?

I: The HR Management System is an HR Software aimed at managing human resources and related processes throughout the employee lifecycle.

C: Where is the client operating?

I: The client is operating across the globe.

C: Is the issue specific to any location or is it present across all the countries?

I: The issue is primarily in Indonesia only. Now that you have all the relevant information, how will you proceed further?

C: So I would like to segment the organization as per the different departments. The different departments in an airline company would be Finance, Marketing, Human Resources, and Flight Operations. Does this seem like a comprehensive list or am I missing out on something?

I: You have covered all the relevant ones.

C: Do we have any data about whether employees in any particular department are facing this issue? Or this issue is prevalent in all the departments?

I: Employees in the Flight Operations are facing this issue.

C: Okay. Now that I have identified the department, I would like to segment the employees further under three major heads: Cabin Crew, Ground Staff, and Airport Staff. Is any specific group out of these facing the issue?

I: Only the ground staff are facing this issue. Now that you have identified the group of people, can you think of some possible reasons for the same?

C: Possible reasons for the same can be internal or external. Internal reasons would include fear of change, lack of digital awareness or skills to understand the HRMS, and improper communication from top management. My hypothesis is since all the other employees are not facing this issue, the reason being improper communication is very unlikely. Apart from these, resistance from the Union can be an external reason.

I: That's great. The company is facing resistance from the Union regarding this change. Now, that we have identified the issue, how would you like to proceed further?

C: Solutions to the issue can be either short-term which would be temporary fixes or long-term which would be aimed at solving the issue entirely. Short-term solutions would include breaking the union, implementing pay cuts, and laying off dissenting workers. Long-term solutions would include either changing the system or engaging in collective bargaining with the union.

I: Those are some great solutions. Which one would you like to go ahead with?

I: I would like to engage in collective bargaining with the union as it would be the most mutually beneficial step.

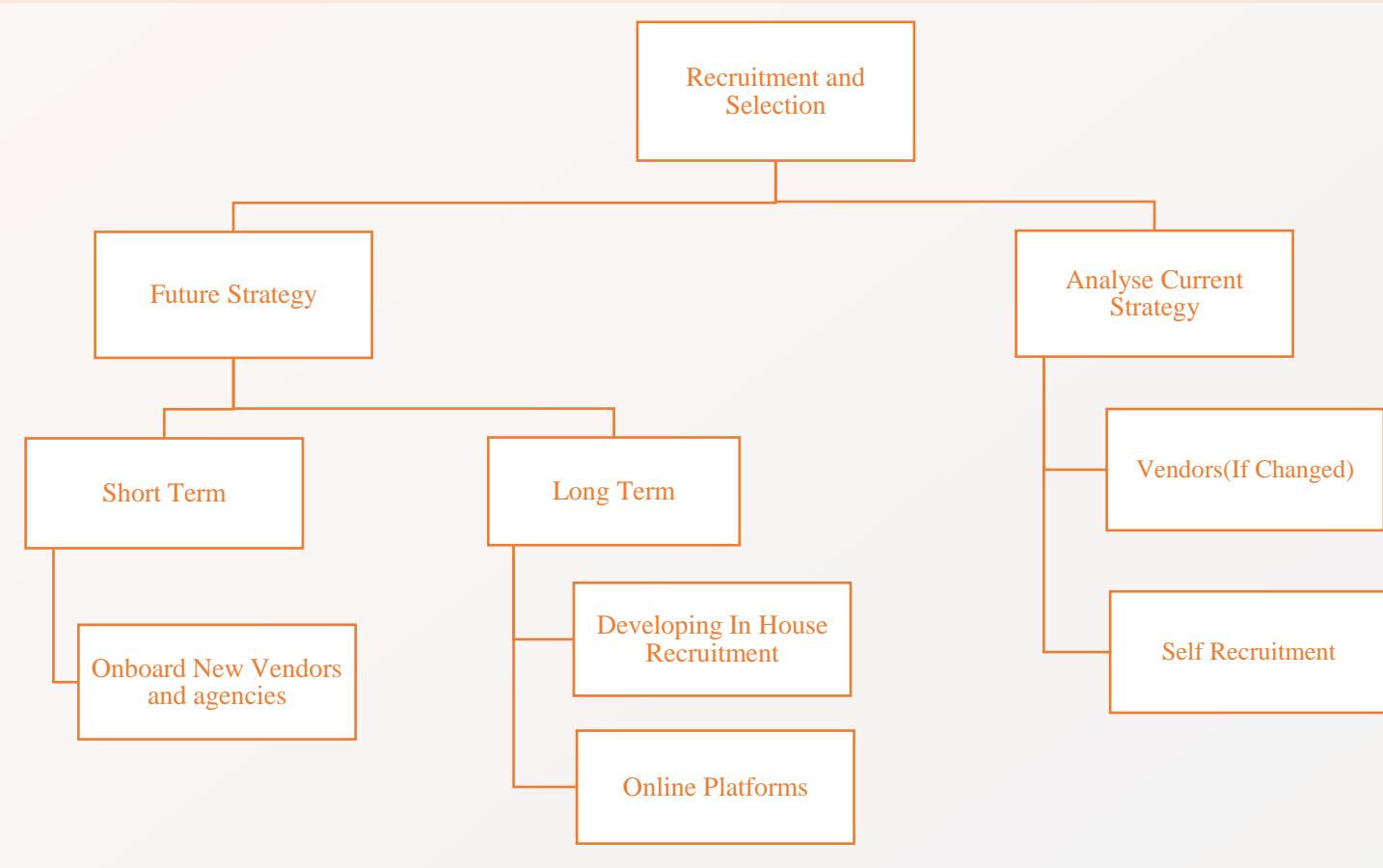
**Case Statement:**

Your Client is a small-scale servicing company in the IT sector (like a micro TCS). The company's current workforce is 3000-4000. The company has 1000 billable positions vacant for diverse skill sets. However, only 500 positions are getting filled. Analyze and recommend a plan of action.

**Background Information**

**Client:** IT sector Client is looking for a skilled and diverse workforce

**Objective:** Identify issues with respect to selection and recruitment and suggest an action plan for the way forward.

**Case tips**

- The case majorly dealt with structuring and identifying where to get the data from.
- There is no right or wrong answer in this case, just back up your answer with good reason
- Focus on identifying the core of the issue at hand and the structure with which you get to the solution.

I: The company is a small-scale client servicing company in the IT sector (like a micro TCS). The company's current workforce is 3000-4000. The company has 1000 billable positions vacant for diverse skill sets. However, only 500 positions are getting filled. Analyze and recommend a plan of action.

C: How recently have the positions been open? Is this an issue we have been facing for a long through multiple recruitment cycles or is this the first instance?

I: This is happening for the current recruitment cycle only.

C: We need to analyze the recruitment and selection journey at multiple points across Attraction, Selection, and Retention. To study if the issue of inadequate hiring is due to qualitative or quantitative reasons, can I know how many candidates are present in the recruitment pool for the open position?

I: The number of candidates in the recruitment pool is around 800.

C: The number of candidates in the recruitment pool is less than the number of open positions. This indicates that the issue is quantitative. We need to look at the recruitment channels.

I: Can you tell me a list of the various channels that the company may have?

C: We can recruit internally within the company through referrals and internal postings. Recruitment can be done externally as well using Online platforms, Vendors, Careers pages, Job Fairs, Print/TV/Radio advertisements, Campus Recruitment, etc. What recruitment channels does the company use?

I: The company always relied heavily on the vendors for getting talent.

C: Has there been any change in the vendor recently before the positions were opened?

I: Yes, the vendor was changed recently after the contract with the previous vendor ended.

C: The new vendor is unable to satisfy the requirements. This could be due to factors outside of the vendor's control or because of the inability of the vendor. Firstly, analysing the tangible aspects of the job opening such as job requirements (years of experience, education level, required specializations/certifications, etc.), compensation, location, etc. Is there any change in the same?

I: No there has not been any change.

C: Also we should analyze the Non-tangible aspects. Is there any change in the leadership in the organization?

I: No, the leadership of the organization has not seen any change as of late.

C: Has the company been on the news/social media for any issue recently or has there been any bad publicity recently?

I: No. That does not seem to be the case. Also, there has been no change in any of the aspects.

C: In that case, the vendor is unable to meet the requirements.

I: Sounds good. Can you give any recommendations?

C: As a short-term solution, the company should access the market for a suitable vendor and change the vendors. In the long term, the company should reduce the dependency on vendors and look towards other options to attract talent. The candidate pool in the IT sector largely uses online platforms for finding jobs. Hence, the company should make the shift towards online recruitment from platforms like Naukri.com, LinkedIn, indeed.com, etc.



# GUESSTIMATE

# GUESSTIMATE FACT SHEET

Stats	India	City	Population (millions)
GDP	₹ 135 lakh crore	Delhi	30
GDP per capita	₹ 85,000	Mumbai	22
GDP growth rate (2019)	4%	Kolkata	15
Below poverty line	25%	Bengaluru	12
People in household	4	Hyderabad	10
HDI	Medium	Jamshedpur	1.6

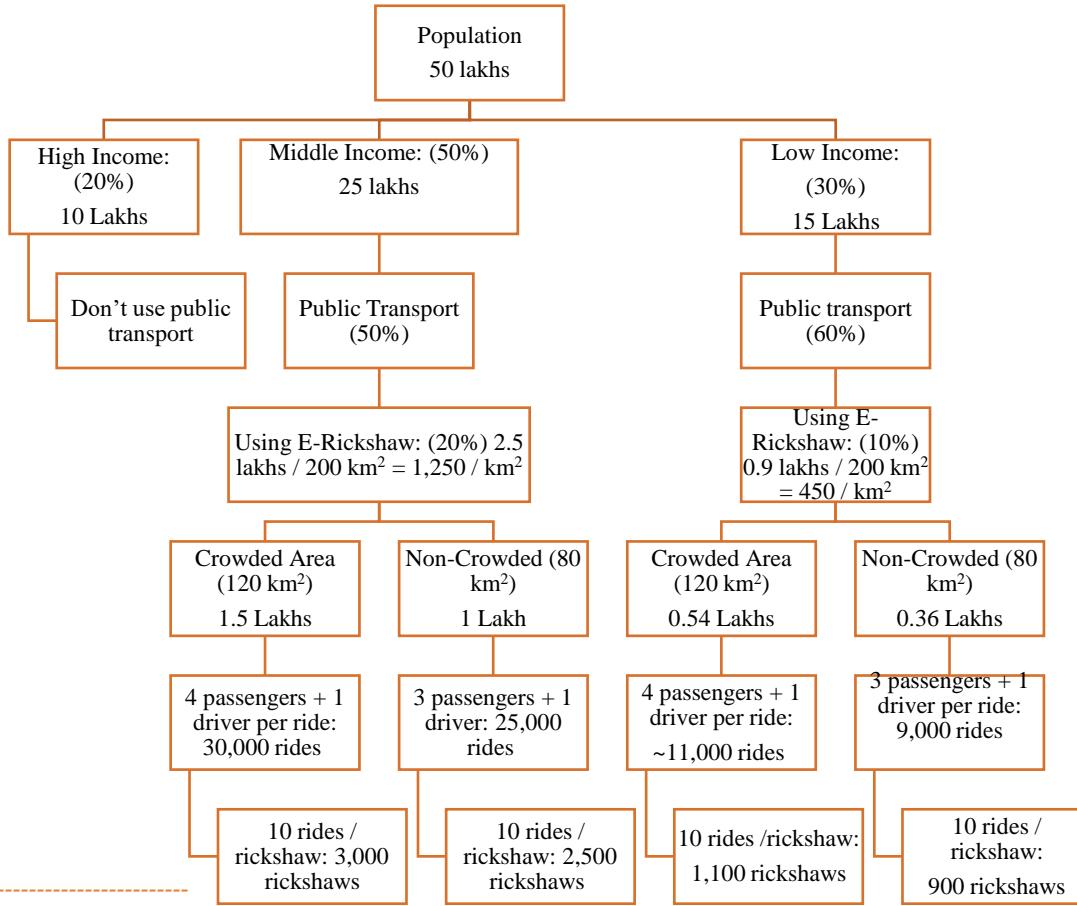
Stats	India	World
Population	1.4 Billion	7.8 Billion
Life expectancy	70 years	73 years
Sex ratio (F:M)	940:1000	990:1000
Vegetarian	30%	10%
Urban	35%	55%
Internet penetration	40%	60%
Literacy rate	70%	85%
English speaking	15%	20%

**Case Statement:**

Guesstimate the total number of e-rickshaws in Kolkata

**Background Information**

- E – Rickshaw: Typical tuk-tuks (totos) seen in cities these days.
- New replacement for cycle rickshaws in the city.
- Cycle rickshaws are 2 seater and pedal-driven or hand pulled.
- E rickshaws are 4 seater and driver by electric motor.

**Case tips**

- Include the crowding factor.
- No of rides / demand will be higher in areas with higher population density.
- Include multiple factors and make it comprehensive (not a linear approach).
- Basic BQs ( tell me about yourself and why is consulting of interest).

$$3,000 + 2,500 + 1,100 + 900 = 7,500 \text{ E - Rickshaws}$$

C: Sure. By E- Rickshaws we are referring to the typical totes that have become popular in some cities right.

I: Yes. You can imagine the usual cycle rickshaw. However, this will not be a 2-seater but a 4-seater and driven by an electric motor.

C: Alright. I'd like to go by the population approach. Considering the population of Kolkata to be around 50 lakhs. Will that be a fair start?

I: Okay. Go on.

C: Then I would split the population by the income in the high, medium, low categories with a 20%, 50%, 30% split respectively. In the middle-income category 50% would use public transport and in the low income 60% would use public transport. Thereof, 20% and 10% respectively might go for E- Rickshaws. Next, I'd look into the number of rides and try to arrive at a figure. I'd request you to let me know if I am missing something.

I: Don't you think the approach is a bit linear. You can try to consider factors like the demand for this vehicle.

C: Sure. In that case, the population density can be factored in. May I proceed by taking an area of 200 km<sup>2</sup>.

I: Sure.

C: (Obtained the population density) I'd assume a larger chink to be crowded in the city so roughly 60% of the 200 km<sup>2</sup> will be crowded and will have e – rickshaws at full capacity while the non crowded places will see roughly 3 passengers on an average. Then I would take a horizontal 10 rides per rickshaw per day assumption and calculate.

I: So what is the final number?

C: (After a calculation break) I'm getting a figure of roughly 7,500 E- rickshaws in the city.

I: Alright. That will be all. We may close now. Thank You.

C: Sure. Thank you so much.

## (alternate solution)

C: Before I begin, I'd like to ask a few clarifying questions.

I: Sure.

C: If I understand correctly, e-rickshaws are 3-wheelers that usually commute smaller distances, say max 2-3 kms at a stretch.

I: Yes, that's right.

C: Do you want me to estimate market size in terms of units or value?

I: Units.

C: Is there a particular timeline we are looking at or the number of units on road as of today?

I: The latter.

C: Sure, lastly, what is the average life of an e-rickshaw?

I: Assume it to be 5 years.

C: I would like to elucidate my approach first. To estimate the market size for India, I'd like to take proxy by estimating for a tier 1 city and a tier2/3 city. I will extrapolate those numbers for the entire of India using the adequate weights.

I: Sounds good!

C: I will start with Delhi since I am most acquainted with this place. As per my knowledge, these vehicles usually are available around metro stations, bus stops and local busy markets.

I: You can ignore market areas.

C: Sure, there can be two approaches to estimate this. The demand side wherein I'll see the number of people who commute via these public transports and use e-rickshaws, and the supply side wherein I'll use data regarding the number of e-rickshaws on road when they were introduced, the annual average growth rate coupled with the average life of an e-rickshaw

I: You may proceed with the demand side approach.

C: Sure, for Delhi, I would estimate using the following levers: First divide the population into income classes as this would help me analyse the modes of transportation, then bifurcate by age group. Thereafter I will see different modes used by people for commute. Here I'd take different time stamps- peak and non-peak hours to determine number of people using say a metro at a point in time.

Once we have number of people travelling in public transport and given that an e-rickshaw can include 4 people at a time, I'll get the number of e-rickshaws in Delhi.

I: Makes sense.

C: Lastly, I will extrapolate this to estimate the size in all tier 1 cities in India and follow similar process to estimate for the Tier2/3 cities.

I: Sure, we can end the case here.

