Consulting & Analytics Club
IIT Guwahati

Krack the case

Business Casebook

Simplifying Consulting, Product Management and Guesstimates for Strategic Success!

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Visit the official page of Krack the Case at **caciitg.com/ktc**

We're C&A

About Consulting & Analytics Club, IIT Guwahati

The Consulting & Analytics Club at IIT Guwahati (C&A) aims to facilitate a seamless transition from graduate school to a successful career in management consulting and data analytics through awareness, skill-building, and networking. We aim to impart and inculcate our culture of learning-by-practice among students and professionals alike. To that end, C&A supports and organises a multitude of events throughout the year, including webinars, AMAs, workshops, hackathons and case challenges.

How to use the guide?

Part 1 Understanding case interviews: This section introduces you to what is expected during a case interview and how you traverse through it.
Part 2 Consulting and PM Guide: This section introduces you to various concepts in Consulting and Product domains and various principles and methods deployed to solve a problem. Also note that the given methods aren't fixed and we highly suggest you to practice making your own methods and principles.
Part 3 Case Frameworks: This section introduces you to various case types and how to approach it in a structured way. Also note that the given frameworks aren't fixed and we highly suggest you to practice making your own frameworks.
Part 4 Case Transcripts: Actual business case study problems curated from an extensive alumni base of IIT Guwahati.
Part 5 Tech Simplified for PM: This section introduces you to various tech aspects required in the industry from a PM perspective and gives a gist of all the stuff that will be required to co-ordinate well in a team environment and inculcate the tech aspects.
Part 6 Case Industry Reports: A detailed collection of industries, their value chain, profit drivers and external influencing factors.
Part 7 Guesstimates : Actual business guesstimate problems curated from an extensive alumni base of IIT Guwahati.

Consulting & Analytics Club
IIT Guwahati

Editorial team

We’re excited to share this casebook on consulting and product management, created by the members of the Consulting & Analytics Club at IIT Guwahati. Our aim is to provide you with practical insights and real-world experience that will help you succeed in your future careers.

The cases included here are actual examples from interviews conducted by companies during placement and internship seasons at our institute. Each case presents a unique challenge, designed to help you develop your critical thinking and problem-solving skills. We hope this collection bridges the gap between theory and practice, preparing you for the demands of case interviews and professional settings.

As you work through these cases, we encourage you to collaborate with your peers and share your thoughts. We believe that engaging with the material will enhance your learning experience and better prepare you for what lies ahead.

Thank you for joining us on this journey. We look forward to your feedback and are eager to see how you apply what you learn from this casebook in your future endeavors.

Best,
The Editorial Team
Consulting and Analytics Club, IIT Guwahati

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The club acknowledges the invaluable contribution of the so owing members towards our Second Edition of the Business Case Book.

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Understanding Case Interviews

Understanding Case Interviews

Ever wondered what happens when your brain encounters a case interview question? Imagine this: your mind is working at full throttle, processing everything around you, and then – BAM! – you're hit with a case question that leaves you as confused as a cat watching a laser pointer. But no worries, it's all part of the process. A case interview is essentially a simulation where the interviewer throws a business problem your way, and you, the fearless consultant-to-be, have to crack it wide open.
Unlike a regular interview, here, you get to ask the questions. So, what's the key to success? It's all about structuring the problem, staying cool, and making sense of chaos. But don't worry, we're not aiming for "the" right answer (because that's a myth). We're after your thought process, creativity, and problem-solving ability. Ready? Let's dive in.

1

The Candidate-Led Case Interview

As the name suggests, this format of interview has the candidate leading most of the interview. The interviewer acts as the client and the candidate is given a business case study problem, the statement of which is highly ambiguous to begin with. The interviewer then stays silent for most parts of the interview. It is assumed that the candidate would come up with clarifying questions to understand the problem better and then structure out their thoughts. The interviewer would then validate their thoughts or ask for other possible approaches. It is the candidate who has to ask for data relevant to the case. Most of the cases in this book are focused on this approach.

2

The Interviewer-Led Case Interview

A notable distinction in how the interviewer and candidate engage in each scenario, irrespective of both needing the same problem solving skills is the interviewer gets to determine the vital aspects of the problem. He selects pertinent questions and provides the data, out of which the important aspects have to be decided by the interviewee. The interviewer may test your abilities of identifying the main areas and your prioritization of those. Regardless of your response, they might choose to dive into one of the areas identified, irrespective of your priority assignment.

3

The written case

Information pertaining to the case such as graphs, charts, etc. are provided and the candidate is given enough time to analyze them. After a thorough analysis, the candidate is asked to take a written test about the case, which may end with a presentation of the case.

4

Group case

A group of candidates, typically ranging from 3 to 5 are given a case by the interviewer and asked to solve that case. Usually this is marked by a relatively open ended problem statement, with the interviewer giving data whenever needed.
The cases included in this casebook are majorly in the candidate led interview format. However, it is possible that the same problem may be given in a different format.

What interviewers expect from candidates

1
The art of questioning

Clarifying questions act as a litmus test for candidates. Interviewers usually assess the candidate's breadth of thinking along with the depth of each thought from the clarifying questions. Asking the right questions can break down a big difficult looking case into several smaller trivial parts, thus structuring the entire process.

2
Effectiveness of the solutions

Assessing a solution and its effectiveness on ground would take a longer amount of time. Candidates have to provide a solution that has the maximum accuracy given the problem statement. The necessity of diving being highly critical of numbers is usually not required, instead a fair approximation is what does the work.

3
Pareto Principle

According to the Pareto Principle, 20% of all the possible causes would cause 80% of the problems. The most effective solutions are the ones that solve the major problems. Hence identifying the major causes before diving into the solutions is recommended.

4
Confidence

A consultant's work usually involves decisions that can completely redirect companies and their way of work. Confidence and quick thinking abilities instill belief in the interviewer regarding a candidate's potential and abilities to work on the job.

The Wrong Way

While there's technically no "right" answer in a case interview, trust me, there are plenty of wrong ones. Here's a list of things that could slam the consulting door in your face faster than you can say "MECE"

Ignoring key facts

The saying "The devil is in the details" highlights the importance of meticulousness in consulting. Success often hinges on attention to detail, and overlooking even one can lead to significant setbacks.

Extraneous info overload

The mere mention of information does not necessarily indicate its importance. It is essential to filter out irrelevant details, similar to how one would declutter a disorganised space.

Dreaded "naked question"

Asking a question without providing the rationale behind it can be counterproductive. It is important to always clarify your reasoning when posing questions to ensure that your inquiry is understood and meaningful.

Forcing a framework

While frameworks can be useful, not all problems can be neatly categorized within them. If a particular framework does not apply effectively, it is best to set it aside and explore other approaches.

Handling a Crisis

Even the best consultants get tripped up sometimes. But fear not! Here's what to do when things go south-

1

Clarify Early

Pause and seek clarification before proceeding too far. It is better to ensure you fully understand the problem from the outset than to discover midway that you have misunderstood it.

2

Reset Structure

Take a moment to breathe. Review your notes, retrace your steps, and ask a few specific clarifying questions. It is better to acknowledge that you are stuck and address the issue than to continue pursuing a flawed idea.

3

Estimate with Logic

Take your time and make estimates. You don't have to be a human calculator; rough estimates are acceptable as long as they are reasonable. Just be sure to clearly explain your logic and the assumptions behind your estimates.

4

Reframe the Problem

Pause, take a moment to step back, and reframe the problem. Occasionally, distancing yourself from the details and focusing on the bigger picture can help clarify your thinking.

Getting the Process Right

When you're sitting in front of the interviewer, your mission is to solve a business problem. This is not just any problem – it's complex, ambiguous, and probably a little overwhelming. But don't panic! Here's your step-by-step guide to slaying the case dragon.

1

State the Problem Like a Pro

In a professional interview setting, when presented with a problem, it is essential to take comprehensive notes, as these will serve as a critical reference throughout the discussion. Do not hesitate to seek clarifications if any aspect of the problem is unclear; the interviewer is available to provide additional information and context. It is advisable to paraphrase the problem to confirm your understanding. Phrasing your inquiry as, "So, what you are indicating is…?" can prevent potential misunderstandings and misdirections. Your objective should be to ensure that the problem is clearly articulated, specific, and amenable to resolution.

2

Break it Down with an Issue Tree

Think of the case problem as a large tree that needs to be tackled one branch at a time. Using an issue tree can help you break down the problem into smaller, manageable parts. Take a moment to organise your thoughts; it's perfectly fine not to have an immediate answer. Take a deep breath and outline a logical approach to the problem.
Only use a specific framework if it truly fits the situation; the goal is to solve the problem, not just to impress by mentioning frameworks. When you present your hypotheses, consider them like seeds that need to be tested and refined. Don't get attached to poor ideas; focus on finding effective solutions.

3

Eliminate the Non-Essentials

In case interviews, it's important to avoid the temptation to delve into every detail, much like wanting to keep everything when cleaning your room. Instead, focus on the key issues at hand. Streamline your problem-solving approach by prioritizing what is essential and discarding unnecessary elements. Communicate to your interviewer what you have chosen to eliminate and the rationale behind your decisions. This demonstrates critical thinking and indicates that your choices are intentional rather than arbitrary.

4

Analyze the Critical Stuff

At this stage, it is essential to conduct a thorough analysis. Approach this process with focus, alternating between your hypotheses and the relevant data to gain clarity. Maintain a hypothesis-driven mindset; avoid analyzing numbers without purpose. Always aim to reach a conclusion based on your findings.
Apply the 80/20 rule by concentrating on the 20% of factors that will yield 80% of the results. Keep your approach straightforward; there is no need to create overly complex spreadsheets for your analysis.

5

Pull it All Together

Now is your chance to show what you can do! Put together your findings and explain them in a way that anyone, even your grandma, could understand. Your final conclusion should clearly address the main issue and offer practical solutions.
Use a situation-complication-resolution format, like telling a short story. Start by describing the situation, then explain what makes it complicated, and finally present your solution.
Stay organised in your presentation. Whether you use a pyramid structure or an issue tree, make sure your argument is clear and easy to follow.

In Conclusion: The Case Interview Final Showdown

At the end of the day, case interviews are all about demonstrating your ability to think critically and solve problems in a structured way. The best candidates approach cases like a detective solving a mystery—asking the right questions, looking at evidence, and piecing everything together to arrive at a clear solution.

Remember: it's not about memorising frameworks or looking for the "correct" answer. It's about showing your thought process, staying curious, and handling ambiguity with confidence. Be human, stay calm, and approach the case like a puzzle you're excited to solve. You've prepared, you've practiced, and now it's your turn to shine.

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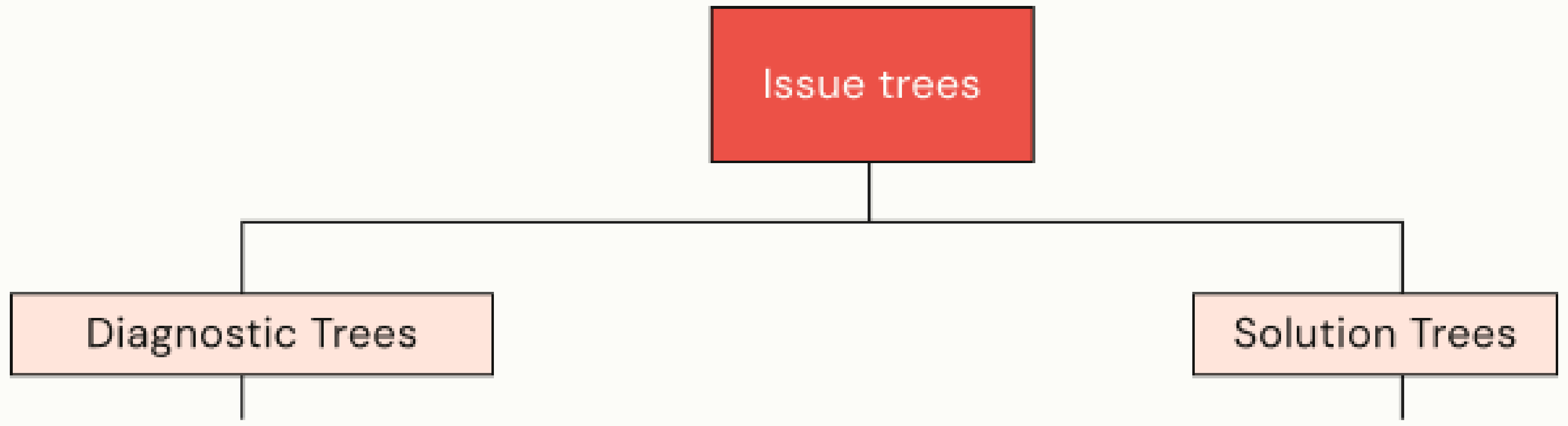
Issue trees

Issue Trees Issue trees are considered the bread & butter of a consultant's life. Making an issue tree is essential for mapping the problem.
This begs the question, what are issue trees? In simple terms, it's a method of dissecting a problem to its root cause and finding probable solutions logically. An issue tree is an efficient and logical tool to answer quantitative concerns. Moreover, they aid in categorising ideas which cover all possibilities without going deep into minute details. The issue tree and each sub-tree are a MECE structure (see the next page).



