Practice Case Business Acumen

Part I

# Question 1

Assume you are a product manager/data scientist (or anyone who has capability to make a change) in a Startup. The startup name is BukaToko and they are one of largest marketplace. Their main vision is to help small businesses to get wider market and buyers can buy product safely. This company also creates trusted payment ecosystem for both seller and buyer. Event though they have a complex security to protect transaction of sellers and buyers, several frauds have inflicted loss to all parties, especially BukaToko themselves. Cashback fraud, Fake “Cheap” Product, Transaction outside platform, Fake shipping receipt, and so forth are the problems that harmful and need to be solved soon. You, as the one who dedicated to stop these problems, need to make your own team to cooperate and solve these.

1. Which problem you prioritize the most? And Why? (Choose one and focus on that topic)

2. Which business components that will be your team to solve the problem? Why?

3. How you define and identify the problem?

4. What is your synthesized solution?

# Answer 1

1. First, let’s assume that the Vision of the company is to Connect Customers to the Seller. So, let’s define the problems, as the impacts to the company. The Cashbacks Fraud directly impact the business as it inflict financial losses directly. As for the Fake “Cheap” Product, it inflicts the customers more and only the small impacts to the business. But the problems relies not only on BukaToko but also the customers. In fact, the customers can ask for refund for fake products if the seller sold a fake products. Fake shipping receipts problem is not directly impacts the business, and the last one for transaction outside the platform, as we have financial losses but as it returns to the Vision of the company to connect the customers and the seller; we are doing that. But the transaction just not in our domain. Even though there are some financial losses but not as big as Fraud Cashbacks. But as in reality, sometime the fraudster used fake shipping receipts to fake the shipping during the fraud cashback. So, let’s tackle both problems.
2. The functions that are required to help solve the problems R&D, Finance, Marketing (Public Relation), Operation (Legal, IT, Investigator).
   1. R&D: Mostly the Data Analysts, Data Engineers, Data Scientist, and Anti-Fraud will have to work together on finding how to locate the fraudsters, or create Anti-Fraud Tracking Systems, on the transaction to find the outliers. By using data features as Fake Shipping Flag, Age of Store, Turnover of the Store, Flag Similar Phone Number, and many more, we can create models to distinguish the fraudster or the potential fraudster.
   2. Finance: to track on the current business financial status, to make sure there are not some outliers. To track also on the moving of the shopping culture, making sure there are not some outliers.
   3. Marketing: disclose on the problems to make sure that the customers knows there problems but they should not worry.
   4. Operation: Legal to make sure to resolve the problem using legal route. Investigator to investigate if there any potential fraudster. Finally the IT to implement the models in the apps.
3. Same as I mentioned above.
4. Strengthening the Anti-Fraud teams, Create conditional cashback, making sure the store is verified and approved.

<https://www.cnnindonesia.com/teknologi/20190723151630-185-414730/tokopedia-buka-suara-soal-penjahat-cashback>

# Question 2

Illy Café Business Case Andrea Illy is CEO of the global premium coffee company that bears his family’s name. As one might expect, he is passionate about coffee – its science, its health benefits, its taste, its beauty. Illy also has a dream that someday soon the coffee market might be transformed into something approaching the market for wine. Where connoisseurs discuss the fine points of various origin coffees and blends, where customers are willing to pay a premium for the finest examples of the coffee-making art, and where the growers, roasters and baristas will be compensated fairly for the expertise they contribute to every cup. Unfortunately, the current coffee market differs from such an ideal. Coffee growers in most parts of the globe work at a barely subsistence level. One bad harvest (made all the more likely by the ravages of climate change) or a sudden decline in the commodity price of coffee can drop them below subsistence to hunger. Even in good times, growers have little incentive to improve their operation – they have minor contact with the roasters or customers and no knowledge of how their crops get translated into the cup. This disadvantages not only the grower but also the consumer – coffee sourced from good quality beans is hard to find. lly believes that the solution to the sad state of affairs is to initiate a “virtuous circle” that draws the grower, the roaster, the barista and customer together. Growers with better knowledge of the market will work to improve their crops or experiment with new varieties. Roasters and preparers will educate their customers as to the qualities of various beans, roasts and preparations. Customers, in turn, will be willing to pay more for the best beans and that premium will be sent back up the chain to pay for even more quality and variety. And so on. Certainly there have been some positive signs. Indeed, many observers argued that a “third-wave” of transformation in the coffee market was already starting. (The first wave is said to have occurred when Maxwell House and Folgers made coffee a mass commodity, the second wave when Starbucks initiated a move to quality and higher prices.) Specialty coffee roasters had worked to build cafes and brands around origin-based beans sold directly to the roasters without reference to the commodity prices of coffee. With these third-wave roasters, every coffee came with a story of its origins and growers could count on occasionally eye-popping premiums for their beans. As yet, specialty coffee represented a small sliver of the overall market and there were other signs that it might not ever grow beyond a small circle. New trends like coffee-based drinks and single-portion coffee in pods (e.g. K-cups, Nespresso) actually shifted more of the value-added towards roasters without a premium for growers. A consolidation was taking place among mass roasters that was even sweeping-up third-wave roasters in its wake. Observers argued that could lead to greater uniformity with even less emphasis on origin-based, direct-traded coffee. Illy’s hope is that someone would come up with an innovation that would solidify the beginnings of the third wave and help reshape the market. Such a change would not necessarily have to involve illycaffè; Andrea Illy believes as the world’s premium brand, an increased emphasis on quality in the market would only help his company. The most important thing was to make the coffee supply chain more equitable and coffee better-tasting.