**Case Statement:**

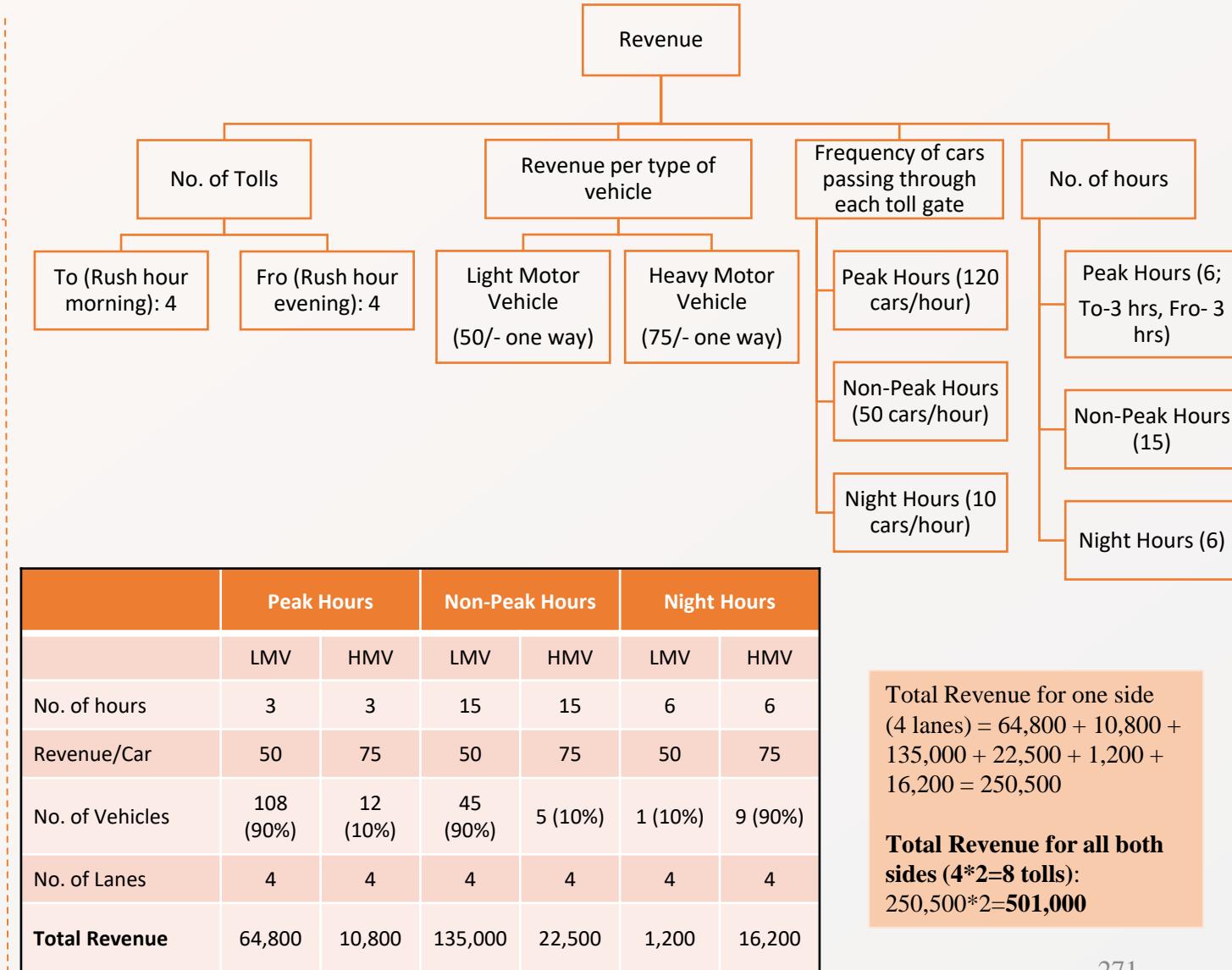
Estimate the revenue for Bandra-Worli sea-link on any given day.

**Background Information**

- Place:** A toll-bridge in Mumbai with 8 tolls: 4 for each side of travel
- Product:** Only 4-wheelers

**Case tips**

- Supply side approach optimum for the problem
- One car assumed to take 30s to travel through a toll gate in peak hours (**120 cars/hr/toll gate**). This baseline was used to estimate frequency of cars in non-peak & night hours
- For peak hours and non-peak hours, LMVs were considered to constitute 90% of vehicle volumes and HMVs as 10%. The converse was assumed for night hours. (Note: The assumptions were validated by interviewer before proceeding with the calculations)

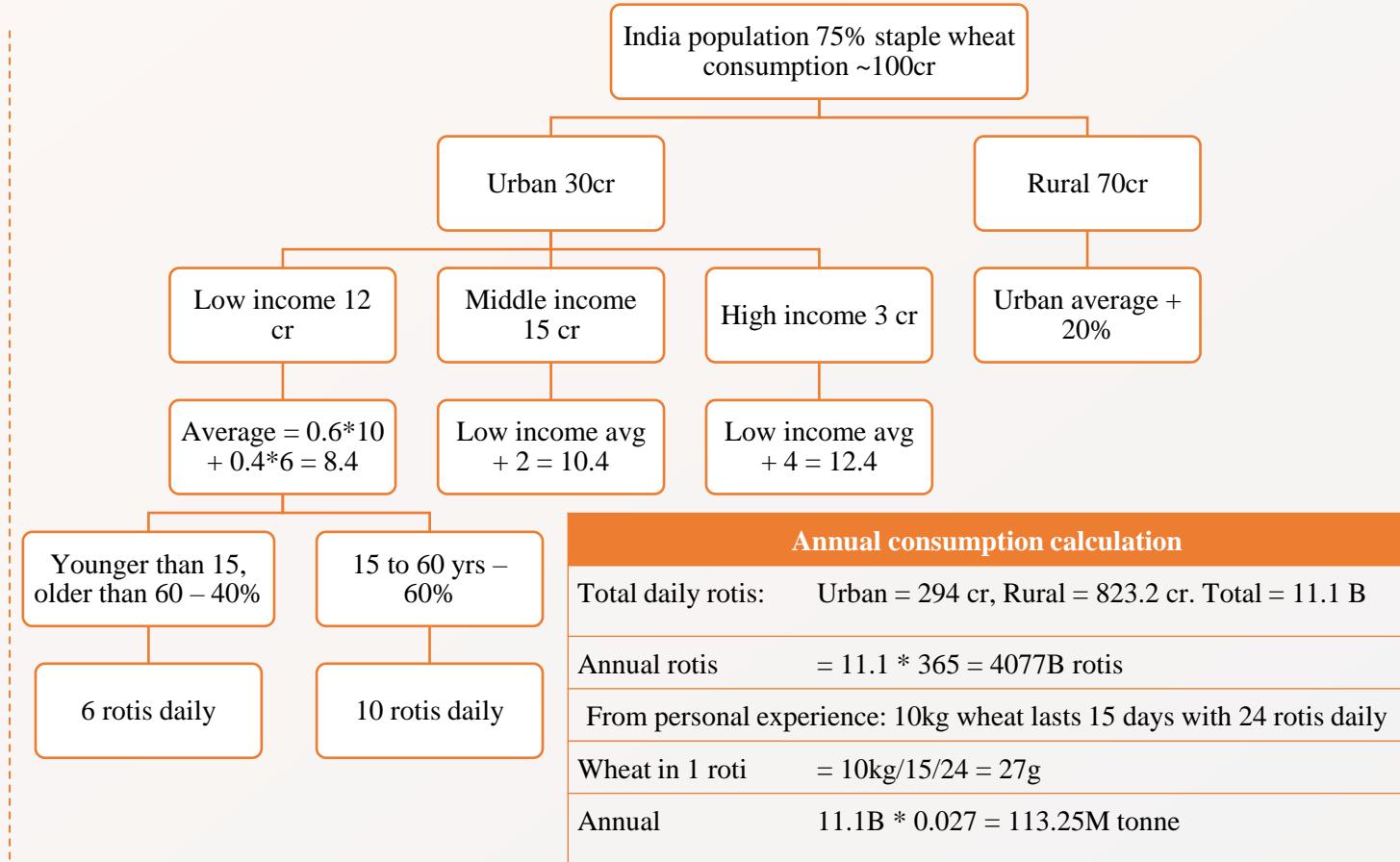


**Case Statement:**

Estimate the annual wheat production in India

**Background Information**

- **Product:** Wheat
- Assume consumption is sourced domestically

**Case tips**

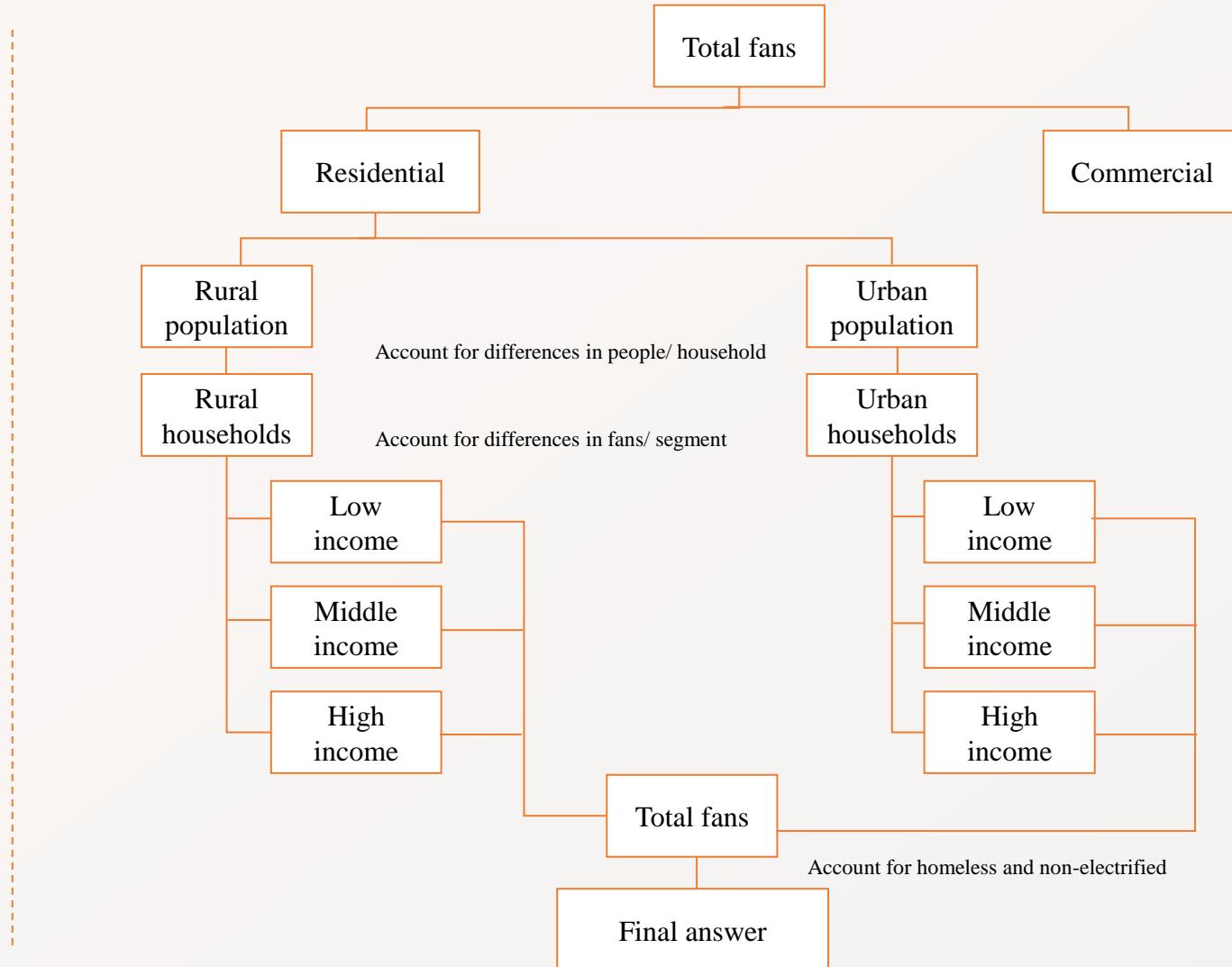
- Walk through the approach before you start multiplying the numbers at every stage. List the factors and weights you would be considering; in case you miss something, interviewer can easily bring it up. In case you are going into too many details, interviewer can point that out as well.
- Estimating wheat from "roti" was essential, the approach was appreciated by the Interviewer. Most guesstimates have this part where you can estimate something from daily life.

**Case Statement:**

Can you estimate the number of fans in India currently?

**Background Information**

- Ceiling fans
- Only residential



C: Sure sir, are we looking at any particular type of fan like ceiling or table? Or should I consider all types of fans?

I: Let's focus only on the ceiling fans for the scope of this problem.

C: Understood. Breaking the problem down, the 2 types of establishments that we can consider are 'Residential' and 'Commercial'. Since majority of commercial establishments are centrally airconditioned, for simplicity, can we focus only on the Residential aspect for now?

I: Sure! You can ignore the 'Commercial' aspect for the scope of this guesstimate.

C: So, I'll try to arrive at an answer by estimating the number of households in across demographics and then multiply them with an estimated no. of fans per household. Can I start with this approach?

I: Yes, please go ahead.

C: Assuming the population of India to be roughly 130 Cr, I would first split the population base into 2 major segments 'Urban' and 'Rural' with 30% & 70% split approximately. Is that reasonable?

I: Sure, carry on.

C: That translates to roughly 90 Cr people in rural and 40 Cr in the urban segment. Next, to arrive at the number of households, is it safe to assume average family size to be 4 and 6 for urban and rural households respectively?

I: Sounds reasonable.

C: Perfect! So that gives us 15 Cr rural and 10 Cr urban households approximately. Drilling down further, I would like to segregate these households on the basis of income level - Since it can significantly influence the house size and therefore the number of fans in the household.

I would like to break it into 3 types of income groups – High, Medium and low. Can I estimate the respective percentages to be 10%, 30% and 60% respectively?

I: Yes, you can do that, but tell me how would you define the consumption pattern of these income groups?

C: Sure sir, based on average no. of rooms in the household, I would roughly estimate the following consumption rates (No. of fans per household) for the respective categories:

1. High Income (Urban) - 6
2. Medium Income (Urban) - 5
3. Low Income (Urban) - 4
4. High Income (Rural) - 3
5. Medium Income (Rural) - 2
6. Low Income (Rural) - 1

Now, I would multiply the consumption rates (No. of fans per household) with the number of households to arrive at the total number of fans. Shall I proceed with this?

I: I understood your approach, no need to do all the computations. Tell me one thing, after arriving at the final number, are there any further considerations you would like to make?

C: I can look at the product lifecycle of a fan (how frequently it is replaced) to estimate a yearly number?

I: No, that is not required. Anything else you might've missed on? Take your time to think.

C: Since we have considered the complete population base, I can probably adjust the final number for homeless people and also areas which are not electrified within rural segment?

I: Perfect! How would you factor that in?

C: For the sake of simplicity, I would take a 5% haircut on the final number to factor in the above considerations. Is that a fair estimate?

I: Sure, sounds good! We can close the discussion here. Thank you!

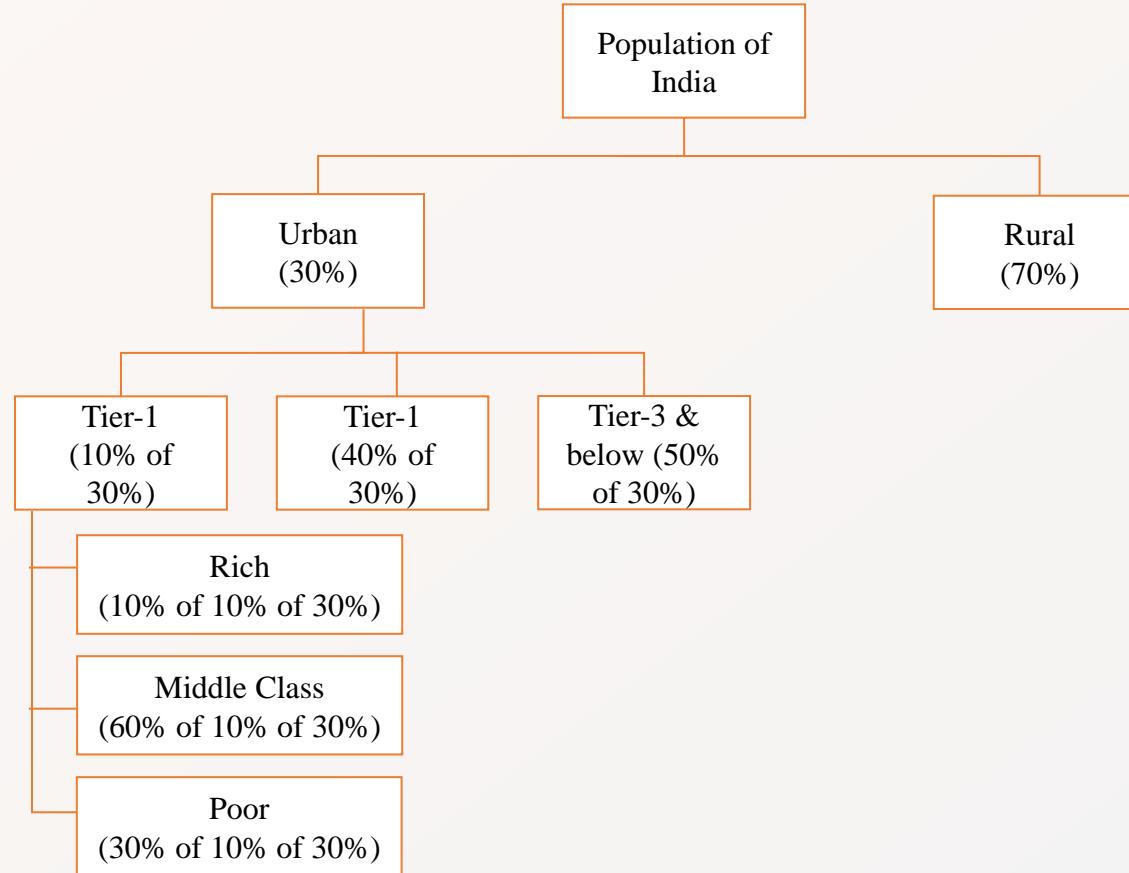
C: Thank you, sir!

**Case Statement:**

Client runs a chain of hospitals across India. They want to open specialized maternity care centers. Estimate the market potential and the number of centers to be launched.