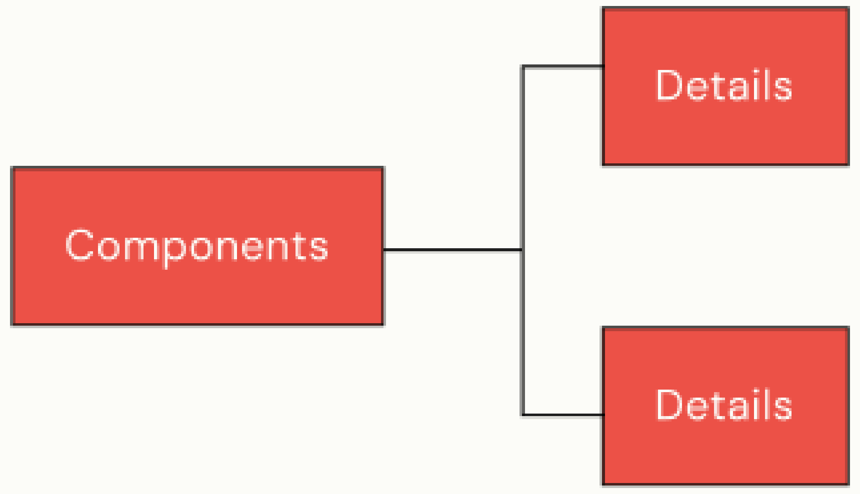
Answers the question 'why' and identifies and categorises all possible root causes for the problem.

Answers the question 'how' and identifies all possible alternatives to fix the problem.

MECE Approach

MECE stands for **Mutually Exclusive and Collectively Exhaustive**. Mutually Exclusive means that the smaller pieces of the issue tree cannot overlap, thus creating more efficiency as no two parts overlap. Hence there is no repetition. Collectively Exhaustive means creating an issue tree that sums up all the possibilities by combining all sub-classes. This ensures that it does not miss any new ideas or options. The components are listed vertically and progress into details as it reads to the right. While creating issue trees using the MECE approach, one should also ensure that the sub-objects that the issue is divided into belong to the same class, and one should not use too many sub-objects.

Creating Issue Trees
1. Divide and Conquer: Start with finding the root cause of the problem and divide it into subproblems keeping in mind the MECE approach.
2. Lay down a structure: Use the MECE approach to segment information. Add mini MECE layers to each subsequent layer. This will help to solve the problem efficiently at each layer.
3. Continue until you solve the problem.



Start with a well-defined problem attached with an objective. → Identify the causes efficiently in a structured manner. → Break down the problem into branches. → Identify causes efficiently using hypothesis and data given in the case. → Recommend solutions after a thorough analysis.

PESTEL

PESTEL Analysis is a tool that analyses the external environment of an organisation or business.

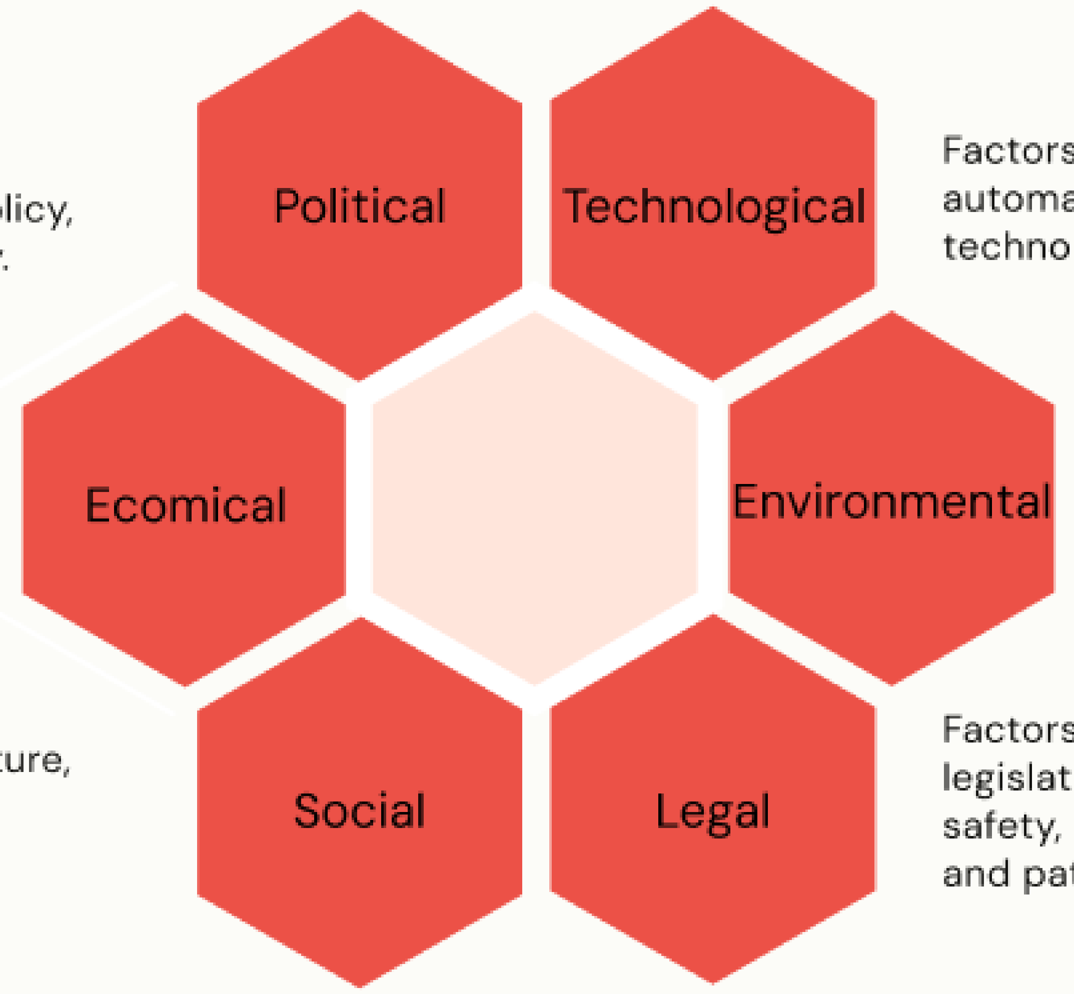
When is it best of use?

- It is useful when entering a new market or starting a new business.
- PESTEL Analysis helps us identify the EXTERNAL factors that affect a company or organisation.
- These factors affect your business and operations, but the effect cannot be seen the other way round. These are generally climate, industry trends, inflation, etc.
- – The company has no say on these factors. But conducting a PESTEL Analysis on them gives us a better insight into the industry

Factors such as government policy, political stability, tax policy, labour law, foreign trade policy.

Factors like economic growth, interest rates, inflation, exchange rates, employment rates, and purchasing power.

Factors like demographics, culture, lifestyle, age distribution, and career attitudes.



Factors like digital transformation, automation, R&D, innovation, and technological awareness.

Include climate change, recycling procedures, carbon footprint, waste disposal, sustainability and net zero targets.

Factors such as employment legislation, consumer laws, health and safety, trade regulations, copyrights and patents

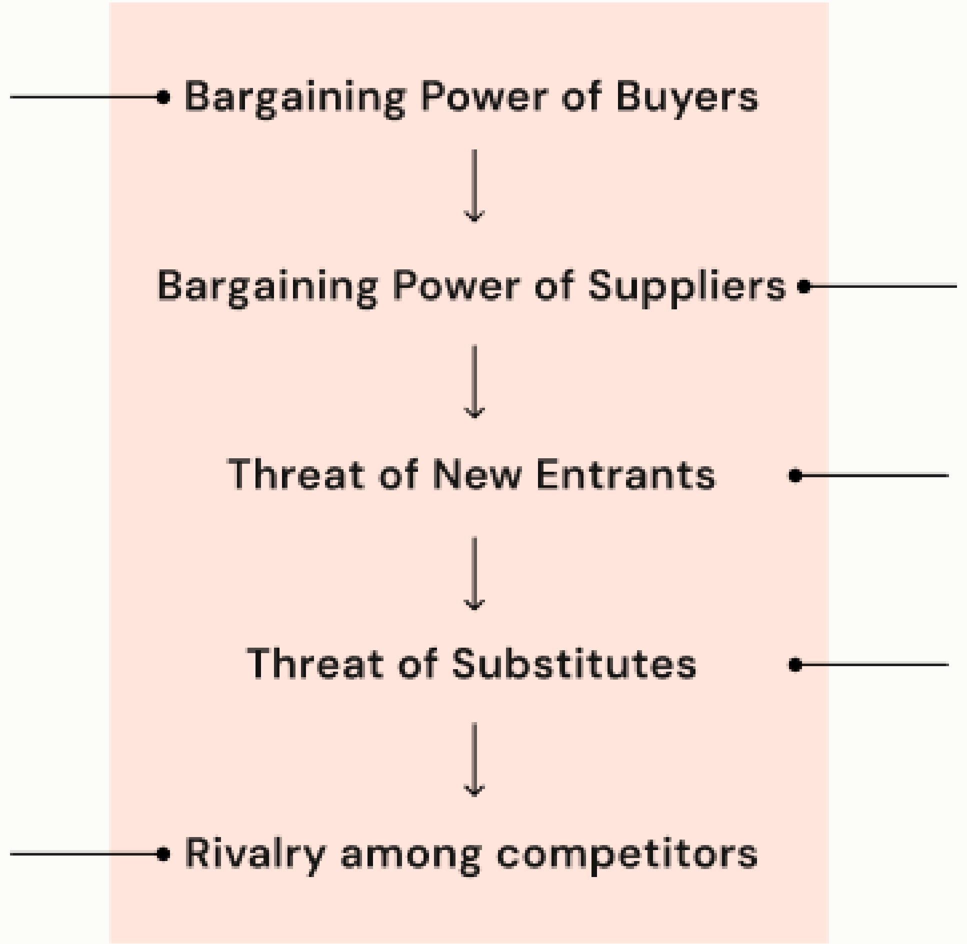
PORTER'S 5 FORCES

Porter's Five Forces The Five Forces determine the competitive structure of an industry and its pro fitability. Industry structure and a company's relative position within the industry are the two fundamental drivers of pro fitability. The following steps have been proposed to comprehend the same:
1. Understand your industry of interest.
2. Identify attractive vs less attractive industries/markets.
3. Identify opportunities and risks.
4. How pro fits within an industry will be distributed
5. Extrapolate industry trends & anticipate changing trend

Tips and Tricks
1. Use this model where there are at least three competitors in the market.
2. Consider the impact that government has or may have on the industry.
3. Consider the industry lifecycle stage-earlier stages will be more turbulent.
4. Consider the dynamic/changing characteristics of the industry.
5. Avoid using this model for an individual firm; it is designed for use on an industry basis.

Price sensitivity, Number of Customers, Buyer's ability to substitute, Size of each customer order, Buyer's information, Difference between competitors.

Industry growth, Quality differences, Brand loyalty, Barriers to exit, Number of competitors, Diversity of competitors



Number and size of suppliers, Uniqueness of each supplier's product, Ability to substitute

Switching costs, Barriers to entry, Capital requirements, Cumulative experience, Access to distribution channels.

Number of substitutes, Buyer propensity to substitute, Relative price performance of substitute, Perceived level of product differentiation, Switching costs

GE-McKinsey Nine-Box Matrix

The GE-McKinsey nine-box matrix is a strategic tool used by multi-business corporations to prioritise investments among their business units. McKinsey developed it in the early 1970s, and it is conceptually similar to BCG's GrowthShare Matrix — but more complicated. The business units (BUs) are evaluated and assigned a position on the matrix following a quantitative assessment of — (vi) the industry attractiveness, and (vii)the competitive strength of the business unit.