1. What is the real problem this company facing? And how do you identify it?

2. Which part of business components need improvement? Why?

3. What kind of company transformation that might help the company to strife in the market?

4. Propose an idea/ideas to create a new product

5. How do you propose the solution?

# Answer 2

1. The company problems are to balance on three aspects; the profitability, the quality of the coffee, and lastly the coffee farmer’s unethical farming methods. So Illyi had to manage these aspects because of his company visions and missions. Quality aspect based on how the coffee beans’ qualities, the quality of the roaster, the quality of the baristas, the quality of the machinery. The profitability aspect based on the profit of the quality products and the market’s growth. Lastly the farmers’ aspect as they need to educate the farmer and also build relationship with them to gain the trust and also keep the market growing.
2. All of the business components to be improved.
   1. HR: HR needs to make sure the quality working of the company at its peak state. Need to find a trainers not only focusing on the internal but also the external as the business needs to train and educate the farmers of the coffee.
   2. Operation: The operation also needs to improve as the business are changing to the third wave. As the operation keeps intact on the internal side of business so the business always keep on growing, but also need to make sure all process are done in the order of the procedure as the company has its goal on the quality. Followed by the wave of Industrial 4.0, the operations needs to adjust their growing on the movement of 4.0.
   3. Delivery: As the company are competing with Starbucks and Nestle, they need to improve or create a unique product. But not only the product are important, but how do the company delivers the product. As Starbucks focused on the delivery of the atmosphere of the store and Nestle on the quality of the product, the company really needs to know how to deliver the product in a way that makes the customers always want to buy.
   4. Logistic: As the growing of the internet, the logistic teams could use of the internet to track on the logistic and the help of technology to track on what the company needs and what they have in the warehouse or storehouse.
   5. Marketing: As the company has a big companies that they are facing, they need a clever-creative marketing to attract customers to buy their products. As for Starbucks, the deliberately misspelled the name of the customers in their cups, so that the customers could take pictures of the Starbucks cup and show it through social media to their families and friends. It’s a free marketing. If they could do the same using customers to market their product it would be cheaper and also faster to spread.
   6. Sales: Sales had to transform as the company are now a B2B2C, as now not only selling coffee, but maintaining the sales of the coffee beans. They need to maintain the best of the best quality of the product delivered to the customers and also buying the best quality coffee beans,
   7. R&D: they need to make sure the research and development on the move as well. Not only focusing on the coffee but also how to create a new interesting products. Usually the R&D focused on the coffee’s essences or the taste of the coffee but could researched and developed a new way to deliver coffee.
   8. Product: Production team also need to change as the coming of the third wave. Not only maintaining the quality of the coffee or the products, but also making sure that the products is still relevant to the current movement of coffee cultures.
   9. Finance: not only focusing on the finance of the company, but as the company’s visions, the need to make sure farmers financial status is at balanced as the quality of the coffee beans depends on the financial state and current living lifestyle of the farmers.
3. Delivered in Num. 2
4. New products:
   1. New methods on delivering coffee: such as drone to deliver coffee to the customers.
   2. Selling a cheap but good quality machines for household and families in the comfort of their homes.
   3. Sell non-coffee beverages, as not all people could or like to drink coffee.
5. Based on number 2, 3, and 4.