**Background Information**

- **Client:** Current business model like Fortis
- **Competitor:** none (direct)
- **Service details:** End-to-end (pregnancy to couple's training to initial months nursing)
- **Price:** 4 lakhs per package

**Case tips**

- Urban/rural and income segmentation are some of the quickest ways to achieve an approximate number in a guesstimate approach.
- Clearly drawing the structure and mentioning the formula makes it easy for the I as well.

I: What is the motivation behind launching this service?

C: It is part of a long-term business expansion strategy. Competitors are offering the service in parts, but no end-to-end package exists.

I: How will you do market sizing?

C: •Start with Indian population. Segment into urban and rural market.  
•This kind of premium service should be targeted at tier-1 cities.  
•Further, rich people in tier-1 cities will be able to afford this kind of service.  
•This will lead to '0.3 %' of population of India.

I: This will help you identify the no. of individuals. How will you proceed further if official data can be directly accessed?

C: Client can directly access the data for child births per year across India, if

available.

And then target '0.3 %' of child births per year. This will help us identify the total market size that we can target.

I: We have identified the market potential. How to identify the no. of centers to be launched?

C: No. of centers = Child births per year (from above data)/365 divided by Child births/center/day (from current market understanding)

Child births/center/day will be dependent on factors such as size of client's facility, no. of doctors available, etc.

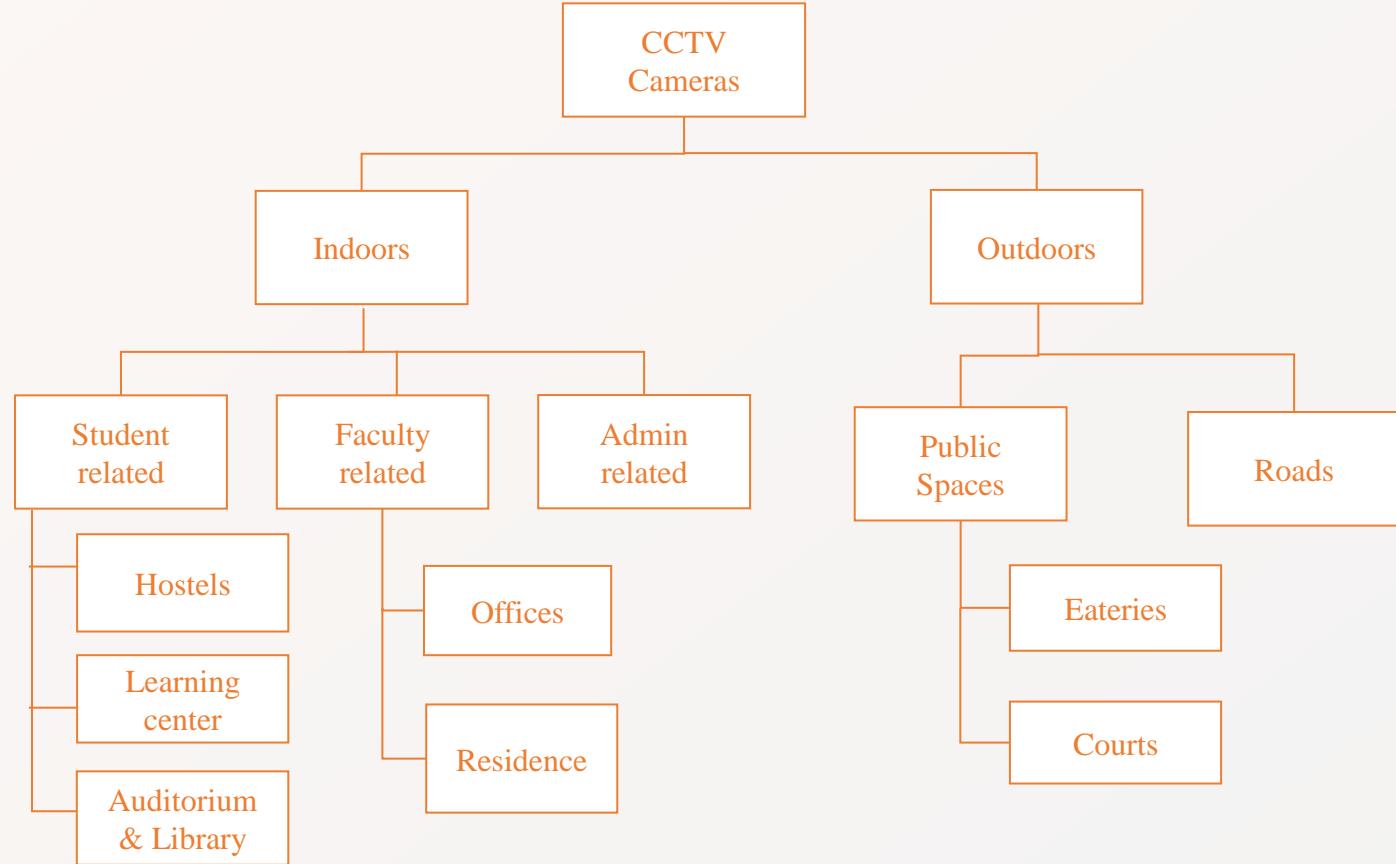
No. of centers should also be double checked against the total area of the city to ensure proximity of center in case of customer need.

**Case Statement:**

Guess the number of CCTV cameras that are installed in the campus of XLRI.

**Background information**

- **Area of XLRI :**  
200000m<sup>2</sup>
- **Area covered/camera:**  
150m<sup>2</sup>

**Case tips**

- Clearly drawing the structure and mentioning the segmentations makes it easy to visualize.
- This approach can be extrapolated to malls/other campuses/townships etc.

# CCTV Cameras in XLRI

I: Let's consider all CCTVs cameras in the XLRI Jamshedpur campus.

C: I would like to segment the usage of cameras into indoor and outdoor. Indoor would include all buildings that have cameras and outdoors would include the roads, eateries, courts etc. .

I: How would you like to segment the indoor usage of cameras?

C: I would like to segment the indoor buildings based on the primary users. People residing on campus can be segmented into three groups – students, faculty & admin. The students primarily use hostels, learning centers, library and the auditorium. The faculty use their offices and their residences. The administration uses their offices.

I: That seems like a fair approach. What kind of numbers are we looking at?

C: I would like to estimate the number with the following data and assumptions. We would thus have around 464 CCTV cameras in the Jamshedpur campus.

Place	Cameras installed
Hostels, IC & Exceed	2 cameras/floor * 6 floors * 3 buildings + 2 cameras/floor * 4 floors * 3 buildings = 72 cameras
Learning centre	2 buildings * 6 classes/floor * 3 floors * 2 cameras/class = 96 cameras
Faculty offices & Administration offices	240 cabins * 1 camera/3 cabins = 80 cameras
Faculty residence	100 houses * 1 camera/ house = 100 cameras
Auditorium & Library	~ 15 cameras
Eateries & shops	8 places * 2 cameras/place = 16 cameras
Sports facilities	10 courts * 2 cameras/court = 20 cameras
Roads	$200000/150 = 45 + 20 \text{ (miscellaneous)} = 65 \text{ cameras}$
<b>Total Cameras</b>	= ~464 cameras

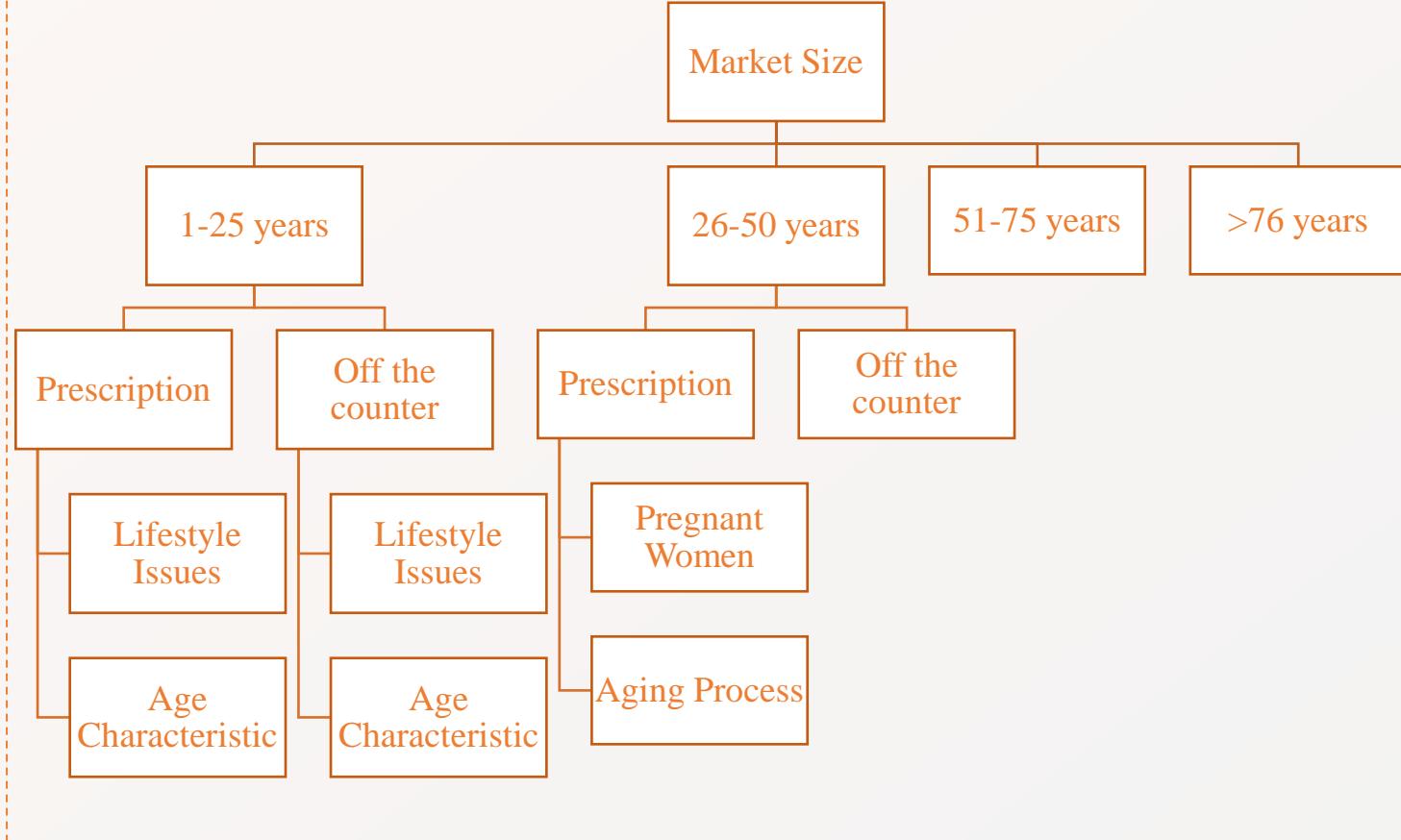
# Calcium Substitute Market

## Case Statement:

Based on your internship project, Let's do a small guesstimate to evaluate the size and valuation of calcium substitute market in India.

### Background information

- **Form of Substitute:** Tablets
- Both off the counter and prescribed medicines



### Case tips

- It is important to think out loud and bring in as many different aspects to numbers allocated to each bucket.

I: Based on your internship project, Let's do a small guesstimate to evaluate the size and valuation of calcium substitute market in India.

C: I would like to reiterate to ensure that we are on the same page. I am to come with a structure to estimate the market size followed by market valuation of calcium substitutes in Indian Pharmaceutical market..

I: That is correct.

C: So, calcium substitutes come in various forms including swallowable tablets, chewable tablets, capsules etc. Do you want me to focus on any specific form.

I: For this scenario consider the tablet forms of the substitute only.

C: So, I will start off with sizing the market for calcium substitutes in India. I would first like to divide the population of India in terms of 4 distinct age brackets i.e., 1-25 years, 26-50 years, 51-75 years and above 76 years of age. The percentage of population that I would attribute to each of these age brackets is 30%, 30%, 20% and 20%. Does this approach seem appropriate in your opinion.

I: Yes, go ahead. How will you segment the population further.

C: I would further divide people in each bracket into a segment who consume calcium substitutes because of a specific medical condition (prescription) and regular consumption (off the counter). The former is to probably take the calcium substitutes as prescribed tablets by a medical professional while the latter might use them as off the counter medicines.

I: That's fair go ahead.

C: To start with, the age bracket of 1-25 years who use for regular condition would be 20% as this age bracket is characterized by low levels of nutritious food consumption, decreased outdoor activity combined with rapid body growth. For the people consuming calcium substitutes because of a medical condition would be around 5% as this age is associated with good health.

I: Alright, go ahead

C: I believe the largest customer segment for us are the people of the age group 26-50 years. Somewhere around 30% of people might consume it as a regular substitute. This age group includes majorly majority of pregnant women who require calcium substitutes in the first trimester of pregnancy.

I: Are there any other factors that you think should be makes this age bracket attractive.

C: I have observed that people usually develop bone weakness during this time because of the work-oriented lifestyle. I think here 50% of the people in this age bracket consume calcium substitutes because of a medical condition .

I: For this scenario consider the tablet forms of the substitute only.

C: Proportion of people of age 51-75 years will also require calcium substitutes as the aging process sets in rapidly and weakening bones are one the first symptoms majority of these adults face at the onset. I think 70% of this segment might consume calcium substitutes here a majority of which might be compelled by a medical condition.

I: Okay, go ahead.

C: Lastly people 76 years and above will require calcium substitutes but I would allocate 55% of people here consume calcium substitutes. The reason for a lower number to this age bracket is because these people usually are deficient of many other nutrients as well. Hence their consumptions of multi vitamins and externally infused vitamins will be much greater.

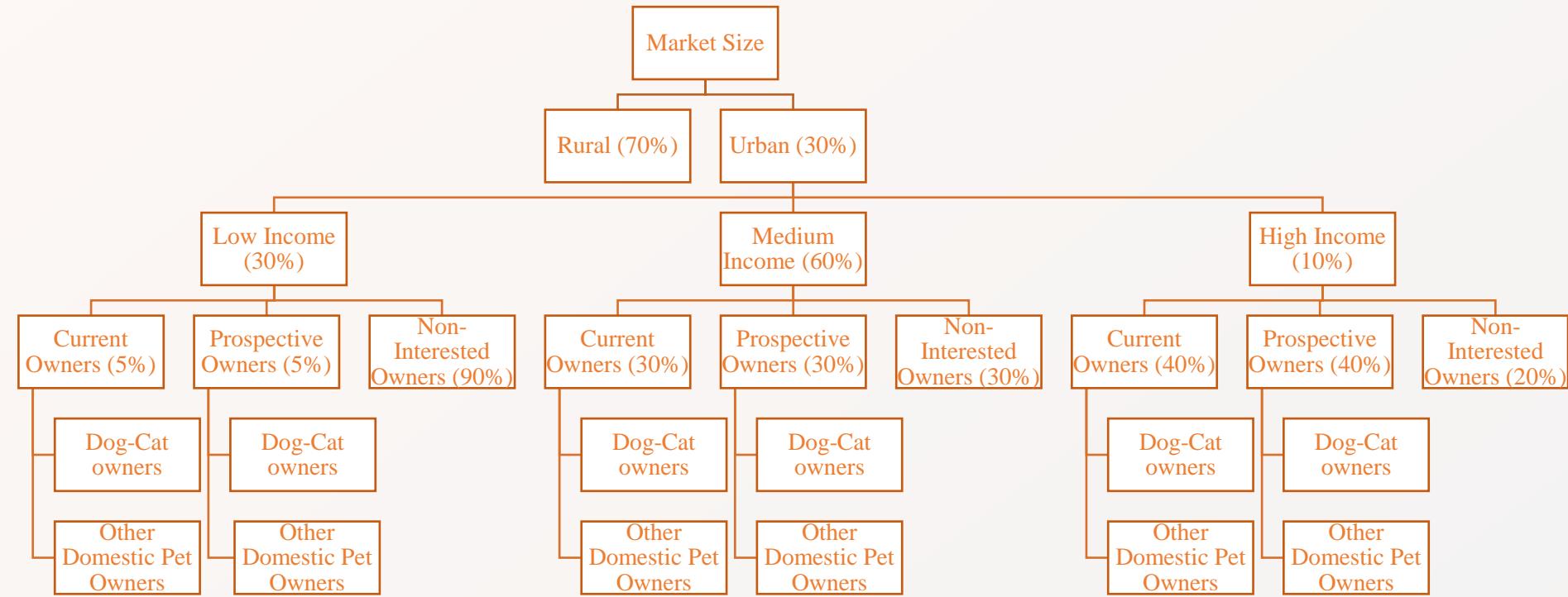
I: This seems like a reasonable approach. How would you triangulate the estimated size you have calculated.

C: A good way to triangulate this data based on actual data gathered from the sales data of calcium substitutes on various e-commerce platforms that home-deliver medicines. Also, on the ground medical representatives and pharmacy retailers could provide us concrete data that can be extrapolated to the entire population.

I: That's a good approach. We can close here. Thank you.

**Case Statement:**

Estimate the market size of pet food market in India.

**Case tips**

- The number of different aspects one can bring in would help bring out a more comprehensive structure.
- Analyzing both the need and want aspect of owning a pet (dog or cat) will help get a perspective on the numbers.
- It is important to think out loud and bring in as many different aspects to numbers allocated to each bucket.

I: Estimate the market size of pet food market in India.

C: Are we looking at a particular category of pets here?

I: You can consider only dogs and cats here.

C: The pet food market consists of both affordable and premium brands. Would you like me to focus on a particular brand segment.