Industry Attractiveness
Industry attractiveness measures the ease of doing business in a market and generating profits in the long run. It is determined by factors such as:
1. Market growth rate (both short-term and long-term)
2. Size of the industry
3. Industry Structure (using Structure-Conduct-Performance Model)
4. Industry Profitability (using Porter's Five Forces Analysis)
5. Macro-environmental factors (using PESTEL)

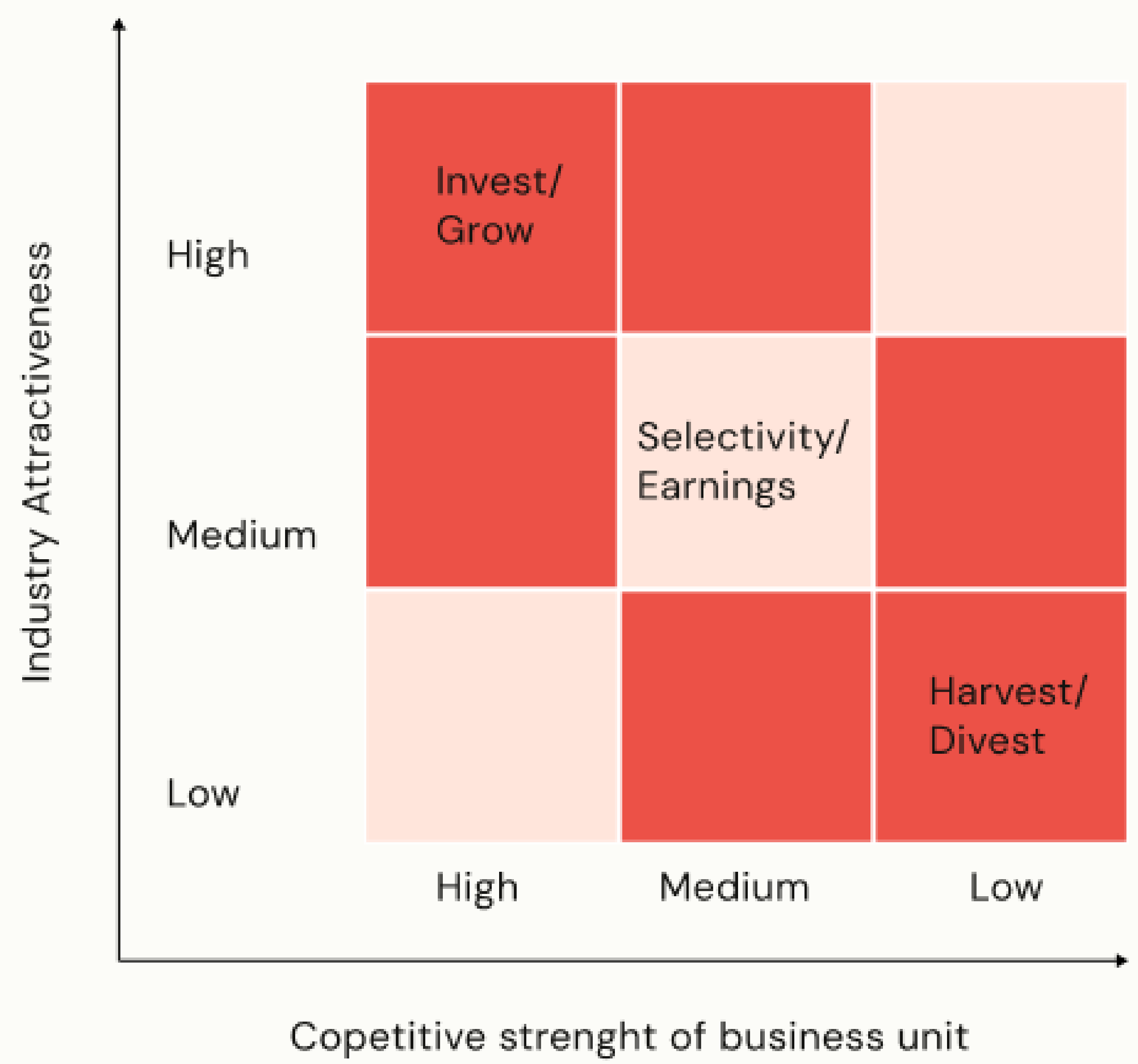
Competitive Strength of Business Unit
Factors used to determine business unit strength or sustainable competitive advantage include:
1. Market share and growth in market share
2. Brand Equity
3. Production capacity, Resources, Capabilities (using VRIO)
4. Value Chain Strength (using Value Chain Analysis and Benchmarking)

After assigning the weight (indicating importance) to each factor, the industry attractiveness score and business unit strength score are calculated using the formula given below:

= ∑ = ×

The scores are then categorised as high, medium or low, and the business unit is plotted on the matrix. Recommendations can be made to grow, hold, or harvest a unit as discussed below:

GE-McKinsey Nine-Box Matrix



Invest/Grow	Selectivity/ Earnings	Harvest/ Divest
• Applicable to BUs operating in a moderate to highly attractive industry with a medium to a high competitive advantage. • Provide as much resources as the business unit needs regardless of whether it can generate itself or not.	• These BUs have low to moderate competitive position in an attractive industry or very high competitive position in a less attractive industry. • Invest only if there is money left over investments in invest/grow business units or it they can generate cash in future.	• Applicable to BUs having low competitive advantage, operating in an unattractive industry or a combination of both. • Invest just enough to keep the units operational or divest the units by selling it to a prospective buyer.

BCG Growth Share Matrix

Overview — BCG Growth-Share Matrix The BCG Growth-Share Matrix is a portfolio management framework developed by the Boston Consulting Group (BCG) to assist a company and show where to invest its capital to benefit the most. The four quadrant matrix has two axes — Growth and Relative Market Share. In simpler terms, growth is the increase or decrease of demand in the market, and relative market share is how well the product is doing in the market compared to the highest competitor. Now, high or low Growth/Relative Market Share can be classified into four categories: Star, Question Mark, Cash Cow, and Pet/Dog.

BCG Growth-Share Matrix
High Market Growth and High Market Share products are known as Stars, meaning the product is excelling and has much demand in the market, so it is worth continuing to invest capital in this product.
Low Market Growth and High Market Share products are known as Cash Cows, meaning the demand is low, but the product is performing well, i.e., for less capital, there is higher profit.
High Market Growth and Low Market Share products are known as Question Marks, which means the product is not performing well, but the product's demand is increasing in the market, and then the product needs to be improved because it has good potential.
Low Market Growth and Low Market Share products are known as Pets or Dogs, which means the product is not performing well and demand for the product in the market is declining, so it is better to avoid investing more capital in this product.
In conclusion, profit can be milked from Cash Cows and invested back on Stars or Question Marks to maximise the success of the company's products.

	High	Low
High	Star	Question Mark
Low	Cow	Dog/Pet

SWOT Analysis

SWOT is a great tool to capture the current state of your organisation; it helps set objectives for strategic planning and identify the firm's core competencies. It analyses whether or not to embark on a strategy.

Internal	Strengths	Weaknesses
External	Opportunities	Threats
	Helpful	Harmful

Tips and Tricks-
Strengths
1. What is our competitive advantage?
2. What resources do we have?
3. What products are performing well?

Weaknesses
1. Where can we improve?
2. What products are underperforming?
3. Where are we lacking resources?

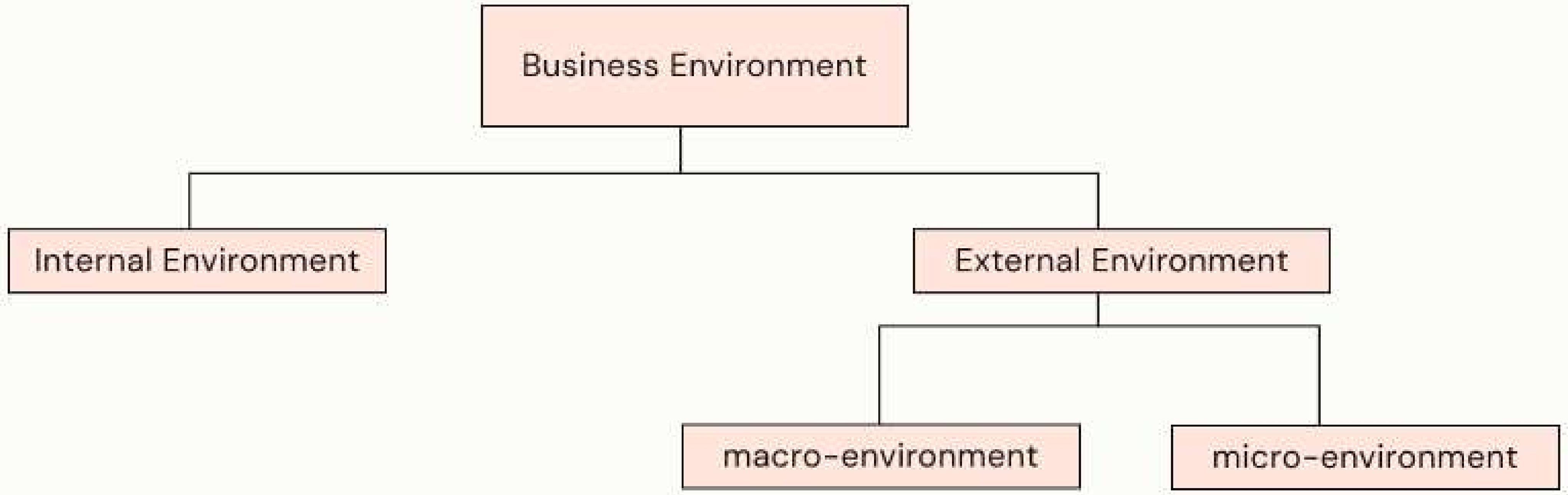
Opportunities
1. What technology can we use to improve operations?
2. Can we expand our core operations?
3. What new market segments can we explore?

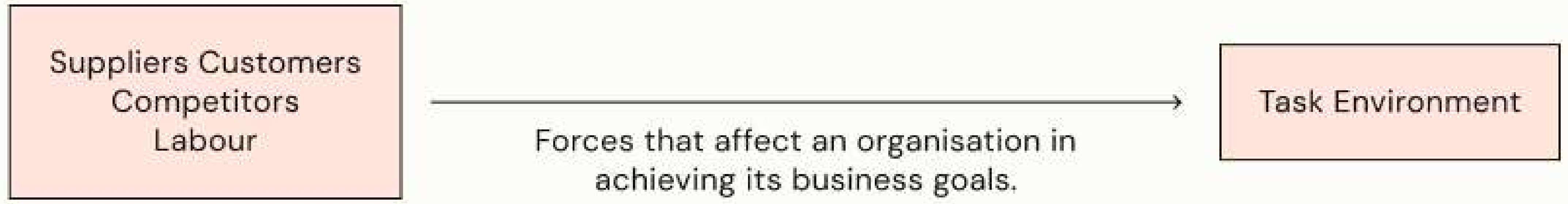
Threats
1. What new regulations can threaten the operations?
2. What do our competitors do well?
3. What consumer trends threaten business?

Internal Factors
1. Aspects of the company which it does/ does not do well at.
2. Qualities that make the company better/ worse than its competitors.
3. Assets/liabilities that the company holds (including financial, physical and human).
4. A USP.

Weaknesses
1. Market scenario and the relevance of the product being sold .
2. Press/Media coverage of the brand.
3. Customer satisfaction/dissatisfaction
4. Changing trends and customer behaviour.

Task Environment





Business Environment:
The aggregate of all the forces, factors and institutions which are external to and beyond the control of an individual business enterprise but significantly influence the enterprise's functioning and growth.

Internal Environment:
Several elements inside an organisation act as strengths and may also become a reason for weaknesses of the organisation. These internal factors have an impact on organisational decisions.

External Environment:
This includes factors existing outside the business enterprise that offer opportunities and create threats for the business. These include factors such as economic, sociocultural, legal, demographic etc. These factors are beyond the control of the company. There are two types of external environments — macro and micro.