I: You can consider pet food brand that operates at an average price range of Rs. 50 – Rs. 60 per kg.

C: Okay so I will be considering only the affordable brand segment.

I: Okay go ahead.

C: So first I would like to consider the population of India and divide them into urban and rural dwellers. Majority of the people in the rural areas mostly do not own cats and dogs or even if they do usually left-over household food is served to them. Hence, they do not present a substantial market for us. Would it be fair assumption to ignore that portion.

I: That's a fair assumption, go ahead.

C: In the urban segment I would like to divide the population into 3 segments: Low income, medium income, and high-income segment. I would further divide each of these segments into the Current Owners, Prospective Owners, and Non-Interested Owners. The former two segments can be divided into Dog-Cat owners and other domestic pet owners.

I: Okay, go ahead and give me the rationale on how you will allocate population percentages to each segment.

C: In the low-income segment, because of less disposable income majority of the population will be in the non-interested owner segment. In the current and prospective owner segment, the percentage of people will be higher in dog and cat pet owners as most other pets in market will require more resources from the owner's end.

I: Fair, go ahead.

C: In the medium income segment, I think the current and prospective owners will be more, with the later taking precedence because of increased inclination towards having pets and awareness of plights of street animals. This segment too will have a greater number of people in the dog-cat owner segment as their disposable income will allow them to invest in the training, upkeep, vaccinations, and affordable food for the pets.

I: Okay, how will you triangulate the numbers you are allotting to the segments based on this rationale.

C: To triangulate this data with real hard facts, we can approach local pet stores and analyse their sales data to cross check our estimations. We can also look at records with animal welfare organizations like PETA, on their animal adoption records.

I: That's great, go ahead.

C: Lastly the high-income segment might have least number of people in the non-interested segments and greater proportion in the other two branches. However, with greater disposable income these people might be inclined towards buying more exotic pets. Also, the dog and cat owners of this segment might go for premium pet food rather than the affordable one.

I: Great! We can close now. Thank you.

**Case Statement:**

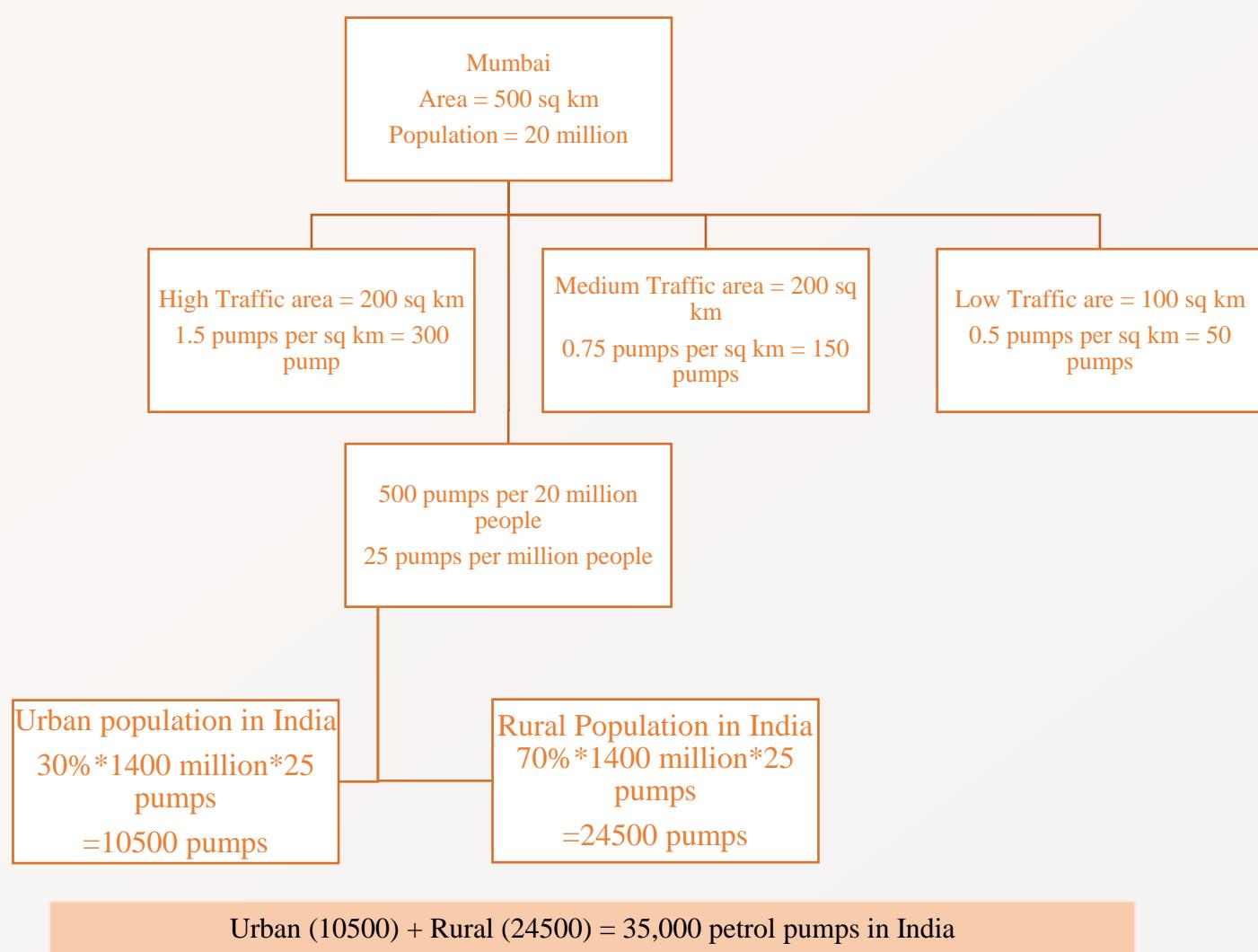
Estimate the number of petrol pumps in India. Also tell me if their number should be increased.

**Background Information**

- **Place:** Food wastage in India is assumed using a demand side approach
- **Product:** Food wastage in domestic household

**Case tips**

- Guesstimates like this one are a combination of a small guesstimate and a small case.
- The interviewer will nudge you to spend less time on the numbers and focus on the second part of the problem statement, which is essentially a case.
- Country level numbers can be hard to calculate sometimes. In such cases, finding the prevalence per million population for a smaller unit like a city or state can be a good approach.
- For the second part of the case, consider using proxies to estimate growth



I: Please calculate the number of petrol pumps in India. Also tell me if their number should be increased.

C: Interesting. I can estimate the number of petrol pumps either by taking the number of vehicles or the population density as a proxy. Which one should I go with?

I: Whichever you like.

C: I'll take the population route. Can I estimate the petrol pump for one city and then try to scale it up to India level?

I: Sure, go ahead.

C: I have lived in Mumbai, so I'll start there. Mumbai is about 500 sq km. We can divide Mumbai into 3 zones, high traffic, medium and low traffic. We can assign them 200, 200 and 100 km sq respectively. Does this figure sound okay?

I: Yes.

C: If high traffic zone would have 1.5 petrol pumps per sq km, 0.75 petrol pump in medium and 0.5 petrol pumps in low traffic zone, the Mumbai would have around 500 petrol pumps.

I: Please keep going.

C: Mumbai's number could be good representative of petrol pump density for urban populations which is 500 pumps per 20 million people = 25 per million. For rural population, given the lower familial income, the number of private cars would be less, but they would have high energy consuming farming vehicles like tractors. Would it be a good ideas to assume rural demand to be 75% of urban demand?

I: You can take them to be equal.

C: Understood. This makes the calculation easy,  $1400 \text{ million} * 25 \text{ petrol pumps/million} = 35,000 \text{ petrol pumps}$  in India, approximately.

I: Sounds reasonable. Should this number increase? If yes, what metrics would you use?

C: Number of petrol pumps should be increased if either the current demand is not met or if the future demand is growing faster than the growth in petrol pump capacities.

I: How do you know the current demand is not met?

C: We can find that using metrics like the average wait time for vehicles and compare with historic and seasonal baselines to see if areas around particular petrol pumps are underserved.

I: If the wait time is increasing, would you make a new petrol pump?

C: Not always. Increased wait time would mean a demand-capacity mismatch. Depending on other factors, this can be addressed by increasing more pumps or lanes in existing petrol pumps or building new ones depending on traffic etc.

I: Okay. Tell me about how would you predict future petrol demand?

C: We can start with first finding the types of customers and their cumulative volume consumption of different petroleum products.

I: For now, let's just consider private cars.

C: Understood. We can use the sales of new and used cars to predict the demand of petrol since petrol consumption would lag with car sales. We can also use construction of new roads and highways.

I: What if we don't have the data for car sales. How would you predict car future car sales?

C: We can use the data on input materials in car production as a proxy. Maybe make a composite metric of steel, rubber and other inputs and see how closely the change their production mimicked car sales. This can give us some insights on future car sales.

I: Alright. We can end the case here. Thank you for the discussion

**Case Statement:**

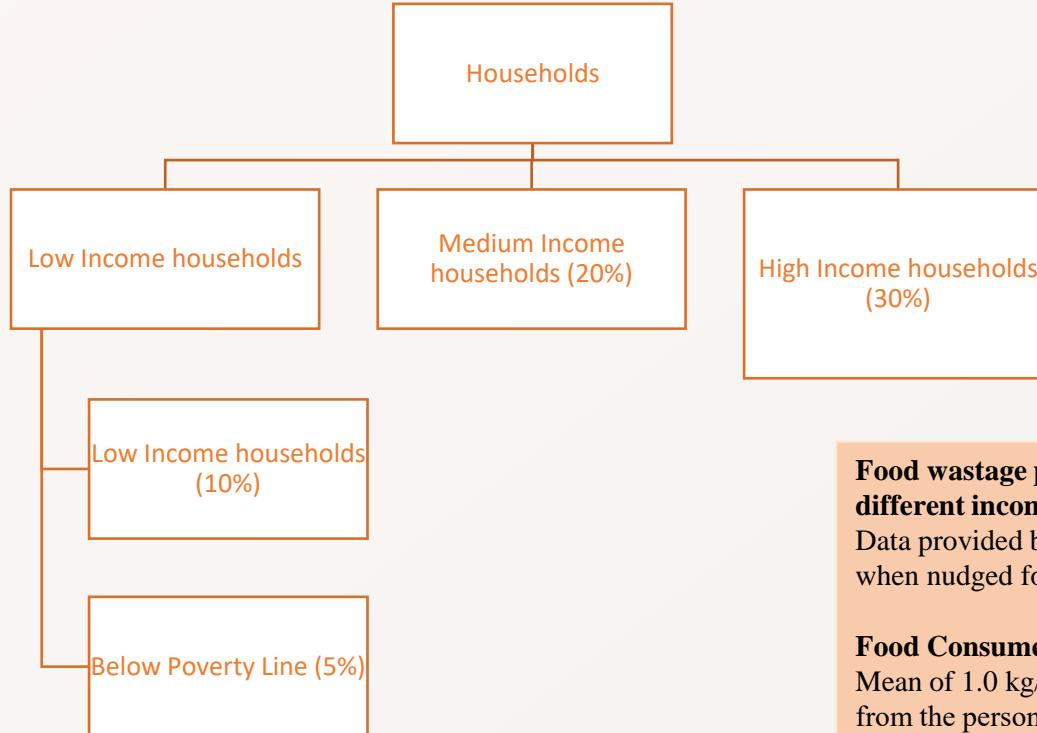
Estimate the food wastage in India in a year – target only household wastage

**Background Information**

- Place:** Food wastage in India is assumed using a demand side approach
- Product:** Food wastage in domestic household

**Case tips**

- The important question to ask before beginning this case is whether we need to estimate the food wastage at a household level, restaurants level or at a production level in a field to fork model
- The food wastage is directly proportional to the income level of the household since a high-income household would most likely waste a higher proportion of the food as compared to a low-income household.
- Supply side approach would be a better approach if we are going for the production level wastage.



	Household categories			
	HIH	MIH	LIH	BPL
No. of households	20%*23cr	40%*23 cr	30%*23 cr	10%*23 cr
No. of people/household	4	5	6	6
Food consumed per person (in kgs)	1.2*365	1.0*365	0.9*365	0.8*365
Food Wastage (%)	30%	20%	10%	5%
<b>Total wastage</b>	2417.7 cr kg	3358.0 cr kg	1359.9 cr kg	201.48 cr kg

**Food wastage percentage for different income levels:**  
Data provided by the interviewer when nudged for it.

**Food Consumed per person =**  
Mean of 1.0 kg/day is assumed from the person's prior work ex in food tech Industry

**Total wastage for a year**  
(only households) =  
 $2417.7 + 3358.0 + 1359.9 + 201.4 = 7337.08 \text{ cr kg}$

**Statement:**

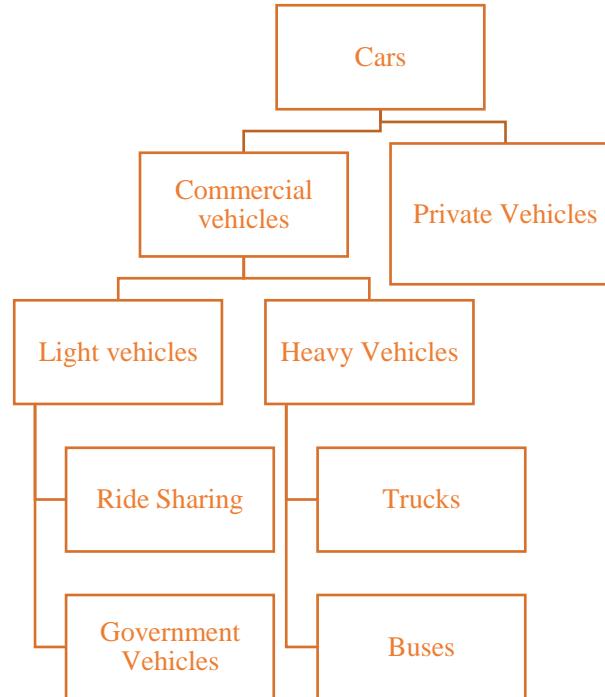
Estimate the number of used car market in the US – specifically used cars in ride sharing apps

**Background Information**

- Place:** Used car market in US forms a major chunk of the secondary car market.
- Product:** Secondhand car sales in USA

**Case tips**

- The important question to ask before beginning this guesstimate is whether we need to estimate used cars in the private sector or in the commercial sector.
- We need to figure out the further divisions in the commercial sector since it doesn't conform to the standard divisions commonly used in the other examples
- Demand side approach would not work since commercial markets need to be dealt with at a individual use case level.



	Location	
	Rural	Urban
Total population		300 million
%age of population	30%	70%
Ride sharing adoption %age	5%	20%
Life of cars (in years)	5	3
<b>Total Used cars</b>	<b>140k</b>	<b>580k</b>

**Life of a car** = 3 years in rural and 5 years in urban setting

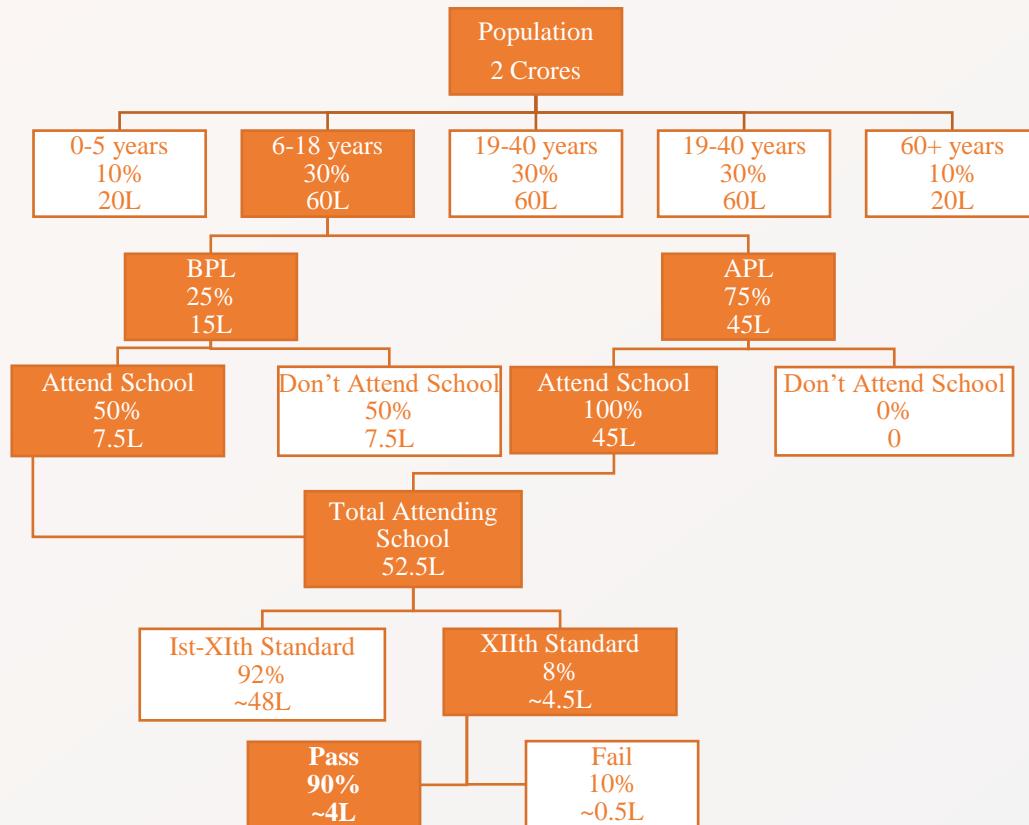
**Total number of used cars in a population : -**  $140k + 580k = 720k$

**Case Statement:**

Guesstimate the total number of students completing XIIth Standard in Delhi every year.

**Background information**

- Students from both Public and Private schools would be included
- The number of students passing need to be calculated and not attending

**Alternate Approach (Supply side)**

$$\text{No. of students completing XIIth Standard} = \# \text{ Metro stations} \times \# \text{ Localities per metro station} \times \# \text{ Schools in 1 locality} \times \# \text{ Students in 1 school} \times \text{Proportion of XII Std. students} \times \text{Pass %}$$

**Case tips**

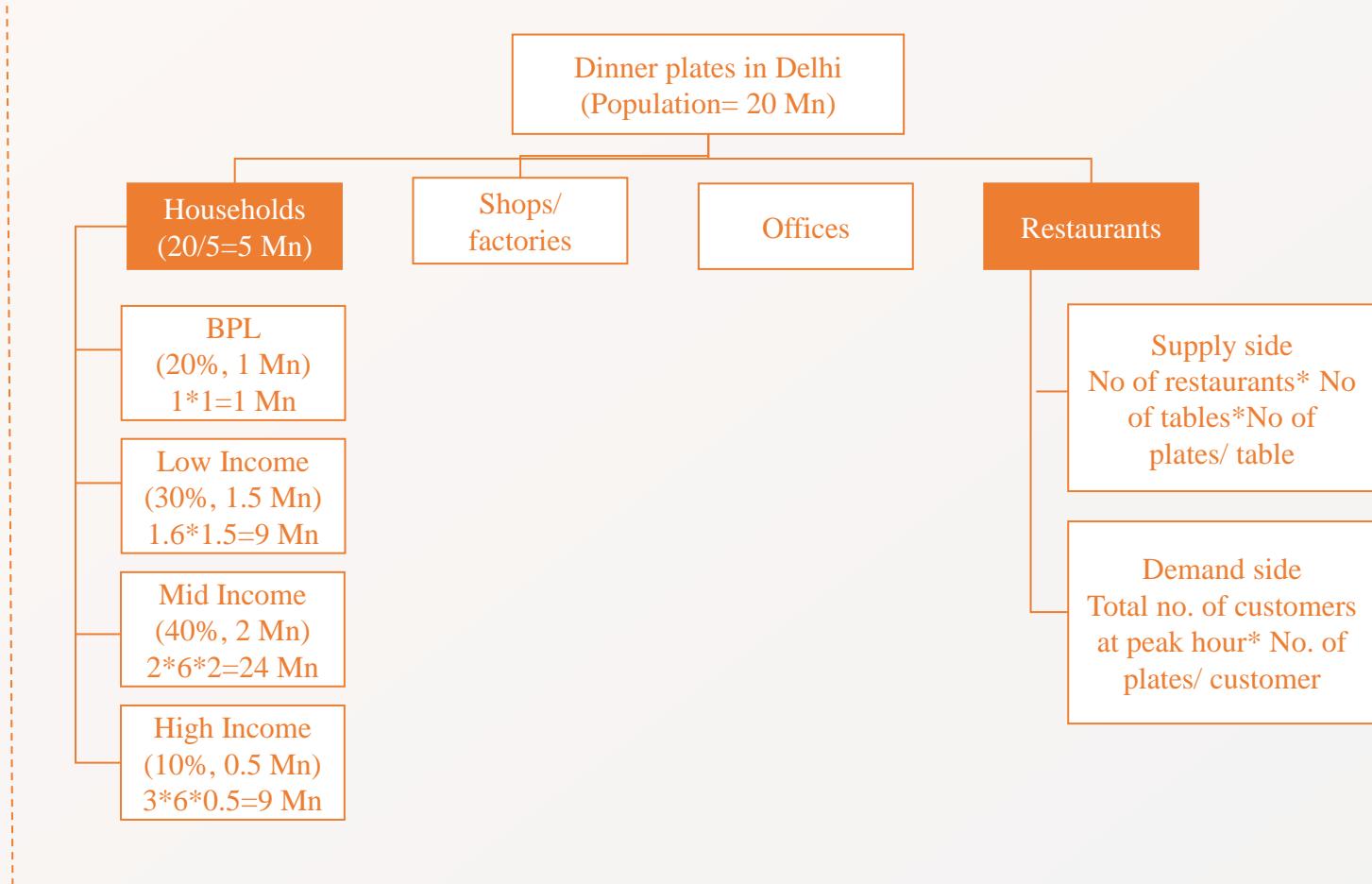
- % of students attending school would be different across income categories
- Include multiple filters in-order-to make it more comprehensive
- Basic BQs ( tell me about yourself, why consulting and why McKinsey & Co.)

**Case Statement:**

How many plates are there in Delhi?

**Background Information**

- Type:** Dinner plates made of glass, steel, china etc.
- Used in:** Homes, restaurants, shops, factories, and office/school cafeterias

**Case tips**

- Approach is more important than the final answer
- Calculations under pressure are tested
- Give logic behind the assumptions taken

# Total Plates in Delhi

I: Lets only consider houses and restaurants for now.

C: I'll look at houses first. I would like to look at the income segments because people with more purchasing power will buy different dinner sets for different purposes-for example, steel or plastic for everyday use and glass or ceramic for special occasions. Also, I will take the size of a dinner set as 6. Based on these assumptions, total dinner plates used by households is 43 Mn.

For restaurants, we can look at the number of restaurants in Delhi and the number of plates used in each restaurant, assuming all restaurants are uniform.

I: What would the number of plates used in a restaurant depend upon?

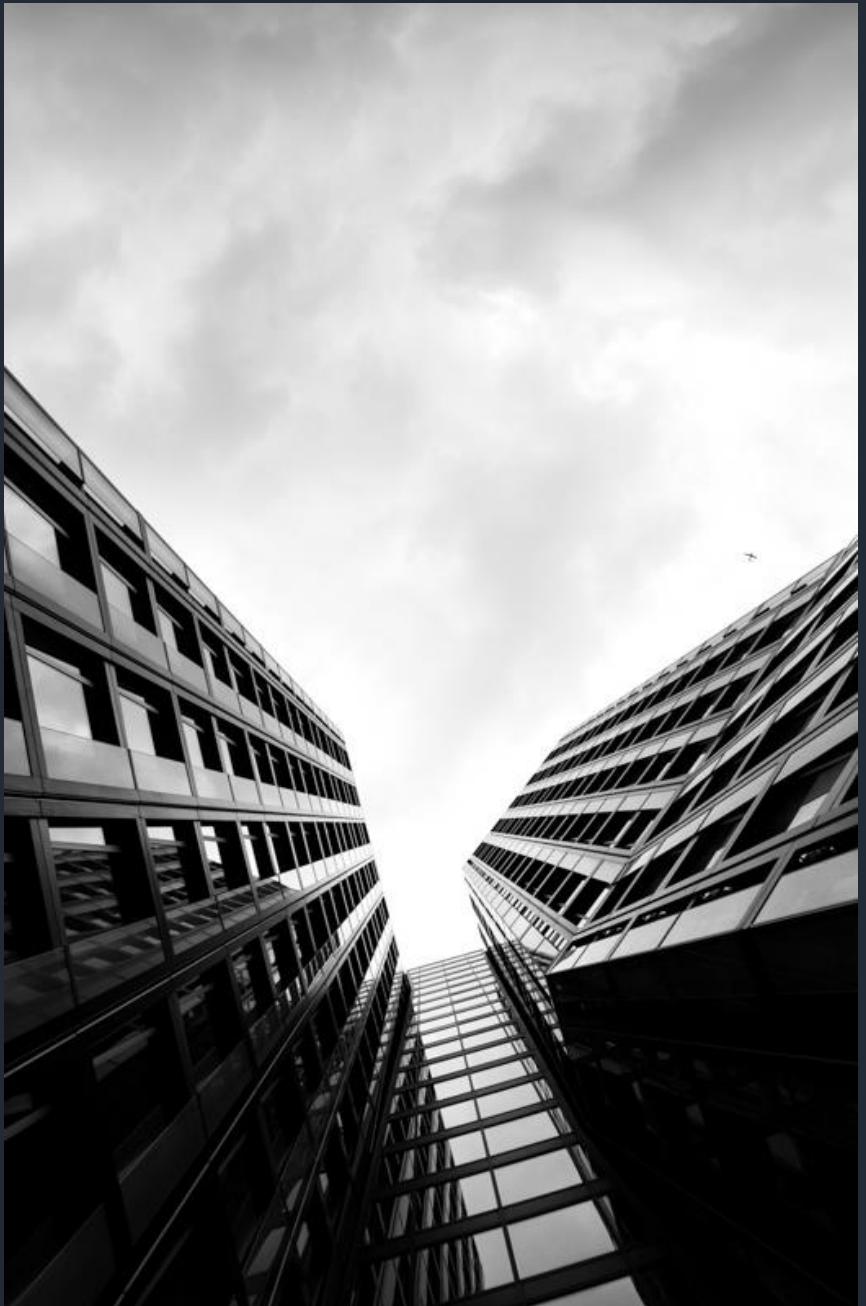
C: The capacity of the restaurant, i.e., the number of tables and then number of plates required for each table. So, assume that the average restaurant has 20 tables and they usually provide one plate for the main course and one smaller plate for the starters. Apart from this there are plates for the dishes served too, say two on average.

I: But what metric would a restaurant use to decide the number of plates it would need? If you look at the weekly demand of the restaurant, is it the same across the whole week?

C: The demand is concentrated at the end of the week because most people like to go out on weekends. So, the number of plates required to service customers on weekends would help the restaurant decide the number of plates.

I: Ok, good. Assume 100 people visit a restaurant on the weekend.

C: We will observe a variation across the day, more people will go to a restaurant in the evening. Let's say 60% of the people go in the evening from 7 pm to 11 pm for dinner and assuming that a person spends 1 hour in the restaurant and a uniform distribution, there are  $60/4 = 12$  people in a restaurant at the peak hour. Therefore, the restaurant needs  $12 * (1+1+2) = 48$  plates. They must also keep extras in case of breakage and damage, taking a 20% buffer that comes to approximately 58 plates.



# Interview Experiences

**Candidate profile:****Undergraduate:** SRCC, Delhi University**Work experience:** Deloitte & McKinsey (29 months)**How did you prepare for the interview?**

My interview preparation was primarily in two stages. Firstly, there was a methodical process that occurs on campus, which entails being put into case groups, learning frameworks, and practicing cases with peers and seniors. This helps to build a strong base of frameworks & understanding of kind of problems asked. And secondly, the extra efforts you put in beyond this. In my case, I did 2 things differently:

1. Feedback incorporation –It is important as to how you break down the feedback received and incorporate it in your interviews. I always asked for tangible actions from the interviewer to work on the feedback. I then discussed my feedback with the next interviewer to ensure I am not making the same mistakes again.
2. Adapting the preparation strategy to a specific firm – I altered my preparation specific to McKinsey early on (even important in case of multiple shortlists). This helped me in identifying a pattern in the kind of cases usually asked at McKinsey, doing quality cases with buddies from McKinsey, focusing on BQs (highly emphasized at McKinsey), and connecting my story with firm principles & practices.

**Can you briefly describe the process and the type of questions in the interview?**

At McKinsey, I had two rounds of interviews and both rounds had a guesstimate/case along with some behavioral questions. The 1st round had a guesstimate & some BQs.

In my 2nd round, the interviewer wanted to right off start with a case. The case was a complicated one in an industry I had not studied about before - airlines industry (cargo business). My approach:

a. Confirming the initial objective of the case and at multiple sub-stages in the case

b. Gaining understanding of different business processes from the interviewer since it was a new industry

The case was followed by a unique BQ – ‘What if there are no constraints in your life of whatsoever type. You have all the money and things you want, what would you be doing in life?’

Another important part of the interview is the questions you have for the interviewer. While everyone asks questions, it is important to have questions which allows the interviewers to talk about their experiences. For e.g. I asked a senior partner “As a consulting aspirant, a lot of us want to become a partner. For you how does it feel to be on the other side of the mountain?” As much as these firms are looking out for people who can solve problems, they also want people who can keep the client engaged during meetings.

**I: In retrospect, what would you have done differently?**

While it is important to learn and practice cases from different frameworks, however, there is only a certain amount of learning one can drive from doing cases around standard frameworks. Additionally, while doing cases with seniors / peers one is usually told if it is a case/guesstimate and the framework/unconventional as well. However, this does not allow the candidate to be prepared for the element of surprise on the D-day. Hence one should practice cases without being told about the framework as well.

Another thing that I would have done differently was practice more business unconventional cases. Unconventional cases helps one think beyond standard frameworks and structure thoughts when one doesn't know what the starting point is.

**Candidate profile:**

**Undergraduate:** St. Stephen's College, Delhi University

**Work experience:** Fresher

**How did you prepare for the interview?**

I looked at 3 aspects to prepare for in the preparation leading up to the final day interviews.

Firstly, the case interview. The preparation for the D-day case interview started from the day shortlists were released. We were briefed about the process, and we formed groups of 4 to practice cases. While preparing with the case group, I also did cases with seniors who were efficient in administering cases. I found it very helpful to prepare by setting daily and weekly targets as it helped me keep track of my progress.

The second aspect of the interview is the behavioral questions. These not only help on the final day interviews but also help in the pre-process engagement events. Hence, I made sure to have my narratives and reasons for the basic behavioral questions ready while also researching the firm to exhibit to the recruiter, my interest in the firm.

And lastly, it is important to be ready with a question to ask the interviewer. More often than not, at the end of the interview, the interviewer asks if there are any questions for him. Having a good question to ask them would help leave a lasting impression on the interviewer's mind.

**Can you briefly describe the process and the type of questions in the interview?**

The process for each firm varies marginally but it is a month-long process where several aspects of one's personality is evaluated on similar metrics. Buddy interactions are employed to assess your preparation and growth while company dinners are conducted to gauge your proactiveness and interest. An additional aspect evaluated in case of McKinsey selection process is an online simulation round which evaluates the candidate through multiple rounds of two interactive games

On the final day, the case problem statements are usually guesstimates, profitability, market entry and unconventional cases. Irrespective of the number of cases and guesstimates one as attempted during the preparation, it is unlikely that the final day case statement is something they has come across before. This is because it is likely that the case statement is based on the project or industry that the partner is themselves working on or has worked on prior.

The interview will include behavioral questions like "Why Consulting?", "Why XYZ firm?" etc. Although the questions might not be CV based but the interviewer might construct a problem statement based on prior work experience or internships to gauge your knowledge. For example, in my first round of McKinsey interview I was given a guesstimate based on my internship project in the pharmaceutical industry.

Lastly, for the final question that the candidate gets to ask the partner/interviewer, it is wise to have a question prepared. However, if one can construct a good question on the spot based on the industry that the partner is involved in, which he/she might have revealed in the beginning, then it is bound to earn you brownie points.

**In retrospect, what would you have done differently?**

In the early stages of my case preparation, I believed that a parameter for good case preparation was the no. of cases solved. However, later I realized a good parameter to assess your preparedness is continuous revision of the cases solved and the feedback given. Another thing that I would have done differently is investing more time in research of various industries and frameworks. After solving 2-3 cases from major industries, it is important to break down the industry as comprehensively as possible based on the learnings.

**How did you prepare for the interview?**

My preparation started with understanding fundamentals and approaches to different types of cases by reading through relevant casebooks. I continuously solved cases with a wide set of people which helped me get more comprehensive feedback and exposure to different methodologies.

I focused on learning about industries, especially those that are relevant to my profile from the very start. You can typically find industry-specific primers in most B-school casebooks. Practicing guesstimates and quant-heavy cases were tiresome but an important part of my preparation. Lastly revising cases and actively trying not to repeat the mistakes helped me perform well on D-day.

**Can you briefly describe the process and the type of questions in the interview?**

The process starts with preparing your CV and polishing it to its best version. Once you have a shortlist from your desired firm, the preparation for the D-day starts in full swing. Along with the shortlist, you also get the contact details of your mentors and buddies who serve as guides for the rest of the process. Every communication and case with them is very informative and mostly evaluative.

It is very important to take initiative and keep communicating with your OCRs and buddy and seek guidance from them. My buddy and OCR also helped me with my behavioral questions apart from the case practice and gave me great tips for my final day.

Towards the last leg of the process, the consult dinner also plays an important role in your selection. For dinner be very prepared for behavioral questions and opinions on current affairs.

Try to communicate with as many OCRs, and senior managers as you can, it helps you understand the firm better and decide your pecking order.

My interview process started with my introduction followed by a couple of behavioral questions. I also got a case based on my CV which required me to bring insights from my work experience. This is followed by a conventional case in the second round. The cases on the final day are very conversational, hence it is important to communicate effectively and clearly while solving the case.

**I: What would have you done differently during your preparation journey?**

Firstly, I would start early and not wait for the shortlist because companies keep rolling extended shortlists till the end. Towards the end, a lot of interactions (dinners & buddy cases) take away most of one's time and having a head start surely does help.

Secondly, I wouldn't hesitate in doing cases with seniors or new people from the start because that helps one get wide exposure and critical feedback.

Thirdly, I would like to do more of unconventional cases sooner in my preparation journey. Unconventional cases were really a game changer for me once I started doing them and helped me solve cases that don't require a traditional framework.

It is tough to remain calm and confident through the process. In hindsight, I would like to tell myself to stay enthusiastic and high-spirited through the process and not be bogged down with ambiguity.