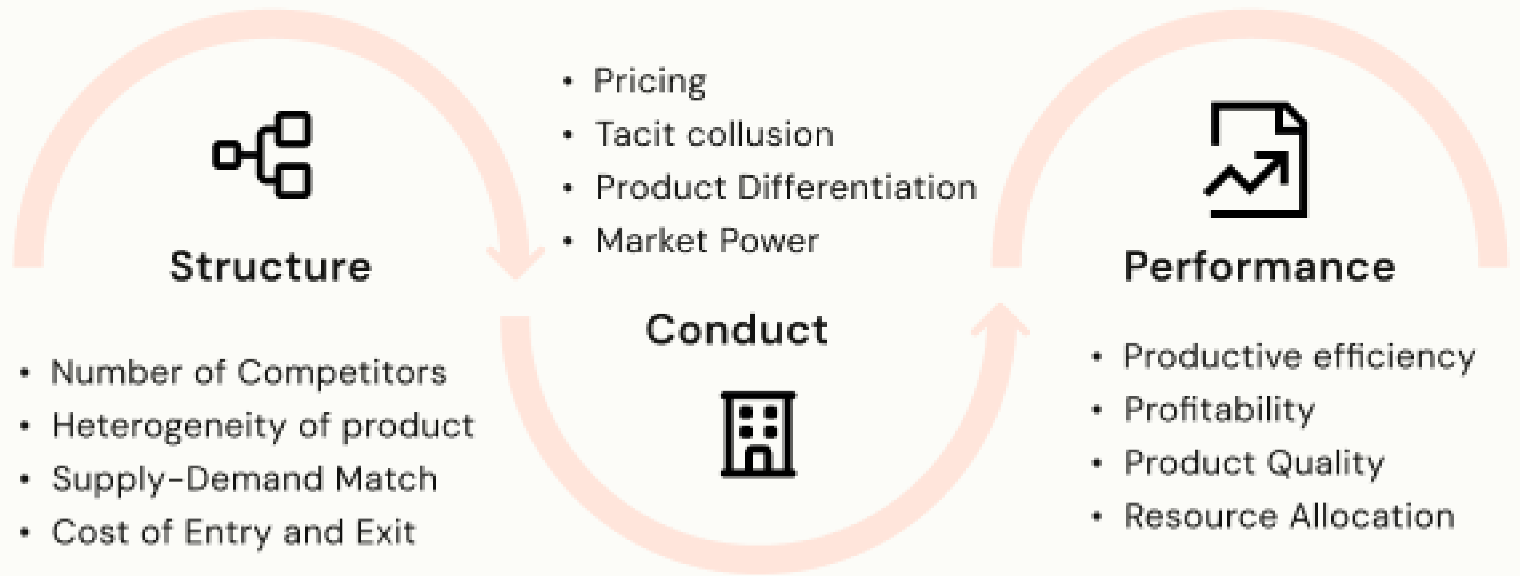
The **macro-environment** refers to the broader condition of an economy as opposed to specific markets. It consists of demographics, economic, natural, technological and political factors.

The **micro-environment** includes many factors in the company's immediate environment and has a bearing on the company's performance. These can be suppliers, customers, competitors and labour. The micro-environment is also referred to as the Task Environment.

Structure–Conduct Performance Paradigm

Overview
SCP Paradigm The structure-conduct-performance (SCP) paradigm states that market structure would determine firm conduct, which, in turn, would determine performance.

Use Cases
To analyse a non-changing industry.
To justify consolidation in an industry.
To investigate the effects of an external shock on one sector (like talent drain, shifting global demand, pandemics, data attacks and changing consumer demand).
It studies whether structure drives performance and also influences conduct.
To analyse the effects of a more attractive industry structure on the industry's performance.
The SCP paradigm cannot be used alone to generate relevant insights and is often used with other consulting tools.

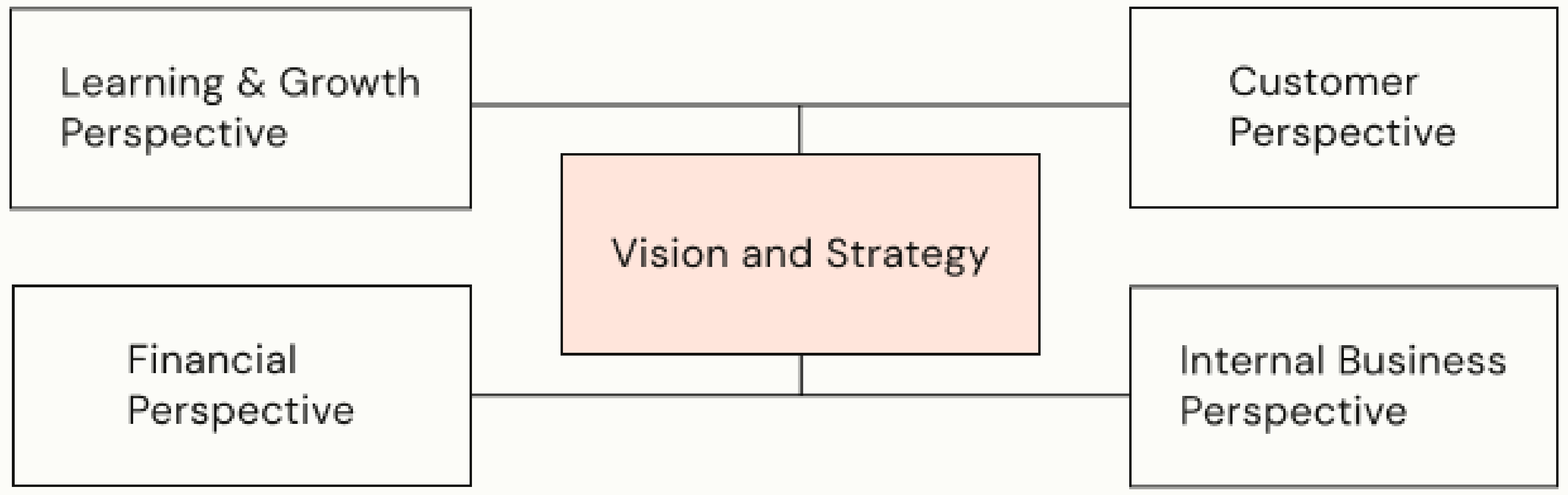


Balanced Scorecard

Overview
Balanced Scorecard A balanced scorecard identifies and improves various internal business functions and their resulting external outcomes. The balanced scorecard puts vision and strategy at the centre and isolates four aspects of an organisation for analysing. Learning and Growth, Finance, Internal Processes, and Customer. Vital information is gathered from four business areas — strategic objectives, KPIs, targets and initiatives/practices.

Four Perspectives of a Balanced Scorecard — Explained

1. Learning and Growth Perspective	Determines the company's ability to improve and adapt to change
2. Financial Perspective	Analyses the company's ability to pay dividends, manage risks involved and better appeal to shareholders.
3. Customer Perspective	Determines the level of customer satisfaction with the company's products and services and how it provides value to its customers
4. Internal Business Perspective	Evaluates the company's products and services and how well it runs.



Benchmarking

Benchmarking involves comparing a company's metrics with that of industry competitors (often industry leaders) or to those of innovative companies in related industries. This strategic tool aims to identify the industry's best practices and incorporate similar activities into other companies. In some cases, comparisons can be made internally between operations of businesses owned by the same firm.

Determining the focus areas

In the first step, the problem areas are identified. Usually, these are business operations with scope for improvement.

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Identifying KPIs & competitors to compare data

The next step is to decide on the performance metrics for benchmarking. Companies operating within the industry or internal areas with better performance rates are chosen to compare data.

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Collecting external & internal data

Now, data is collected on performance and company practices. In most cases, the data collected includes revenues, profit margins, production costs, process cycle times, etc.

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Finding opportunities of improvement

The competitor's best practices are identified, and an action plan is formulated.

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Implement best practices and adapt

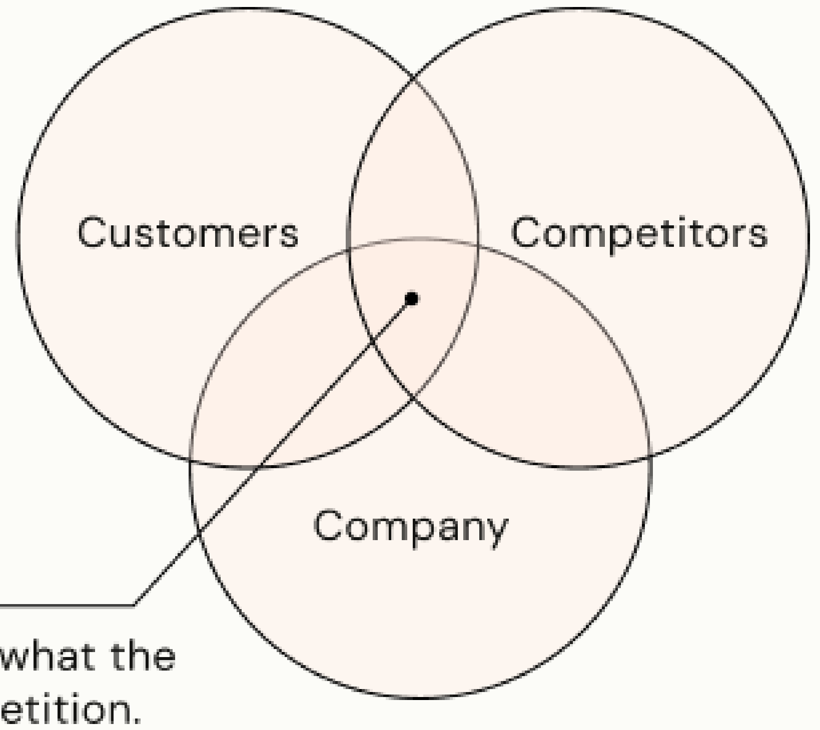
Finally, companies can incorporate these best practices after tweaking them to their needs. Benchmarking should be repeated at regular intervals to track metrics changes or adapt to other changes.

3Cs Model

Customers - Who are the key customers? - What do they value? - Why will they choose our product? - What do they think of our product

Competitors - What are they offering that we can do better? - How are they making money/profits? - What should we do to beat them?

Company - What are our strengths and weaknesses? - What is our unique selling point (USP)?



Strategy
Strategy is the balance between what we offer, what the customers want and the threats from our competition.

Customer Analysis
1. Customers are the most crucial of the three elements since a firm cannot exist without them, or there would be no opportunity to achieve a competitive edge. The best strategies are often found by putting oneself in the customer's shoes.
2. The best approach to determine how to appeal to your target market is to conduct thorough consumer research.
3. Demographic information is crucial to this research. This information can be found through surveys and interviews with the target market.
4. Understanding your target market and what they want can help you develop marketing techniques more likely to succeed once implemented.

Competitor Analysis
1. After analysing the customers, a company needs to understand how it compares to its rivals.
2. The first step would be finding out the main competitors in the industry.
3. Then one should find their business model, revenue streams, go-to marketing strategy and USP.
4. One can do this by analysing their website using SEO tools, reading their newsletters and reports, visiting their stores or online payment check-out and contacting them as a potential customer.
5. Also, you should find out the brand image and penetration of the competitors.

Company Analysis
1. Last but not least, one should analyse the client company.
2. You must focus on cost structure and cost-effectiveness in production and marketing. These are key to ensuring more cash in your hands.
3. You should find out what marketing tactics have previously been successful for them and what hasn't. It would help if you approached this, once more, from the client's perspective.
4. We must now analyse our brand image and presence, compare it with the competitors, and see ways to gain an advantage.

4 Ps of Marketing

4Ps of Marketing To market a product successfully, the 4 Ps are essentially important. The 4 Ps are comprised of four core elements: 1. Product 2. Price 3. Place 4. Promotion The 4Ps are often referred to as marketing mix. However, this tool got extended to the 7Ps with the insertion of People, Process and Physical evidence. The marketing mix strategy is not static. One must adjust and re fine it based on customer needs and product growth.

Product
Marketers first have to analyse who needs the product and why. They have to define the quality of the product in all areas like ease of availability, attractiveness, effect on the environment, etc. Being first in introducing a category can unexpectedly boost sales. For example, Apple was the first company to launch a touch-screen smartphone which could play music, browse, and make phone calls. Its sales touched the two billion mark in the year 2021.

Price
Price is the amount the marketer sets up for the product and the customer is willing to pay. Marketers must set the price, keeping production costs and profit margin in mind. The price of a product must be accurate and perceive its value. The supply costs, seasonal discounts, competitor prices, and retail markup are the essential considerations for putting up the product's price. Marketers also have an option to increase the price and create artificial scarcity to increase the demand for their products. Giving appropriate discounts at the time needed also will draw customers, but it provides a look that the product is less desirable.

Place
The place is where the product is kept for sale. It may either be online or offline. The critical consideration for offline stores is to keep the product where it seems more people will buy. Selecting luxurious malls and stores will give the product an expensive and better quality look.

Promotion
Promotion is the way to communicate and advertise the product to customers. Giving ads on social media, banners and flexes on roadsides and malls will attract customers' eyes.

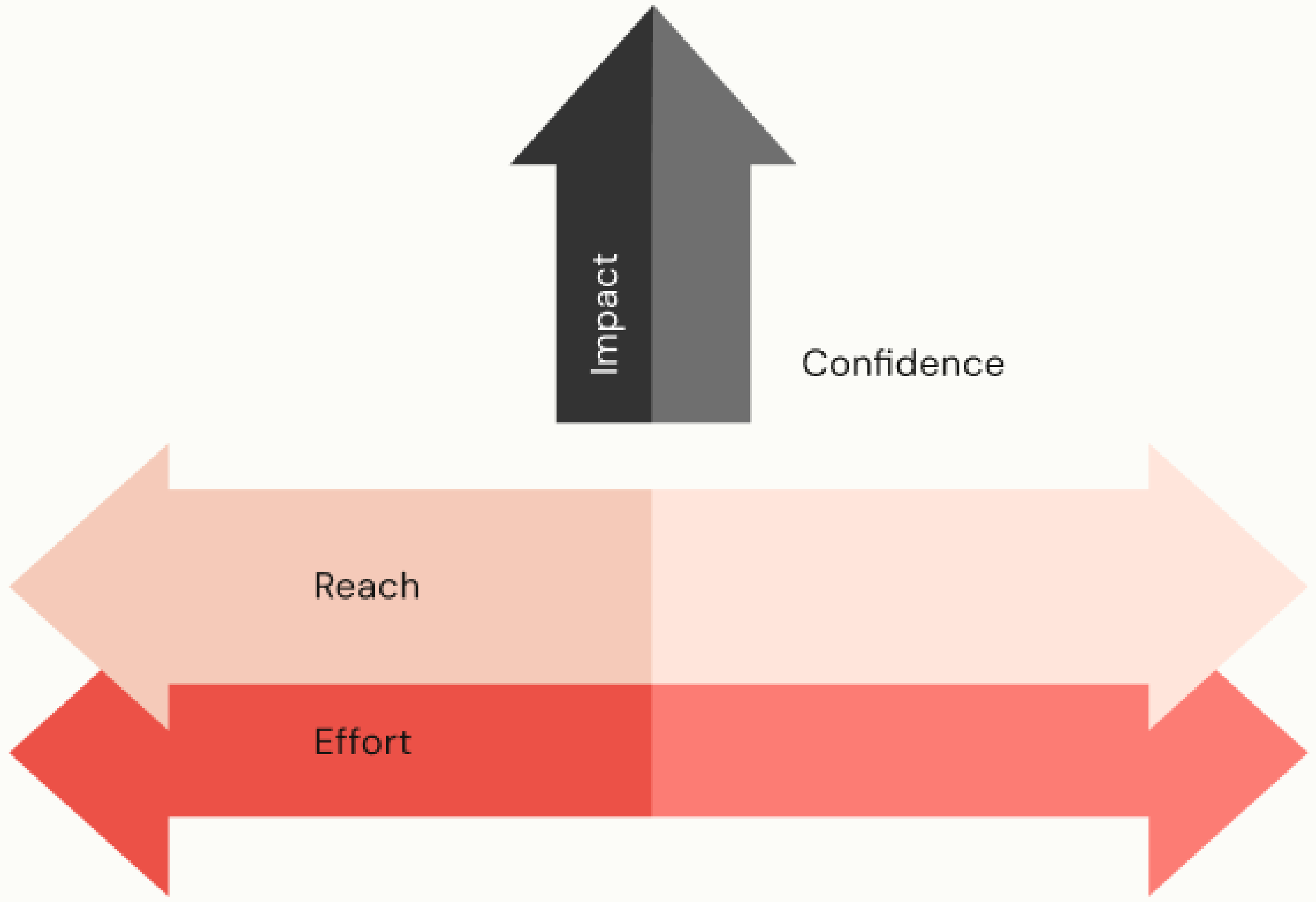
When to use 4Ps of Marketing?
This tool could be of use while launching a product in the market. At the time, analysing the existing development and sales will clearly show the areas of interest. This tool can optimise sales. Although it seems the 4Ps are mutually exclusive in their way, they overlap inevitably when the product sale begins to grow in the market.

RICE and VRIO Framework

RICE Model
RICE is a prioritisation model companies use to improve internal decision-making processes. Each of the four factors is scored as depicted in the illustration on the left:
1. Reach is measured as the number of people/ events per time period.
2. The impact of an idea on an individual user is estimated.
3. The level of confidence in the estimates is factored in.
4. The effort is estimated as the work that one team member can do in a month. Effort Reach Impact Confidence

VRIO Model
VRIO stands for value, rarity, imitability, and organisation and is used to evaluate an organisation's resources and capabilities to determine its competitive advantage. You can use a decision tree to help map the outcomes of your probe, depending on whether you deem a resource as having met the criteria or not.

- **The Question of Value:** Can the firm exploit an opportunity or neutralise an external threat with the resource/ capability?
- **The Question of Rarity:** Does the firm control scarce resources or capabilities or own something hard to find yet in demand?
- **The Question of Imitability:** Is it difficult to imitate, and will there be a significant cost disadvantage to a firm trying to obtain, develop, or duplicate the resource/capability? - The Question of Organization: Is the firm organised, ready, and able to capitalise on resources and capabilities? Has the firm managed to capture value?



McKinsey 7S Model

The McKinsey 7S Framework is a management model that identifies seven internal elements of an organisation that must be aligned for success. It is used to assess performance following a merger or other restructuring to identify areas that need improvement. The model suggests that the risk of resistance to change can be significantly reduced by incorporating all seven elements from the start. This model ensures that an organisation's culture is not negatively affected by implementing necessary changes.

How to use the McKinsey 7S Model?
1. Start with your shared values: do they align with your organisational structure, strategy, and operations? If not, what can be changed?
2. Then look at the hard elements — strategy, structure, and systems. How well do they align with each other? Identify areas of improvement.
3. Next, consider the soft elements — shared values, skills, style, and staff. Are they consistent with the hard elements? Do they align with one another? If not, what can be changed?
4. You'll need to employ an iterative (often time-consuming) approach of making adjustments and then reanalysing how it influences other elements and their alignment.

Use Cases
The structure-conduct-performance (SCP) paradigm can be used in the following scenarios: - To analyse a non-changing industry. - To justify consolidation in an industry. - To investigate the effects of an external shock on one sector (like talent drain, shifting global demand, pandemics, data attacks and changing consumer demand). - It studies whether structure drives performance and also influences conduct. - To analyse the effects of a more attractive industry structure on the industry's performance. The SCP paradigm cannot be used alone to generate relevant insights and is often used with other consulting tools.

1

Straregy

Organisation's plan for building and maintaining a competitive advantage.

2

Structure

How the company is organised.

Systems

The daily activities and procedures that staff use to get the job done.

4

Shared Value

These are the core values of the organisation.

5

Skills

Includes competencies and distinctive capabilities.

Styles

The demographic, educational and attitudinal characteristics.

7

Shared Value

Typical behaviour patterns of key groups.

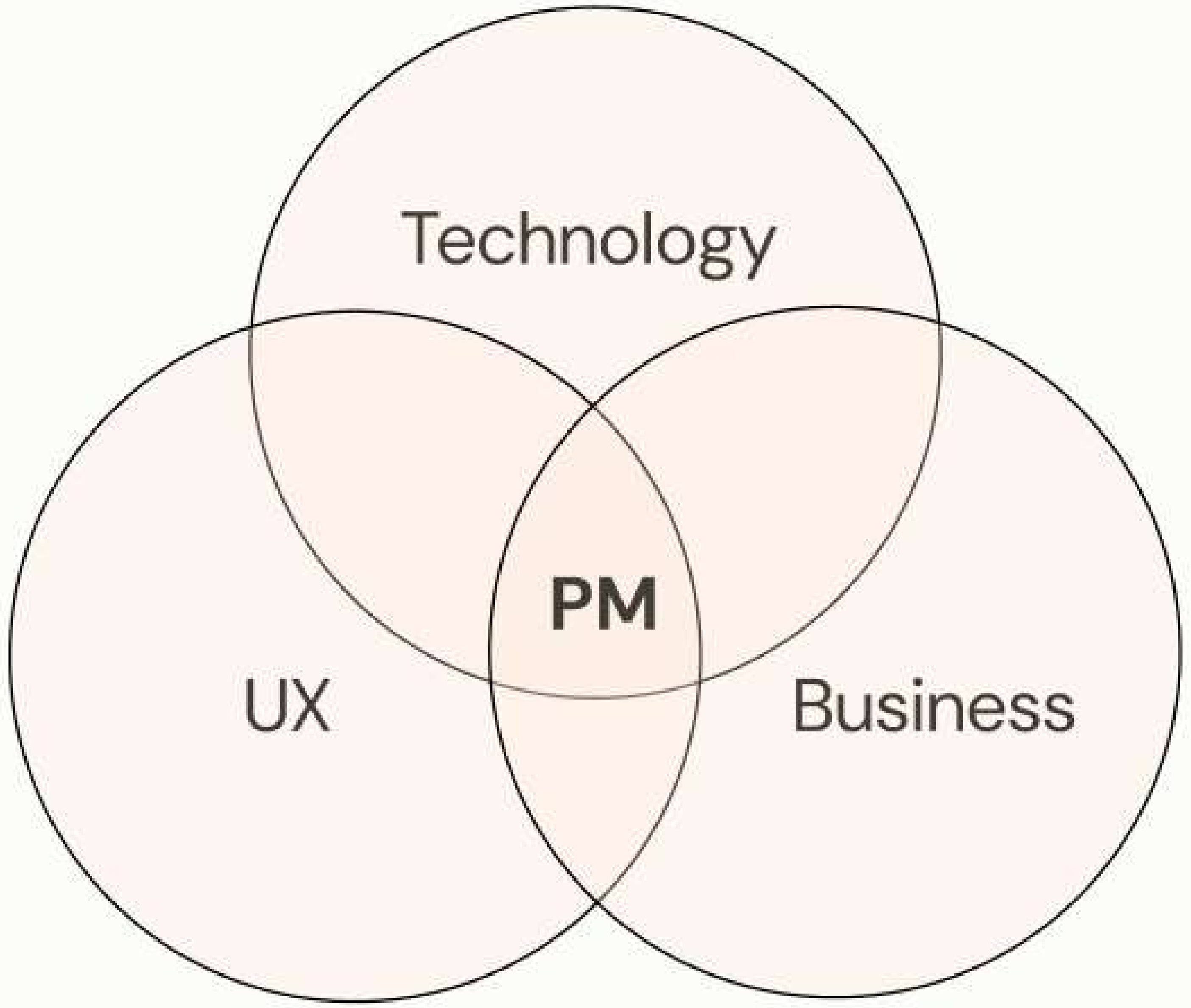
A Glimpse into the PM World

What is a PM?

Project Manager is responsible for a project's planning, procurement, execution and completion. The project manager is in charge of the entire project and handles everything involved, such as the project scope, the project team, and the resources assigned to the project.

Tasks

- Planning what work needs to be done, when and who's going to do it,
- Looking at the risks involved in a particular project and managing these risks,
- Making sure the work is done to a suitable standard,
- Motivating the team of people involved in the project,
- Co-ordinating work done by different people,
- Making sure the project is running on time and to budget,
- Dealing with changes to the project as and when necessary, and
- Making sure the project delivers the expected outcomes and benefits.



Recommended Framework for PM

Ask Clarifying Questions

To understand the purpose of improving the product and state assumptions.

Create User Personas

To identify potential user segments.

List down the pain points

Faced by each of the user segments based on various conditions.

Prioritise pain points

Based on the scale of impact on customers, company, and the industry overall.

Draft possible solutions

For the prioritised pain points.

List KPIs/ Metrics

To analyse the impact and strategic fit of the solutions suggested.

Weigh trade-offs and probable challenges

That could arise during product launch.