**How did you prepare for the interview?**

My preparation started with the 4-member group that CRUX made. Initially, I played the role of an observer in the group. Solving cases with the seniors also helped me get a reality check on my progress. Post-case analysis was perhaps the most important part of my preparation as it helped me understand my strengths and weaknesses.

Personally, I believe that post-case analysis should be done after some time so that your mind is fresh again and unbiased with your first attempt. I also found unconventional cases to be extremely important as they mimic real-life cases where you need to think on the go. One should keep solving unconventional cases from the very start and not leave them for the end.

**Can you briefly describe the process and the type of questions in the interview?**

For Auctus, I had 3 rounds. The first was a buddy round done on the call before the consult day. In this round, I was asked to make a decision tree and give answers in numbers.

The second round was more of a behavioral round where I was asked different situational questions. It was mostly stakeholder management. In this same round, I was given an unconventional case where I was told that our client is a high-net-worth individual who wants to donate 200 million USD to ensure that the primary school dropout rate is zero.

I was asked to find out if this quantum of money was sufficient. I used the 4A framework and found out that staff training was the pain point. I was further asked to a guesstimate of the number of teachers, students, and the money required to decrease the dropout rate in primary schools.

My third round was a holistic CV and a traditional case-based round wherein I was asked some questions pertaining to my profile and some behavioral questions.

**I In retrospect, what would you like to change?**

I feel like I started my case analysis quite late. I would have really liked to increase the number of cases and case analyses that I did. Also, more unconventional cases would have been good as they would have helped me test my inherent case-solving abilities. I would also want to do more cases with my seniors and spend some time developing my own frameworks and case-solving style. I had a few personal case solving approaches, but I would have wanted to spend more time there. It is essentially about deriving one's own learning through the process and that helps one create a delta on the final day. To be able to fully consummate the learning and reproduce it on the final day, one needs to spend a lot of time analyzing cases.

**Candidate profile:****Undergraduate:** SRCC, Delhi University**Work experience:** Fresher**How did you prepare for the interview?**

From the time shortlists were out, to the time when actual interviews were conducted, we had a time period of approximately 1 month. However, during that one month, we had a few company engagements in Delhi, submission on numerous number of projects, quizzes and end term exams, all lined up.

So, the key was to not waste any time and work on the interview prep. Majorly the interviews in the past entailed two parts, behavioural questions and case interview. For cases, I prepared with my seniors, my batchmates and from some YouTube channels. For the behavioural questions, I researched about the company and wrote company specific answers which would show my interest towards them, and I feel that this did help me a lot.

**Can you briefly describe the process and the type of questions in the interview?**

The process in general kicks off with the company PPT post which CV calls come out. However, for BCG, it was different. Firstly, the CV calls came out post which the shortlisted candidates had a PPT. During the PPT, the company told us about themselves, their projects and how they are different from their peers.

A brief timeline of the process was also shared on that day. After a week or so, the company officials came on to the campus and took us out for an informal dinner. This was an amazing opportunity to talk to the company's senior management, their employees about work and their life apart from work.

Next, we had 2 weeks free when we were having our end term exams. Just two days after the exams, we were called to the Delhi office of BCG where we had another dinner with the top management of the company. All our doubts were catered to during that time. We came back to the campus, the next day and two days post that was the D-Day. On the D-Day, we had all consulting company processes taking place. I had 2 interviews, both case based, with some informal conversations related to my interests and hobbies.

**I: In retrospect, what would you have done differently?**

I can think of 3 things that I could've done differently that would've helped me a lot during the processes: Start making your CV timely. Collecting proofs and all takes time and so this should be something that I feel could've been started earlier.

Keep up with academics. From the very beginning, had I focused well on all quizzes and assignments, I could've taken them lightly in the end when D-Day was near. Don't compromise on your rest. A rested and healthy mind solves cases better than a tired mind.

**Candidate profile:**

**Undergraduate:** Thapar Institute of Engineering

**Work experience:** Deloitte USI (23 months)

**How did you prepare for the interview?**

My preparation started with a session held by CRUX which gave it a foundation on how to go about solving cases and the basic approaches to take. Following that, I went through different types of frameworks from IIM-A and CRUX casebooks which gave me a rough outline of different problems and industries.

The best way to go about a case is to have it monitored by someone. We formed a group of 4 where we administered cases each day for each other. This not only gives you a real-time simulation environment but also helps you analyze the problem at hand from different perspectives. It helped me immensely in understanding different types of scoping questions relevant to a case and gave my solution a better structure altogether.

Analysis of your solution is the next step. I scrutinized each case I did and analyzed if there could have been a better or alternative solution to the problem and how I could have reached it more efficiently. At last, take help from your seniors. I booked slots to have mock cases with seniors which gave me a deeper insight into them through their experience. Finally, be consistent with the cases and be confident on D-day.

**Can you briefly describe the process and the type of questions in the interview?**

The interview starts right from the moment you get your buddies allocated. It's important you reach out to them regularly and practice cases with them. I had 6 buddy rounds for IMU and CN.

Initial rounds were introductory sessions where they get to know about you and have basic guesstimates. In the further rounds, I was given cases on market entry, market growth, and M&A frameworks, which was kind of unexpected as going by the experience of seniors, Accenture strategy majorly takes cases from profitability framework during their interview. So essentially, one needs to be prepared to handle such situations.

The last of my buddy calls were managing director rounds from both IMU and CN where they asked more about my interests and why I wanted to work with Accenture. On the D-day, I had one round with the managing director 1 round for both CN and IMU profiles. They were more of BQ rounds where they asked more about my experience and my future goals. There weren't any cases in those rounds

**I: Do you think we should analyse by dividing into different time frames when the change is happening every year?**

If anything, I would have given more time to analyse the cases. Due to time constraints, that is where I believe I lagged a bit. Analysing them gives you deeper insight into the problem at hand and the industry as whole.

It lets you look at the problem again with a different perspective of thought and helps to inspect how you could have reached the solution more efficiently or produce more alternative solutions. Solving cases is more about the flow of a structured thought than following a fixed framework. Analysing the cases helped build that flow and gave my solutions a more in-depth analytical touch.

**Candidate profile:**

**Undergraduate:** Sri Venkateswara College, DU

**Work experience:** Fresher

#### How did you prepare for the interview?

I started preparing for case studies by reading various cases from casebooks for the first 2-3 days. After that, I solved cases with seniors, batchmates, and my buddy from the company. I did my case prep in a structured manner, covering one topic at a time and moving to the next type of case only after becoming thorough in the previous one. This helped me methodologically track my progress and improvise with time. After doing each case I analyzed the case by writing down the structure again and seeing where I could have done better. Maintaining detailed notes of cases also helped a lot. I could use them again to revise during the last few days of preparation.

#### Can you briefly describe the process and the type of questions in the interview?

Every interview round for me had a case or a guesstimate. Mostly it was just a case. The interviews typically start with behavioral questions to let the interviewee settle and then the case begins.

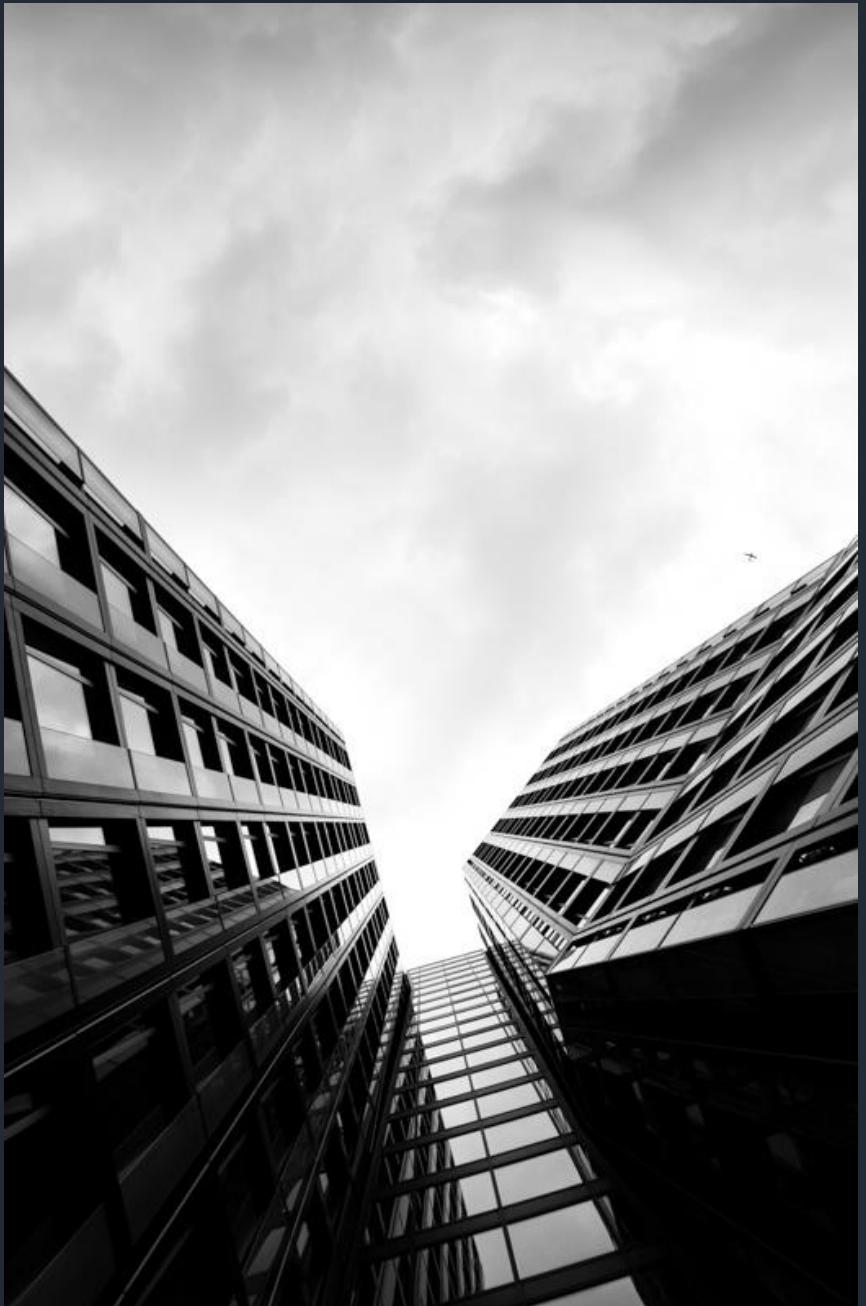
The interviewer in my interviews didn't want me to dig deep into the case and just wanted to see the nuances I can bring while breaking down the problem. So, the focus was not on the details but on the approach and the structure that I used to solve the problem.

Similarly, for guesstimates, I was not asked to do all the calculations. The interviewer's focus was primarily on how I broke down the problem statement and approached the issue. The nuance and approach were therefore far more important than just the math or the final answers for the guesstimate.

I: Do you think we should analyze by dividing into different time frames when the change is happening every year?

I should have analyzed my cases better; I didn't maintain a detailed separate notebook to refer to during the final lap of my preparation that's where I think I lacked during revision. Secondly, I started preparing for cases very late, I shouldn't have waited for a shortlist to start preparing.

I could have studied the structure of different types of cases and read cases to start my preparation before any I got any shortlists. Reading about how different industries work would have also helped a lot in tackling cases from unfamiliar topics.



# Industry reports

# Tourism and Hospitality

## Summary:

- In FY20, 39 million jobs were created in the tourism sector in India accounting for 8.0% of the total employment in the country.
- The number is expected to rise to 53 million jobs by 2029.
- During 2020, foreign tourist arrivals (FTAs) in India stood at 2.7 million, decreasing by nearly 75% from the previous year.
- Indian hotel industry has lost around 17 billion dollars in revenue due to the impact of the COVID-19 pandemic.
- Demand from the corporate side (conferences, meetings, interviews, etc) expected to fall due to rise of Work From Home
- International hotel chains are increasing their presence in the country, and it will account for around 47% share in the tourism and hospitality sector of India by 2020 and 50% by 2022.

Step 1 -

Step 2 -

Step 3 -

Step 4 -

Services Suppliers (foods, beverages, and essentials)

Training

Operations

Marketing and online presence

## Cost Drivers:

- Salaries
- Consumables (Beverages and food)
- Power
- Fuel

## Revenue Drivers:

- Room Rents
- Bars
- Dining and Restaurant facilities
- Event organizations

## Key Customers:

- Indian as well as Foreign tourists
- MNCS for event organization
- Weddings and cultural programmers

## Key Players:

- Marriot Hotels
- IHCL (Taj Hotels)
- Hyatt Hotel
- EIH (Oberoi Hotel)

## Growth Drivers:

- Reduced GST on hotel rooms
- UDAN scheme
- E-visa for foreign tourists
- PRASHAD scheme

## Channels:

- Websites
- Online Travelling Agents (OTAs)
- Flight service providers

## Summary:

- Fast moving consumer goods (FMCG) is the 4th largest sector in the Indian economy, majorly comprising of household and personal care segments which account for half of the sector. It also includes food and beverages (19%), and healthcare (31%) segments..
- Rural markets account 45% of the revenue share for the sector while urban market account for the remaining 55%
- Indian FMCG market is expected to grow at a CAGR of 14.9% to USD 220 billion by 2025 from USD 110 billion as of 2020.
- Major development in the Indian FMCG sector include the emergence of D2C startups like Mamaearth that breached the INR 100 crore revenue mark in just 4 years in comparison to major players like ITC that took nearly two decades.
- FMCG companies are also looking to invest in energy efficient plants to benefit the society and lower cost in the long term.

## Step 1 -

**R&D**  
(Innovation of existing products and development of new products)

## Step 2 -

**Procurement**  
(Sourcing Raw material, quality test and release, storage)

## Step 3 -

**Manufacturing**  
(Production, Packaging, quality testing, storage)

## Step 4 -

**Distribution**  
(Centers & warehouses, channels - distributor, retailer, e-commerce)

## Step 5 -

**Sales/ Marketing**  
(Branding, Advertising, Promotion, Complaints & feedback)

### Cost Drivers:

- Raw material and processing cost
- Distribution cost
- Promotion

### Revenue Drivers:

- Pricing
- Promotion
- Distribution

### Key Customers:

- Households

### Key Players:

- HUL
- ITC Ltd.
- Nestle India Ltd.
- Britannia Industries Ltd.
- Godrej

### Growth Drivers:

- 100% FDI in food processing, single brand retail & 51% in multi-brand retail allowed by the govt
- Introduction of new and innovative products
- Growth of E-commerce
- Rising Per-capita income

### Channels:

- Dealers
- Retailers

# Airlines

## Summary:

- Currently the fourth largest air passenger market, India is expected to overtake UK as number three by 2024
- As of 2020, there were 128 airports in the country, GoI has been working towards increasing the number of airports by 190-200 by 2024.
- Due to the pandemic, there was a reduction in 60% in domestic and 80% international traffic in the country.
- The industry is currently losing 70-95 Cr per day due to fall in air transport since March 2020.
- Rakesh Jhunjhunwala plans to launch ultra-low-cost airline called Akasa Air with 70 aircraft.