This approach could be easily remembered as CIRCLES:
- **C**omprehend the situation,
- **I**dentify the customer,
- **R**eport the customers' needs,
- **C**ut, through prioritisation,
- **L**ist Solutions,
- **E**valuate Trade-offs, and
- **S**ummarise your recommendation.

User Personas and Research

User personas are archetypical users whose goals and characteristics represent the needs of a larger group of users.

User research is the methodic study of target users—including their needs and pain points.

It's essential to understand who your users are going to be. You could start by answering these questions:
1. What needs are you filling for them?
2. What are their pain points right now?
3. Are they familiar or brand new to the concept?
4. Have they tried this technology before?
5. What age, nationality, hobbies, or activities do they have?

Remember, your users may vary. So try to understand any commonalities or differences that they may have so that you can cater for them.

User persona Template

Name

Demographics-
Age:
Work:
Location:

Personality
Defining Traits, Extraversion and Openness

Motivations
Add what motivates the user here.

Technology
If relevant, add details here.

Goals
List goals of persona in relation to the role here

Pain Points
List the frustrations and challenges here.

Types of User Personas

Marketing personas focus on demographic information, buying motivations and concerns, shopping or buying preferences, marketing messages, media habits and such. These personas are particularly useful when evaluating a product's potential return on investment (RoI).

Proto-personas are personas based on secondary research and the team's existing knowledge or educated guess of who their users are and what they want.

Design personas focus on user goals, current behaviour, and pain points instead of buying or media preferences and behaviours. They are based on field research and real people.

Template Research

User research focuses on understanding the user behaviour, needs and motivations. There are many ways you can learn about your users. First, try to decide what's important and choose which approach is best. Interviews or focus groups with typical users are a great way to start.
Here's a list of methods that you can employ:
1. Task Analysis
2. Observation techniques
3. Lab-based usability studies
4. Feedback methodologies
5. Surveys and Questionnaires
6. Interviews
7. Case Studies

Frameworks

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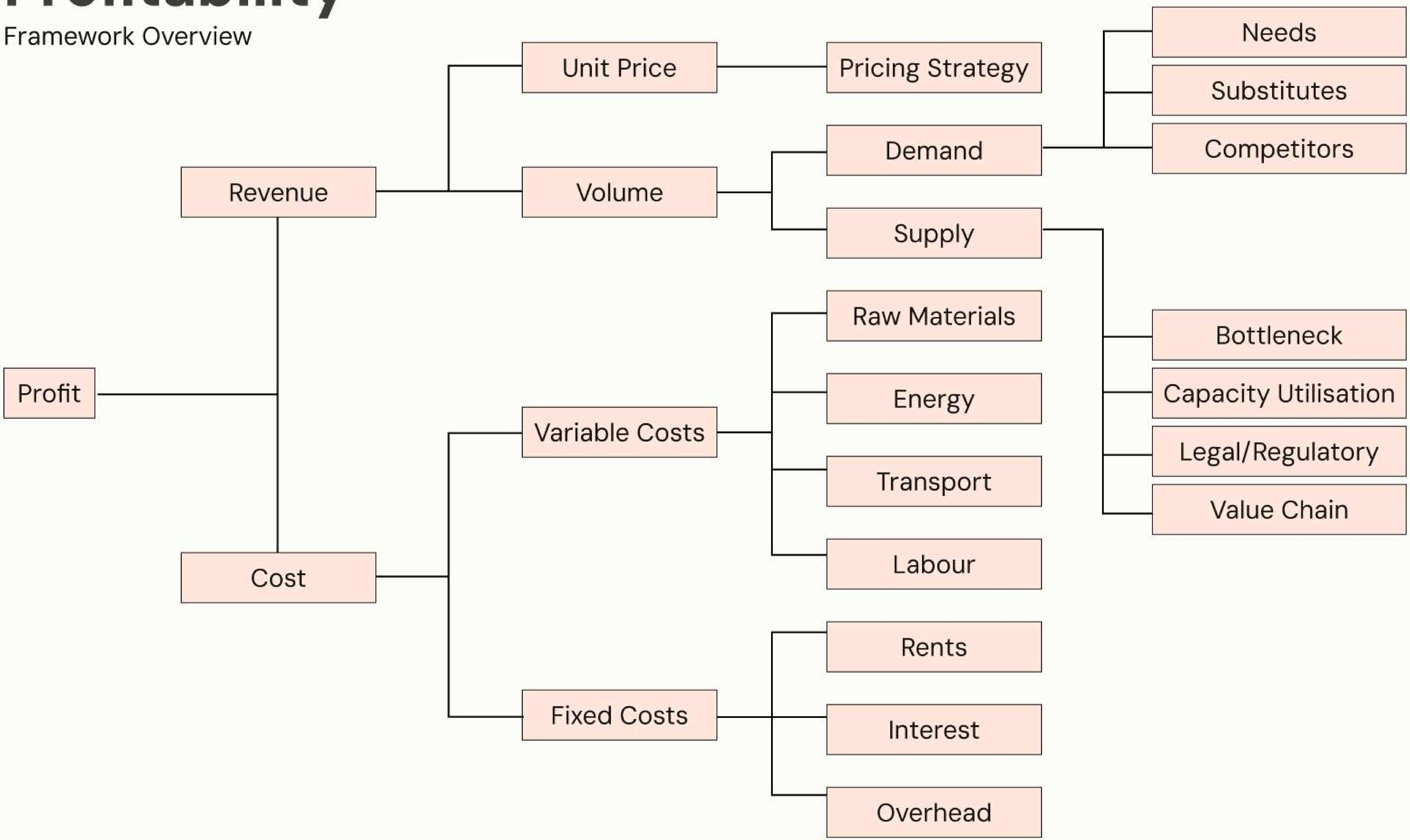
Framework Overview



Growth

Overall Strategy

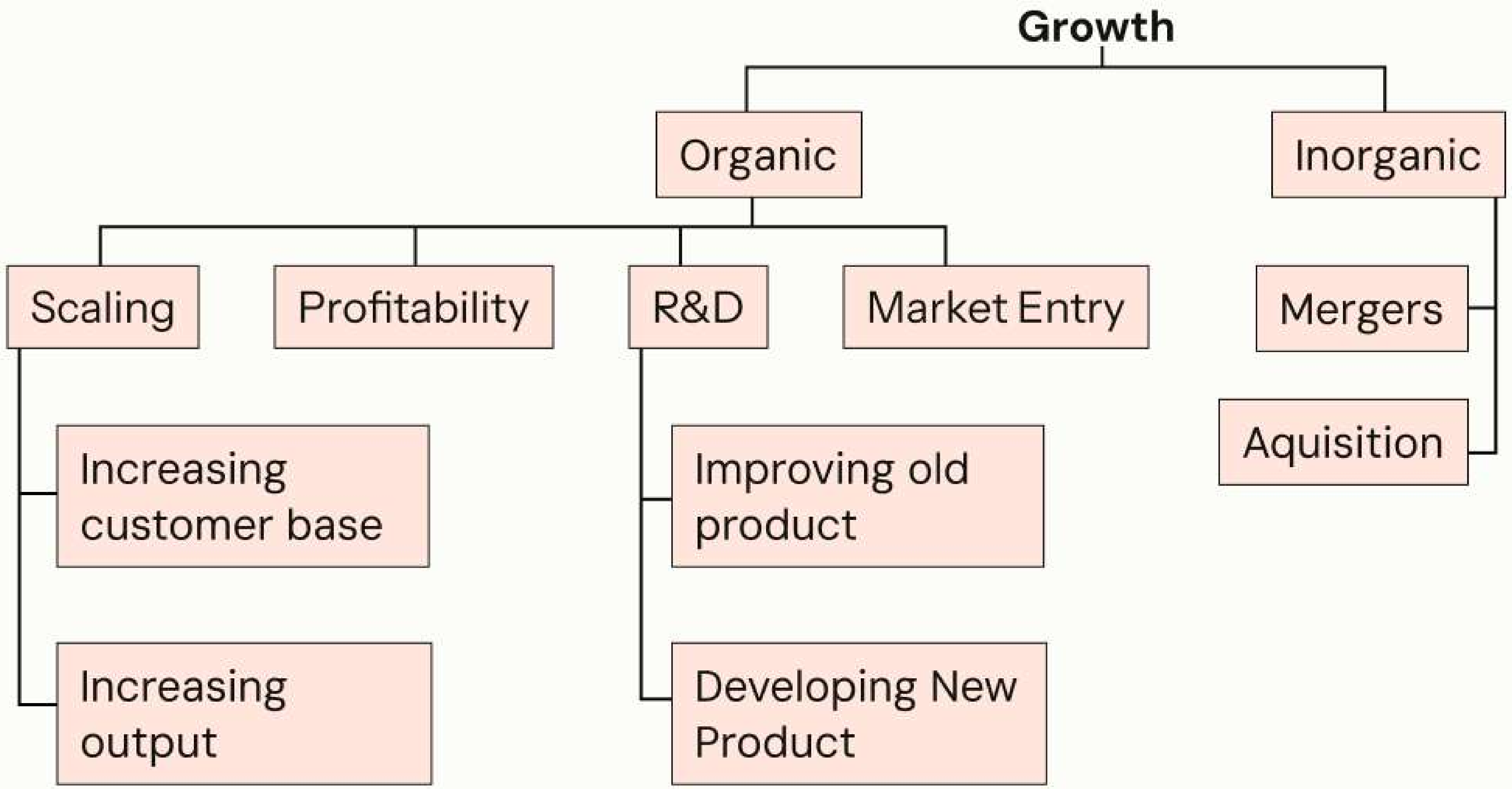
Preliminary Questions

- Which metric should be used to analyse whether the Client has to Enter the Market? Or, What are the decision-making criteria for entering the Market?
- Why does the Client want to enter this market? Any specific reason to enter?
- Understand the product and why this product. (Ask whether the product is a commodity or differentiable good?)
- Why this particular geography?
- Which part of the Value chain does the Client want to set up?

Notes:

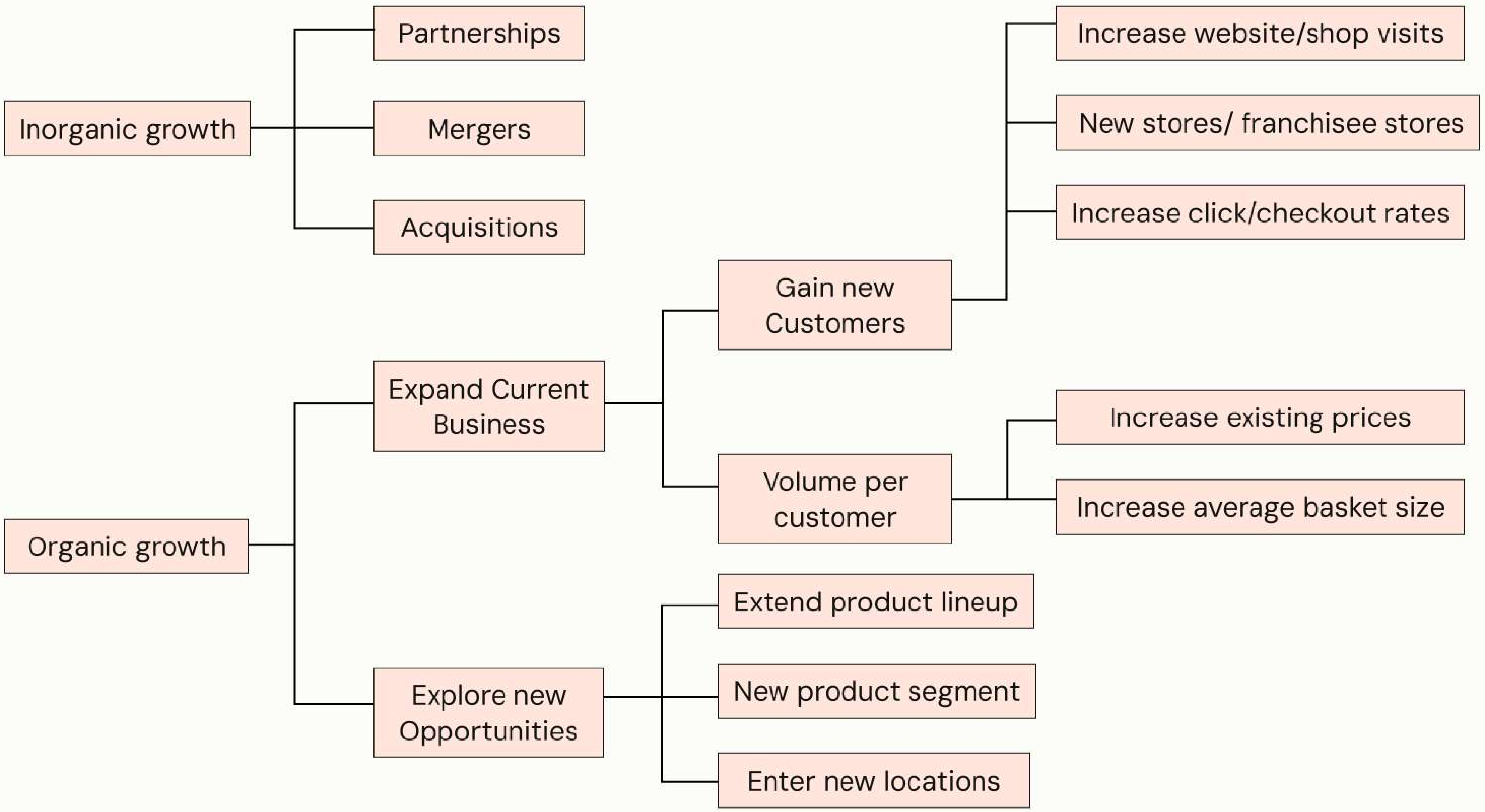
While taking the expected market share, you are advised to take proxies in either of the following ways:

- Directly ask the Interviewer about the numbers they are expecting
- Take the proxy of the company that has entered last in the particular Industry



Growth Strategy

Structure



Market Entry

Framework Overview

	Industry	Company	Customer	Product	Costs
New Market Entry	Growth Rates	Core Assets	Segments	Expectations	Distribution Costs
Vision	Barriers	Capabilities	Needs	Current Portfolio	Input Costs
Goals	Revenue Estimates	Resources	Profiling	↓	Shared Costs
Objectives	SWOT	Product Offerings		Potential Market	

Entry Strategy	Yes / No	Scratch	Aquisitions	JVs

Mergers & Acquisition

Overall Strategy

Preliminary Questions

- Which metric should be used to analyse whether the Client has to Enter the Market? Or, What are the decision-making criteria for entering the Market?
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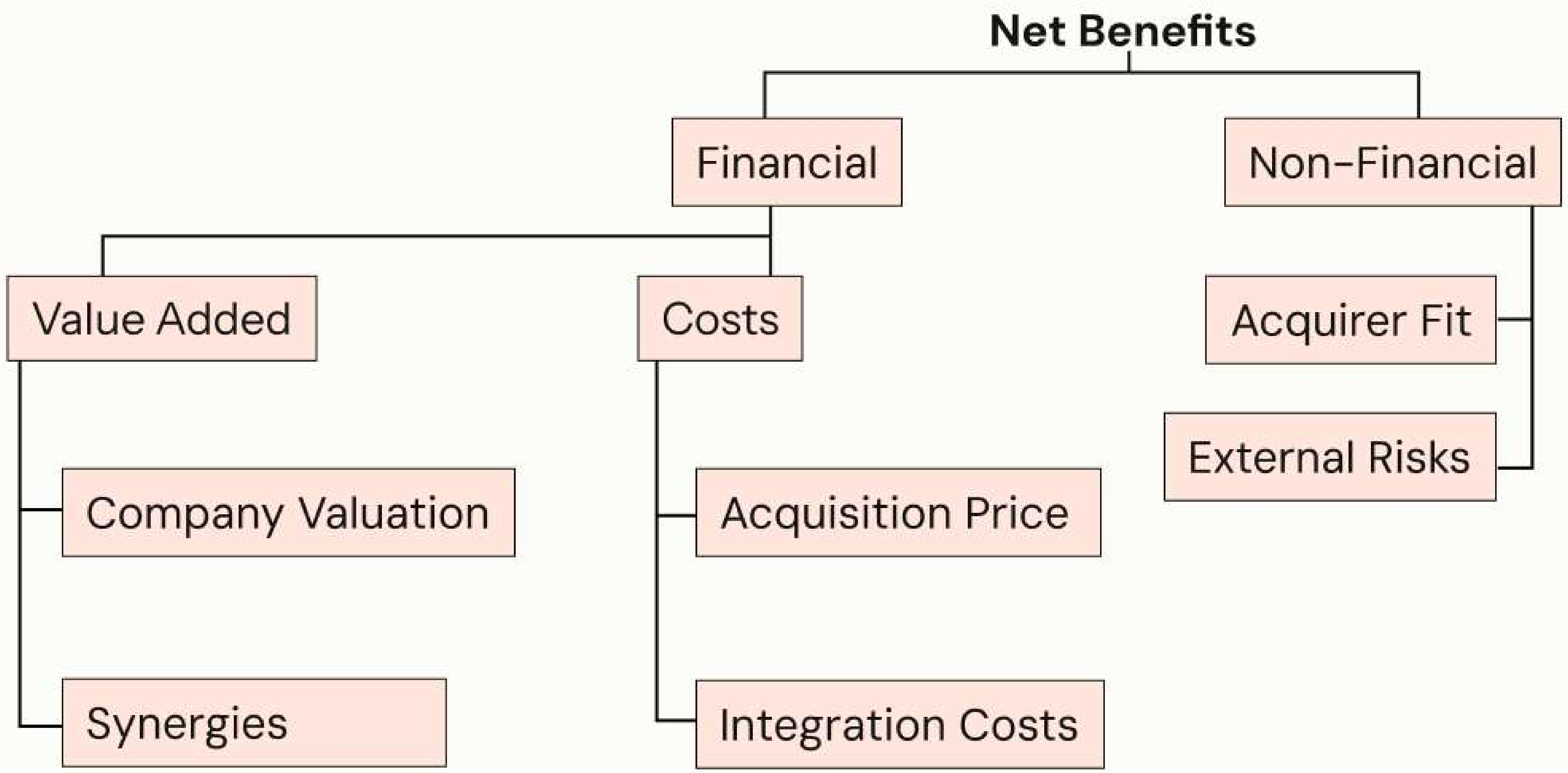


Pricing Strategy

Framework Overview

What is a Pricing Case?

Pricing cases demand a consultant to come up with an optimum price for products or services based on several aspects like demographics, product features, market environment and purchasing power by employing various approaches to decide the final price of a new product like a market entry or reprice its older product which is a rare case.

Factors influencing Pricing

Total Costs (Fixed Costs, Variable Costs), **Market Conditions** (Price War, Life Cycle of a Product,Seasonality and Availability) **Strategic Position** (Cost Advantage, Benefit Advantage), Unique Selling Point, Government Policies and Regulations ,Changing consumer behaviour andexpectations

Cost-based Pricing

This is comparatively a simple method as it needs only the calculation of various costs involved in the product. Nowadays, the cost-based approach is considered insufficient, but it helps to understand the cost structure of the product. This strategy will typically give the lowest price or lower limit.
Cost Based Pricing can be done using Cost Plus Pricing and Break Even pricing.

Competitive Pricing

Using a pricing strategy based on competition that is present in the market.

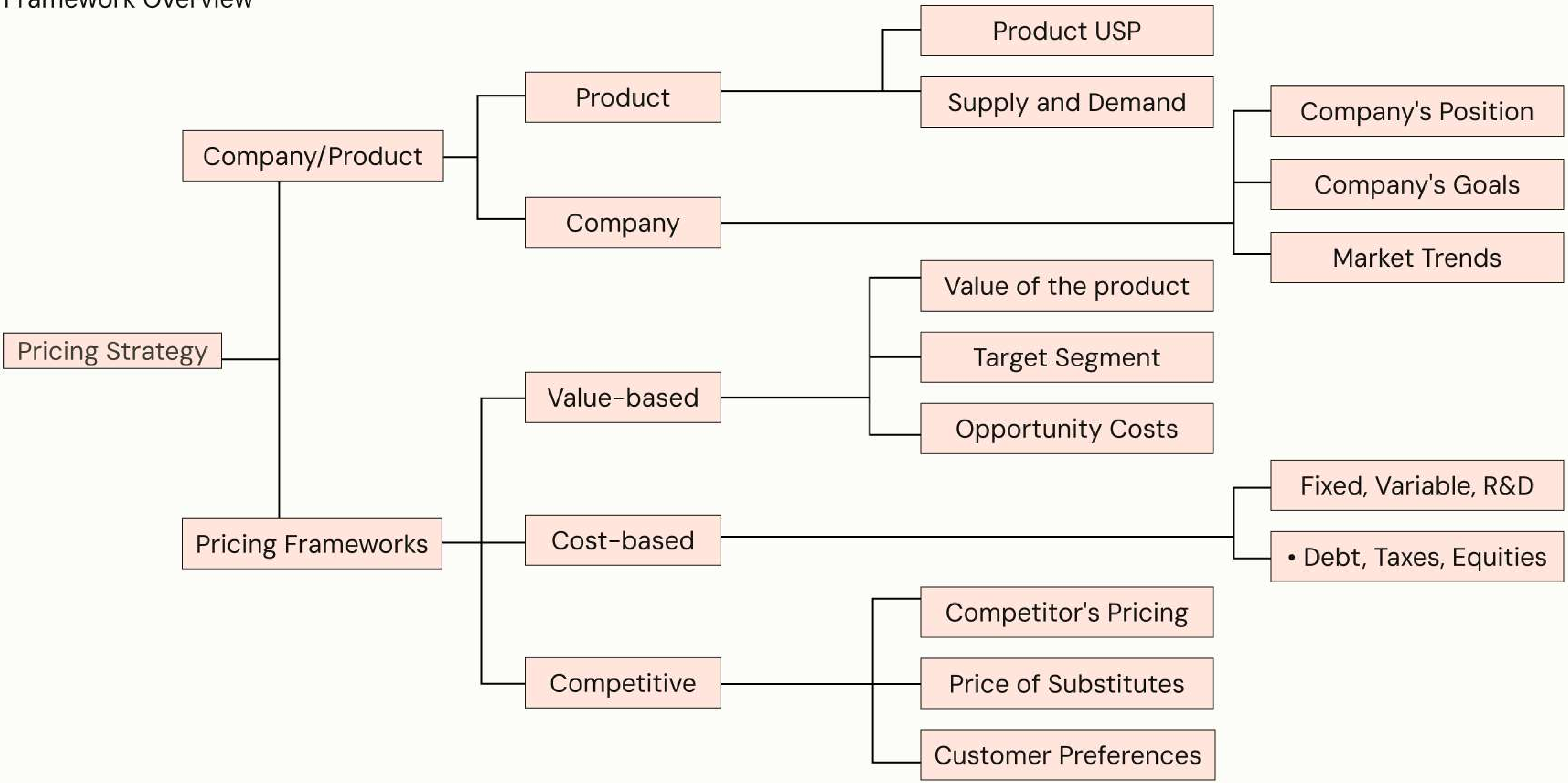
- Lower Prices: Companies which capitalise on economies of scale set prices that are not profitable to attract new customers to sell more profitable goods and services.
- Higher Prices: Pricing the products higher than competitors in the market is usually employed by well-established brands.
- Equal Pricing: Companies price product equal to that of the competitors' and offer unique experiences.

Value-based Pricing

Involves setting the price of a product or service based on the value it brings to the customer. This is a function of the target segment; the wider the target segment gets, the lower the aspirational value will be.
It is essential to consider alternative and substitute products' prices before generating the final price of the product. This strategy helps us to determine the maximum price of a product.

Pricing Strategy

Framework Overview



Market Sizing

Top Down approach

Starting with a comprehensive market size estimate, the addressable market is estimated and then reduced to the target market segments using assumptions and data. A firm must first identify the customer segments it intends to reach and then assess its size and growth.