## Step 1 -

**Inbound**  
aircraft lease, fuel supplier

## Step 2 -

**Operations**  
Inflight service providers, on ground staff, baggage handlers

## Step 3 -

**Marketing**  
frequent flyers programs, add on services

## Step 4 -

**Customer service**  
lost baggage, rescheduling of flights

### **Cost Drivers:**

- FC: aircraft leases, airport gate leases, IT/admin costs, salaried employees (i.e., pilots)
- VC: fuel, food and beverage, ground crew/hourly employees
- Raw material costs and commodity prices
- Advertisement & sales promotions
- Distribution expenses

### **Revenue Drivers:**

- Volume Growth
- Brand Value
- Distribution reach, penetration and availability
- Repeat purchase and customer loyalty
- Value proposition meeting customer preferences

### **Key Customers:**

- Leisure: highly price sensitive
- Business: not price sensitive, hard to reach
- Individual consumers
- Corporates
- Travel web sites

### **Key Players:**

- Indigo (ML)
- SpiceJet
- Air Asia
- Vistara
- Air India
- Goair

### **Growth Drivers:**

- Increased per capita consumption
- Population Growth
- GDP Growth
- Reduction in costs of travelling via air
- Per capita Income Growth
- Large customer segment in rural areas and BOP customers
- Favorable demographics
- Implementation of GST

### **Channels:**

- Online Travel site/aggregators
- Own websites
- Telephones
- OTC

## Summary:

- India is third in volume terms and fourteenth in value terms. Primarily due to being mostly a generics-dominated market.
- Global spending of medicines is expected to surpass \$1.1 trillion by 2024.
- Domestic pharma market estimated at USD 42 billion in 2021. Likely to reach USD 65 billion by 2024 and USD 120-130 billion by 2030.
- Despite being major exporters of certain drugs, major drug requirements are met from imports which is 25% of total Indian pharma industry
- Drug and pharmaceutical exports of USD 24.44 billion in FY 21 with India being the 12<sup>th</sup> largest exporter of medical goods

## Step 1 -

Research and Development  
(Formulation in case of new and modification/adjustment in case of old drugs)

## Step 2 -

Trials

## Step 3 -

Approval (Patenting for new drugs/ modification)

## Step 4 -

Distribution  
(Pharmacies, Hospitals and Clinics)

## Step 5 -

Promotions (Pharma Rep-HCP interactions, speaker programs, online promotions)

## Cost Drivers:

- R&D
- Patent filing
- Manufacturing
- Distribution
- Promotional Activities

## Revenue Drivers:

- Sales of drugs
- Patent licensing
- Exporting Drugs
- Penetration
- Insurance premiums

## Key Customers:

- HCPs
- Households
- Hospitals, Clinics and Nursing Homes

## Key Players:

- Sun Pharma
- Dr. Reddy's Labs
- Divi Labs
- Cipla
- Aurobindo Pharma
- Zydus Cadila

## Growth Drivers:

- Specialty medicines
- Telehealth (Technology driven healthcare)
- Rare diseases
- Ayushman Bharat scheme
- Outlay of INR 197,000 crores over 5 years for pharma PLI scheme
- FDI inflow of US 18.12 billion between April 2000 to June 2021

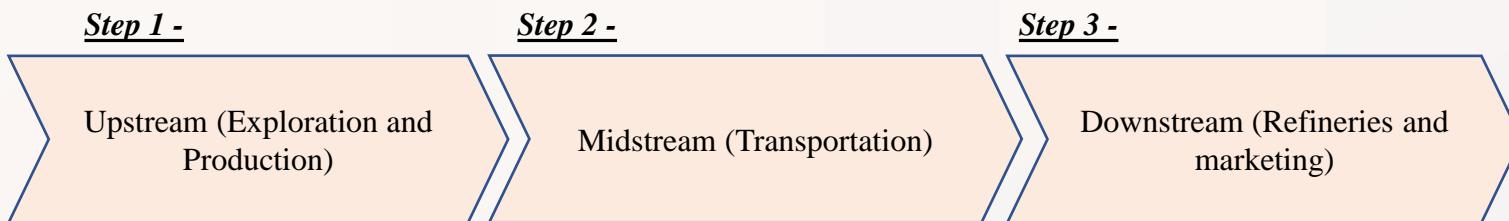
## Channels:

- Direct sales
- Online selling

# Oil and Gas

## Summary:

- India is the 3rd largest energy and Oil consumer (5% of global consumption) in the world after China and USA.
- India has emerged as a major refinery hub and is currently the second largest refiner in Asia with 23 refineries
- Almost 82% of Crude oil and 46% of LNG is Imported in India.
- India's projected Oil demand is expected to grow at a CAGR of 4.2% during 2017-2040.
- Energy demand projected to double to 1,123 million tonnes (in oil equivalents) by 2040.
- Present share of natural gas in the energy mix of the country is 6%. the aim is to increase it to 15% by 2030.
- Indian refinery capacity is expected to reach 439 MT by 2030 though several brownfield and greenfield investments.
- Major threat to the industry includes the increasing adopting of electric vehicles which would impact demand in the transportation sector



## Cost Drivers:

- Exploration, Excavation
- Labor
- Capex for plants
- Transportation

## Revenue Drivers:

- Electricity;
- Transport (CNG, Petrol, Diesel, ATF)
- Domestic consumption(LPG)
- Industries(Paper Pulp, Chemicals, Metals)

## Key Customers:

- Power companies;
- Manufacturing;
- Retail customers (for transportation fuel)

## Key Players:

- IOCL
- Reliance
- BPCL
- HPCL
- ONGC

## Growth Drivers:

- INR 7.5 trillion (USD 102.49 billion) government contribution declared towards oil and gas sector over the next 5 years
- 100% FDI is allowed in the oil and gas exploration activities.
- INR 12,480 cr. contribution in Union Budget and other govt. initiatives
- Increasing demand for energy in India
- Rapid technological advancements

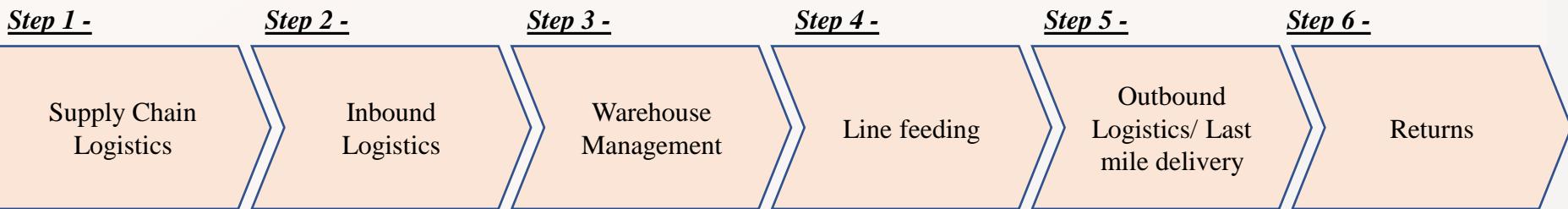
## Channels:

- Direct sales (mostly B2B)

# Logistics

## Summary:

- Indian logistics industry is expected to grow 10.5% between 2019-2025. Brands are switching to cutting edge technology to automate the processes and reduce costs.
- Size of this industry in India is INR 11.75 lakh crores; with only 10-15% of the industry owned by the key players, the logistics industry in India is highly fragmented with a large number of unorganized players.
- The industry provides livelihood to 22 million people.
- Improving condition will facilitate 10% decrease in indirect logistics cost leading to the growth of 5 to 8% in exports.
- The logistics industry is expected to greatly benefit by major reforms and increased spending towards different related segments such as infrastructure, roads and highways, railways, and automobile



## Cost Drivers:

- Transportation costs
- Salary
- Route optimization
- Investments in ERPs and other technologies

## Revenue Drivers:

- Inbound and outbound services
- Domestic and International Services
- Warehouse management

## Key Customers:

- Manufacturing
- Retail

## Key Players:

- Blue Dart
- Delhivery
- DTDC
- Transport Corporation of India

## Growth Drivers:

- Online retailers and tech firms such as Amazon, Google etc. are keen to tap into the logistics market
- Government reforms especially in the infrastructure segment
- Increased spending & development plans for transport segment
- Covid-19: Supply of essential commodities, creation of a supply chain stabilization task force to fight COVID-19, growing demand and distribution of personal protective equipment

## Channels:

- B2B
- Online- Movers and Packers

**Summary:**

- India is the leading sourcing destination accounting for approximately 55% market share of \$250 billion global services sourcing business.
- The top 4 IT majors namely TCS, Infosys, Wipro, HCL Tech employ about 1 million people in the country.
- To create differentiated offerings, leading players have started offering blockchain, artificial intelligence ideas.
- Domestic revenues of the industry stood at UDF 45 billion while export revenues at USD 150 billion in FY 21.

**Step 1 -**

**Setup**  
Tech and infrastructure,  
employee hiring and training,  
Delivery centers near clients

**Step 2 -**

**Service Development**  
Customer requirement,  
product development,  
quality check

**Step 3 -**

**Sales**  
Acquiring customers,  
fine tuning offering to fit  
needs, testing and  
deployment

**Step 4 -**

**After sales**  
Bug fixes, updates and  
general support. Pitch for  
repeat / new business

**Cost Drivers:**

- Employee costs (research and development)
- Sales and Marketing
- Admin and other costs

**Revenue Drivers:**

- Support, after sales services
- Subscription models
- Cloud services

**Key Customers:**

- Enterprises (BFSI, retail, etc.)
- Consumers (mobile apps, etc.)

**Key Players:**

- TCS
- Infosys
- Wipro
- HCL Technologies

**Growth Drivers:**

- New technologies - AI, blockchain
- Government push for software development
- Increasing domestic demand
- IT spending is estimated to reach USD 93 billion in 2021, which is a 7.3% year-o-year growth, and further increase to USD 98.5 billion in 2022

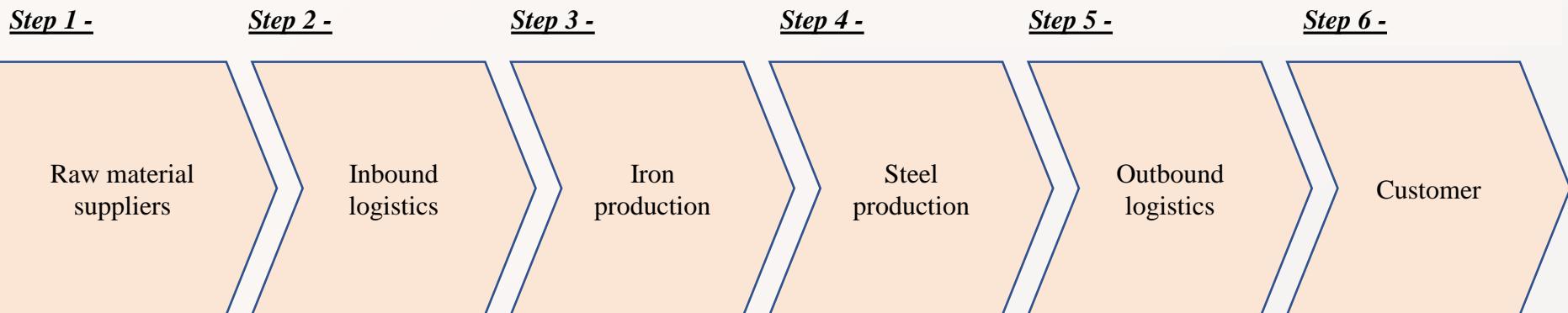
**Channels:**

- Direct sales force (B2B)
- Online (through Appstore, direct downloads)

# Iron and Steel

## Summary:

- India is world's second largest producer in the iron and steel industry.
- In FY21, crude steel production and finished steel production in India was 102.49 MT and 94.66 MT respectively.
- Under India's National Steel policy, 100% FDI is allowed in the sector.
- Export and import of finished steel stood at 8.42 MT and 6.69 MT, respectively in FY20.
- India's per capita consumption of steel grew at a CAGR of 4.43% from 46 kgs in FY08 to 74.10 kgs in FY19.



## Cost Drivers:

- Raw material
- Fuel and energy
- Salaries and wages

## Revenue Drivers:

- Steel for construction
- Steel for Railways parts
- Sale of biproducts

## Key Customers:

- Corporates

## Key Players:

- JSW
- Tata Steel
- SAIL
- Jindal Steel

## Growth Drivers:

- Increasing investment
- Government policy support
- Growing demand and exports
- Introduction of Steel Scrap Recycling Policy in 2019 aimed at reducing imports

## Channels:

- Direct to consumer
- Indirect channel (wholesaler to retailer to consumer)

## Summary:

- Healthcare industry comprising of hospitals, medical devices, clinical trials, outsourcing, telemedicine, medical tourism, health insurance and medical equipment, has become one of India's largest sector, both in terms of revenue and employment.
- Healthcare market in India is expected to reach US\$ 372 billion by 2022, driven by rising income, better health awareness, lifestyle diseases and access to insurance.
- GOI aims to increase expenditure towards the healthcare sector to 3% of the GDP by 2022. Also, the number of allopathic doctors with recognized medical qualifications have increased to 1.27 million in July 2021 from 0.83 million in 2010.
- Over the next 10 years, National Digital Health Blueprint can unlock incremental economic value of over \$200 billion for the health sector.
- Recent development in the healthcare sector include the introduction of telemedical services. The Health Ministry's 'eSanjeevani Telemedicine', an online OPD service crossed 12 million teleconsultations as on September 2021

## Step 1 -

## Step 2 -

## Step 3 -

### PRE-SERVICE

marketing/marketing research, services offered/branding, pricing, distribution/logistics, promotion

### POINT OF SERVICE

clinical operations- quality, process, innovation; marketing - patient satisfaction

### AFTER-SALE SERVICES

follow-up-clinical, marketing; billing; follow-on- clinical, marketing

#### Cost Drivers:

- Employee salaries
- Raw material costs
- Infrastructure cost

#### Revenue Drivers:

- Healthcare services
- Diagnostic ,
- Sale of drugs and equipment

#### Key Customers:

- External (patients, patients' families, visitors, referring physicians, doctors' offices, blood donors, and third-party payers)
- Internal (nurses, staff physicians and other professionals, students, trainees, employees, departments, and committees)

#### Key Players:

- Apollo Hospitals
- Fortis Healthcare
- Narayana Hrudalaya, Aster DM

#### Growth Drivers:

- Rise in population
- Rising income levels
- Increase of awareness among people,
- Adoption of health insurance
- Increase in personal health expenditure
- Changing lifestyles and transformation of disease profile of India from communicable diseases to non-communicable diseases such as cancer, diabetes and cardio- vascular diseases
- Allocation of 35000 crores towards healthcare in Union Budget 2021

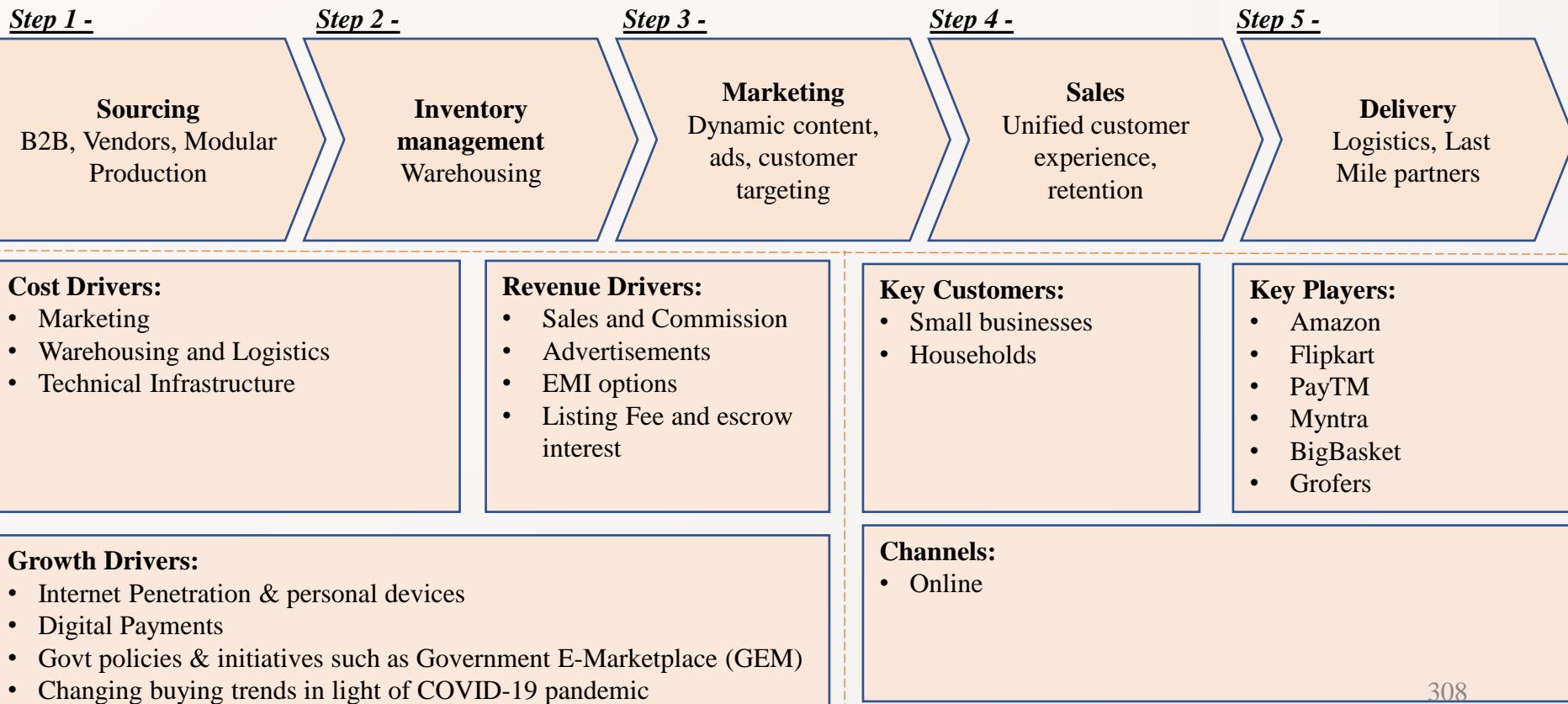
#### Channels:

- Sales agents
- Medical representatives
- Doctors
- Distributors (Pharmacy)

# E-Commerce

## Summary:

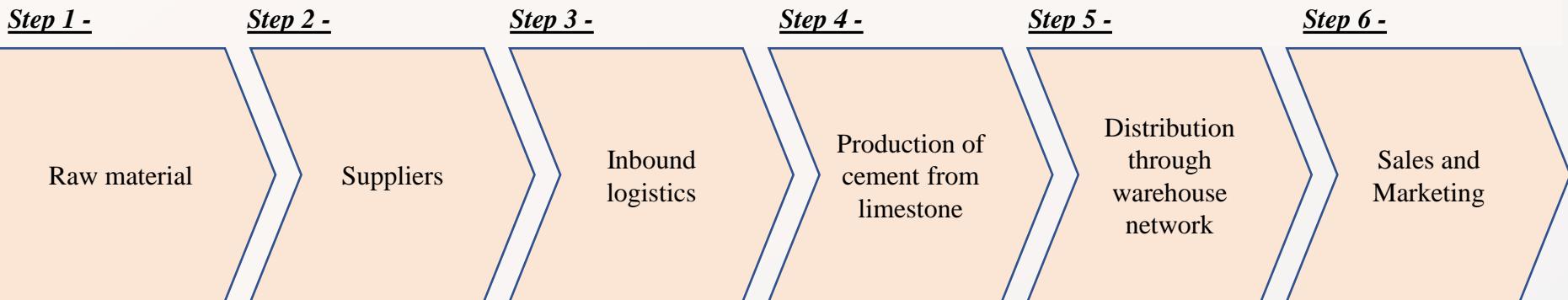
- Electronic commerce or e-commerce (is a business model that lets firms and individuals buy and sell things over the internet.
- E-commerce operates in all four of the following major market segments: B2B, B2C, C2C, C2.
- The Indian E-commerce market is expected to grow to US\$ 111.4 billion by 2025 from US\$ 46.2 billion as of 2020.
- The ongoing digital transformation in the country is expected to increase India's total internet user base to 829 million by 2021 from 636.73 million in FY19.
- As of July 2021, E-commerce in India is at an all-time high owing to 784.59 million active internet users
- 100% FDI allowed in the B2B e-commerce segment.
- Lockdowns owing to COVID-19 pandemic resulted in increased e-commerce transactions. Online grocery, e-pharmacy and other e-commerce segments expected to grow significantly.



# Cement

## Summary:

- China, the world's largest producer and consumer of cement is currently relying on imports from other countries such as Vietnam, UAE to meet their demand for cement due to the deficit they are facing. The environmental impacts of producing cement triggered new laws that do not permit production of cement beyond a certain point.
- India is the second largest producer of cement producing 294.4 million tonnes in FY 21 which accounted for more than 7% of the world's total output. The consumption is lower than the production and the surplus is used for exports.
- Current capacity is 545 million tonnes (FY20), a CAGR of 5% is expected from FY20-FY25 due to the increasing demand in domestic and international markets.
- The cyclical supply is owed to the seasonal demand of cement. This is due to the reduced construction work in the monsoons.



### Cost Drivers:

- Raw materials (limestone)
- Transport
- Fuel
- Power
- Freight

### Revenue Drivers:

- Cement Sale

### Key Customers:

- Housing and other infrastructure,
- government,
- industrial construction

### Key Players:

- UltraTech Cement Limited
- Ambuja Cements Limited
- JK Lakshmi Cement
- Ramco Cements Limited
- ACC

### Growth Drivers:

- Government policies to ensure affordable housing,
- Big infrastructure projects such as National Infrastructure Pipeline expanded under the Union Budget 2021

### Channels:

- Warehouse networks
- Direct to dealers or consumers for bulk orders

# Banking

## Summary:

- The Indian banking system consists of 12 public sector banks, 22 private sector banks, 46 foreign banks, 56 regional rural banks, 1485 urban cooperative banks and 96,000 rural cooperative banks in addition to cooperative credit institutions.
- Govt to set up Asset Restructuring and Management Companies to take over stressed assets of banks, thereby facilitating operational ease
- Increased emphasis on digital payments and UPI, and initiatives like the PM Jan Dhan Yojana has increased the reach of banking sector
- The creation of new banking entities like 'Payment Banks' and 'Small Business Banks' made banking infrastructure more robust.

## Step 1 -

Marketing  
Advertising  
Branding  
Sales Support

## Step 2 -

Sales  
Multichannel Management  
Acquisition Offering  
Market Expansion

## Step 3 -

Customer & Stakeholder Relationship Management  
Focus on specific groups (NRIs, HNIs)  
Regulatory Compliance

## Step 4 -

Product  
Product Offering  
Product Expansion

## Step 5 -

Transaction Payments  
Clearings & Settlement Trading

### **Cost Drivers:**

- Service costs such as transaction services, ATM services
- Employee Benefits
- Cost of funds/resources borrowed
- Operational efficiency of branches
- Non-performing assets
- Asset Liability Mismatch
- All write-offs and provisions
- Infrastructure Costs (physical & Tech)

### **Growth Drivers:**

- Economic growth of country
- Government/RBI Regulations
- Geographical expansion of banking
- Technological Innovations (Digitization)
- Infrastructure growth
- Big projects approvals, Financial Literacy

### **Revenue Drivers:**

- Loan Outstanding (Lending)
- Investment Yield
- Ancillary Services (Guarantees, Letter of Credit etc.)
- Foreign Exchange Business
- Asset Turnover
- Customer mix
- Branch Network
- Product Mix & Differentiation

### **Key Customers:**

- Individuals
- HNI Consumers
- Micro, Small & Medium Businesses
- Large Businesses
- Govt and govt agencies

### **Key Players:**

- SBI
- HDFC
- ICICI
- PNB

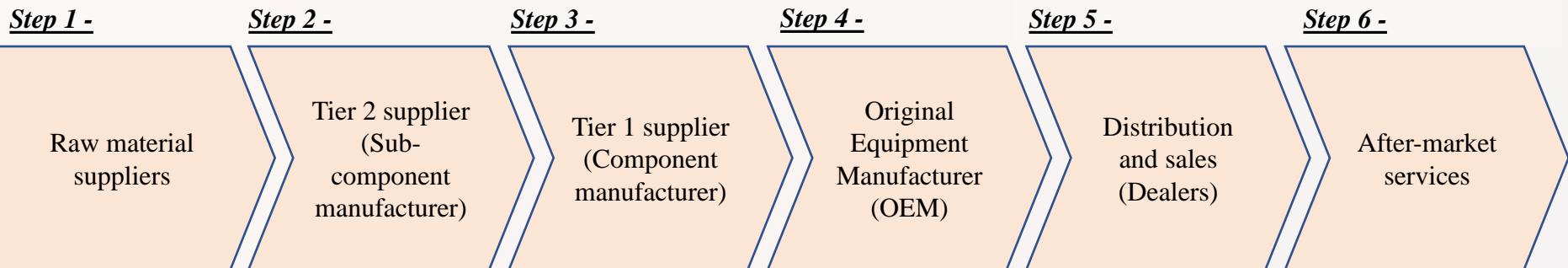
### **Channels:**

- Largely face to face interactions (branches etc.)
- Online banking, ATM services growing
- Mobile Banking growing rapidly
- Business Correspondents (3rd parties engaged where branches are not available)

# Automobile

## Summary:

- The Indian automobile industry is the world's 5th largest auto market.
- It contributes 7% to GDP and 49% to manufacturing output.
- The industry manufactured over 22 million vehicles including Passenger Vehicles, Commercial Vehicles, Three Wheelers, Two Wheelers and Quadricycles in financial year 2021.
- Automobile exports from April 21 to June 21 stood at 1.4 million units in comparison to 0.4 million units in April 20 to June 20
- Tesla's entry into the Indian automobile market in January 2021 expected to boost the EV market in India.
- The EV industry will create five crore direct and indirect jobs by 2030.
- 100% FDI allowed under automatic route in this industry.
- Additive manufacturing, AI-based automated inspections, use of big data to inform design and production are major potential areas.



### Cost Drivers:

- Raw materials
- Research and Development
- Labour
- Advertising
- Infrastructure set-up and development for EV segment

### Revenue Drivers:

- Income level
- Technological innovations
- Infrastructure
- Economic conditions
- After sales service

### Key Customers:

- Households
- Corporates

### Key Players:

- Mahindra & Mahindra
- Maruti Suzuki
- Hero MotoCorp
- Hero Electric
- Tata Motors
- Toyota Motor Corporation
- Honda Motor Co. Ltd.
- Ford Motor Co.

### Growth Drivers:

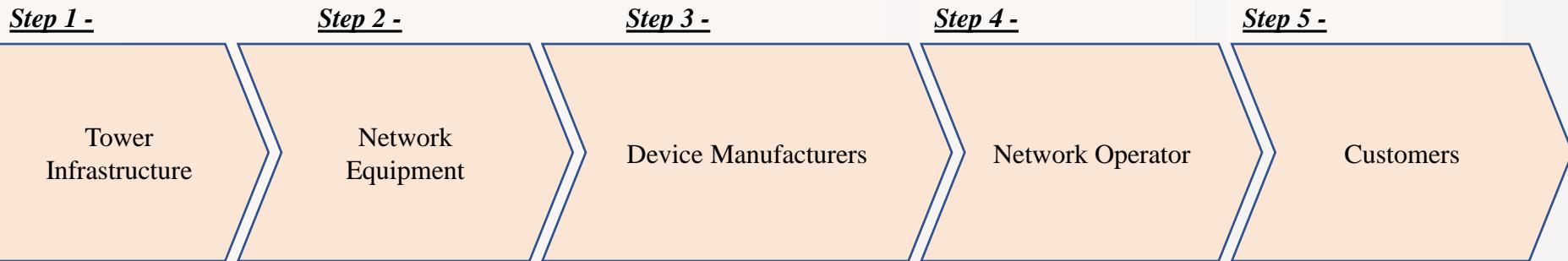
- Scrapage policy in Union Budget 2021 to boost demand
- Production Linked Incentive (PLI) scheme for automobiles and auto-parts worth USD 3.49 billion announced by govt. in September 2021
- Easy availability of credit

### Channels:

- Dealers
- Company Showrooms
- Retailers

## Summary:

- With 118 crore subscribers (Jun 2021) India has the second-largest telecom network globally. This number is expected to grow to over 150 crore users by 2040.
- Government has allowed for 100% FDI for satellite-based Narrowband IoT, and the Phased Manufacturing Programme
- In 2021-22, telecom infrastructure was allocated \$1.9 bn in the union budget and the Department of Telecommunications has been allocated \$8Bn
- India's 5G subscriptions are expected to rise to 350 million by 2026 accounting for 27% of all mobile subscriptions
- India has the highest data usage/ smartphone with an average usage of 13.46 GB per month and the 5<sup>th</sup> cheapest internet rates in the world
- The average revenue per user (INR/month) is at Rs. 128.66 and has been steadily rising since July 2018.



**Cost Drivers:**

- Spectrum auctions
- Network investments
- Operating expenses

**Revenue Drivers:**

- Calling, Messaging Services
- Internet Services
- Network Connectivity to other telco firms
- Value Added services
- Mobile Money and M-commerce

**Key Customers:**

- Households
- Corporates

**Key Players:**

- Reliance Jio
- Airtel
- Vodafone Idea
- BSNL
- MTNL

**Growth Drivers:**

- Growing mobile penetration in rural India
- Increase in internet access across the country
- Relaxed FDI norms by the government
- Reduction in license fee

**Channels:**

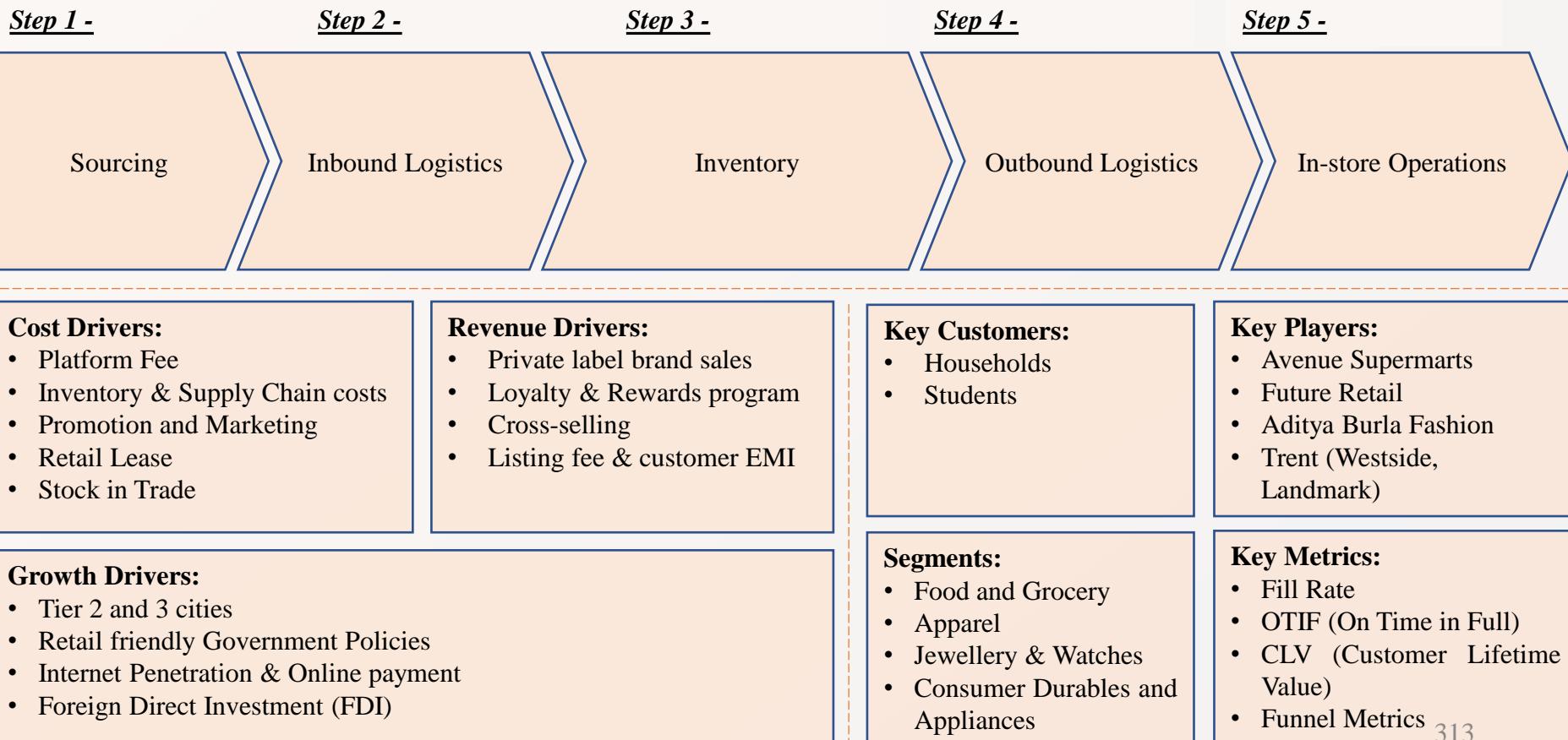
- Company apps
- Dealers

**Key Metrics:**

- Call completion Ratio
- Avg revenue per user
- Avg call duration
- Call drop percentage

## Summary:

- Valued at \$1200 billion in FY21 and is expected to grow to \$1750 billion at 7.8% CAGR (2021-26) and \$2 trillion by 2032. It makes up 10% of the GDP and is responsible for 8% of employment
- The government has now allowed 100% FDI in single-brand retail trading and 51% FDI in multi-brand retail trading
- Online retail sales, which account for 10% of the overall market, account for 23% of the organized retail
- India's eCommerce sector received US\$ 15 billion of PE/VC investments in 2021 which is a 5.4 times increase YoY.
- India's social commerce has the potential to expand to US\$16–20 billion in FY25, growing at a CAGR of 55-60%.



A black and white photograph showing a low-angle view of several modern skyscrapers. The buildings have dark, reflective facades with many windows. One building on the right is curved, creating a dynamic perspective. The sky above is overcast with heavy clouds.

# Behavioural Questions

1. Tell me about yourself.
2. You don't have a background in consulting in the last 3 years, why would you want to transition to a consulting career?
3. Walk me through your CV.
4. Explain the work you did at the firm you worked with? What were the USPs of the firm according to you?
5. Why did you choose to study at \_\_\_ college?
6. Tell me about your experience at XLRI so far?
7. What was your toughest and the easiest situation you have faced at XLRI so far?
8. If you would like to meet a person(s) from the past, who would he/she be and why?
9. How is XLRI compared to your undergraduate college? State three differences.
10. When was the last time you appreciated yourself?

## Boston Consulting Group

1. Introduce yourself without mentioning the things on your CV.
2. You don't have a background in consulting in the last 3 years, why would you want to transition to a consulting career?
3. Walk me through your CV.
4. Explain the work you did at the firm you worked with? What were the USPs of the firm according to you?
5. Why did you choose to study at \_\_\_ college?
6. Tell me about your experience at XLRI so far?
7. What was your toughest and the easiest situation you have faced at XLRI so far?
8. If you would like to meet a person(s) from the past, who would he/she be and why?
9. How is XLRI compared to your undergraduate college? State three differences.
10. When was the last time you appreciated yourself?

1. Tell me about yourself.
2. What do you believe is your greatest achievement?
3. What if there were no constraints in life of whatsoever type, you had all the money and things you want and need. What would you then be doing in life?
4. How will your friends describe you?
5. Describe a task where you faced an unprecedented challenge but navigated through it successfully. Why did you choose to study at \_\_\_\_\_ college?
6. You worked with McKinsey before, what makes you come back to the firm?
7. Can you share any leadership experiences at XL?
8. You have worked in Social Impact consulting space before, how has your experience been there and what were your key learnings?

## Kearney

1. Explain the work you did at the firm you worked with in the past? What were your key learnings?
2. Why do you want to work with Kearney? What attracts you to the firm?
3. Why do you want to have a career in consulting?
4. Justify your pecking order.
5. You have experience in working with \_\_\_\_\_ sector? Would you elaborate more on the same?
6. What would you like to know about the firm to be able to make up your mind?
7. What brings you happiness?
8. Why should we select you for this coveted position?

1. Introduce yourself and let me know what is going on at XLRI?
2. Why do you want to make a career switch to a field like consulting?
3. How would you compare the firms that you are preparing for, and which one do you really want?
4. What are your leisure activities? (Followed by more questions and a case. )
5. What are your strengths and weaknesses?
6. How much of your work defines you?
7. Tell me about a situation where you had to make a tough decision?
8. What is one value that you wouldn't trade for anything?

## Synergy

1. What are your expectations from the summer internship?
2. Where do you draw inspiration from?
3. What is your skill level with Excel? (Follow up questions)
4. Why is the role we offer attractive for you?
5. What is your prior experience in project finance? Why do you want to be in this field?
6. Tell us about a situation when you managed conflict. What role did you play?
7. What is your opinion about \_\_\_\_\_ ? (Current Affairs)