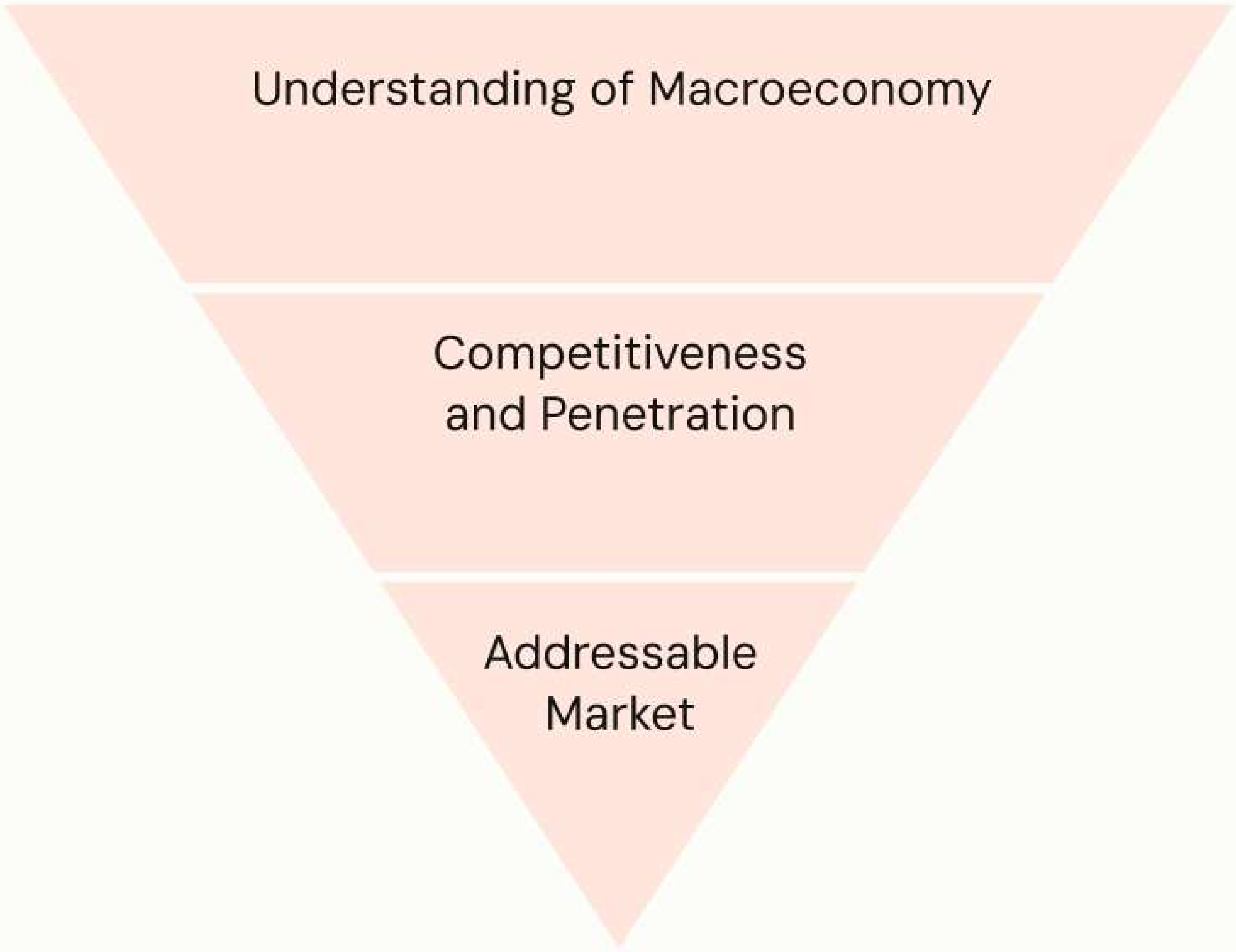
Let's take the example of determining the market size for toothbrushes. In a top-down market sizing framework, one would start with the Indian population and then move on to estimate what percentage of the population uses a toothbrush. Next, they would count how many toothbrushes the average person goes through in a year and the cost per toothbrush. Multiplying all these figures helps estimate the market size.

Market Sizing

Bottom Up approach

To do a bottom-up analysis, you start with the basic units of your business (your product, price, customers) and estimate how large you can scale those units. A firm must first identify the customer segments it intends to reach and then calculate its size and growth.

Let's take the example of a retailer selling fruits. How big is the market for this retailer? A Bottom-Up market sizing needs to start with the price of fruits, then move on to calculating the number of consumers he can reach and the average amount of money a consumer spends on fruits. We can also consider expanding to other cities depending on the available capital and operating plan. This gives us the size of the market for this retailer.



Consulting & Analytics Club
IIT Guwahati

Case Interview Transcrips

K

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Profitability

Interview Transcripts

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Clothing Fashion

Our client is a major fashion brand with a nationwide presence. Their revenues have been constantly declining, and they have been trying to find the cause and devise a plan of action to get out of the slump

Alright. I will start with some clarifying questions. Can you tell me in which domain of fashion does our client deal?

Our client deals in clothing fashion. We have offline outlets all over the country and good recognition in e-commerce as well.

Okay. So is the slump being experienced by the whole clothing industry or specifically only by our client?

The slump is particular to our company. Moreover, the clothing fashion industry as a whole has seen significant growth in the past 2 years, with an estimated CAGR of around 7%.

The decline in the profits can be an operational issue or a problem on the revenue side. Do we have any information regarding what has changed in this period?

The revenue doesn't seem to be a concern in the given period.

It seems that you are a prominent player in the major parts of the country, and you are rather new to northern India. Is that correct?

Yes, that is correct. It has been about two years since we have opened pan India . The sales in the Northern part have been quite decent though.

Further, can I know a little bit about the competitive environment? Are your competitors also facing the same issue as us?

Clothing fashion is a dense industry. There has obviously been healthy competition. But our competitors, in general, have seen significant growth.

Okay. So let me focus on the cost aspects. I will start by analyzing the value chain. I will start by dividing the value chain into the following major subgroups:
R&D, Raw material extraction, Inventory Management, Storage, Transportation and Distribution and finally, Outsourcing and Marketing.

The buckets seem good. Please go ahead.

Bench-marking our costs to that of our competitors', are we encountering high costs in any specific part of the value chain?

The transportation and storage costs are higher as compared to our competitors.

We could consider looking at the warehouse distribution system of the client to gauge the costs. How does the client's distribution look like?

As of now, the major factories are in Hyderabad and Chennai, with two head offices located in these two cities. From there, the goods are transported to various warehouses pan India.

As the major transport is from these two factories solely, we could break down the transportation of goods into the mode of transport taken, the number of such transports required and trade routes. We could look at the costs associated with each of these.

We have been using trucks and roadways to network throughout the country. Coming to the routes, we majorly use the MP-UP-NCR linking national highway to transport the major goods to our warehouse located in Gurgaon.

If I recall correctly, the State Government of Madhya Pradesh has changed a year ago, whereas the other states have seen no such change. Has this caused any change in the transport routes?

That's a very good point. The new government has brought in reforms regarding both road connectivity and trade, keeping in mind their goal of expanding the state's road connectivity.

What changes have these reforms led to in terms of transportation for our client?

We traverse a distance of approximately 600 km through Madhya Pradesh. On an average there is a toll at every 60 km. Each toll charges around Rupees 200 which includes all the road and import taxes.

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Clothing Fashion

Government has influence on the price. Further delays in governments has a considerable impact.

What is the frequency of our trucks for transporting the goods?

We have about 500 trucks per week, all of them using the same trade route.

So let us assume that every truck encounters 10 tolls while traversing MP, therefore every truck has to pay Rs 200 for each toll, accounting for Rs 2000. If weekly 500 trucks traverse the same distance, this sums up to Rs 10 lakhs. That seems to be a major reason for the transportation cost hike. Do you have any other trade routes?

We do have another route via Chhattisgarh and even though their toll rules are not very strict, there is a difference in distance of about 400 km.

Let me analyze this route. Considering that a truck on an average gives a milage of 10 km per liter, and has to traverse 400 km, with petrol being Rs 95 per liter, this costs up to Rs 3,800. And if weekly 500 trucks travel, so the total cost comes around Rs 19 lakhs. To account for the toll charges of Chhattisgarh, though lesser than that of Madhya Pradesh, the total extra cost would come up to about 10 lakhs per week.
We could perhaps look into changing our mode of transport.

Could you elaborate on what could be another means of transport?

A good option might be changing the mode of transport to railways. This will not only reduce the major transportation costs, but will also reduce the labor costs to a great extent.
This looks a good way out to the problem, with railways having a great network in the Central India.

That seems like a possible solution. What could be done in the longer run to solve this problem?

New warehouses can be set up in Haryana and neighbouring NCR regions as cheap land, and labour are available there, and the region is well connected to the other parts of the country. Moreover, channelling only specific short transportation routes through railways can be a good approach in moving the business forward.

Very good points! That concludes the case. Thank you.

Clothing Fashion

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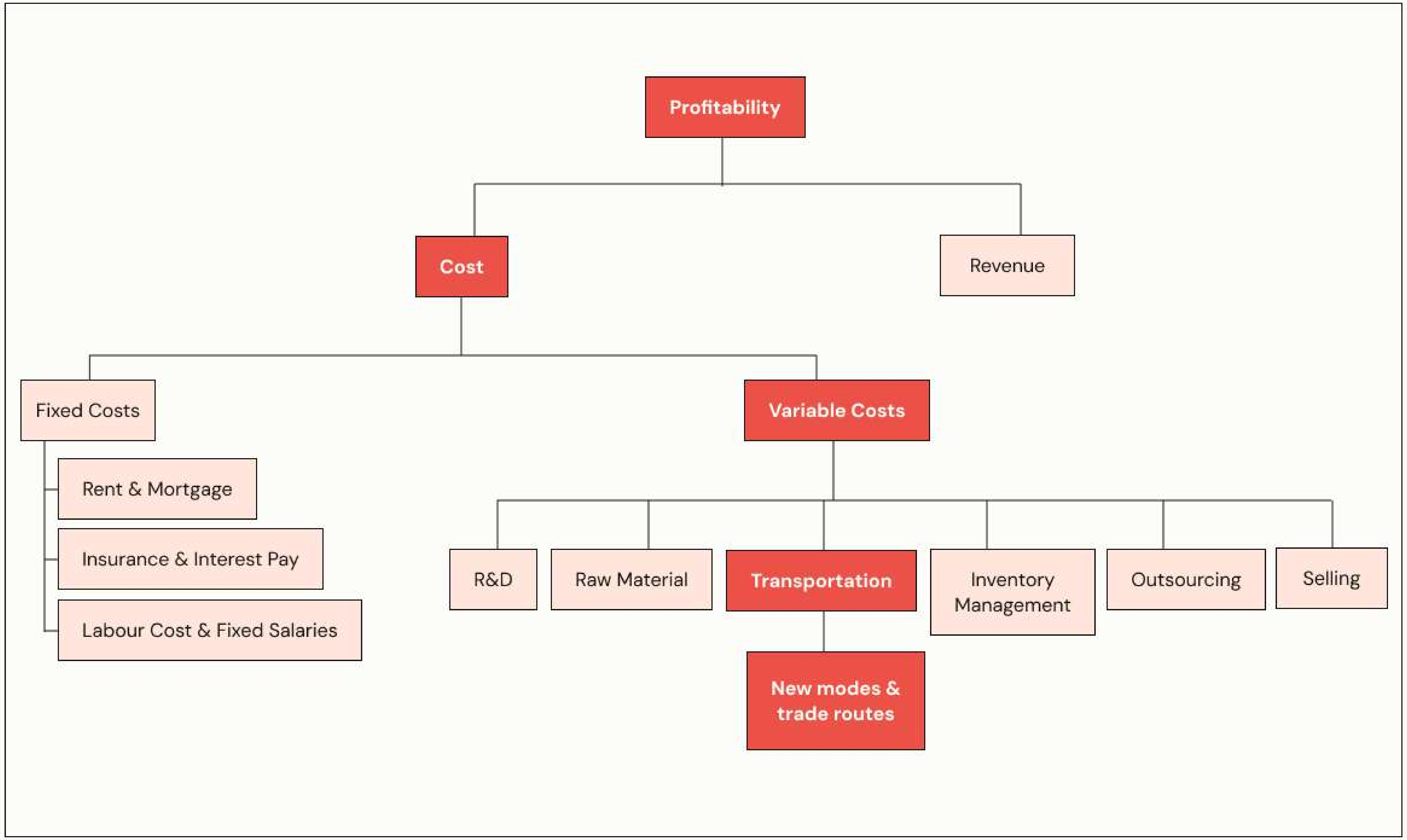

A fashion brand was grappling with high operational costs and sought to understand the underlying reasons.

Case Notes

- Client deals in fashion retail business.
- Client is having issues with cost management.
- Issue-specific to the client and not the whole industry.
- The problem needs to be identified in the storage and transportation domain.
- The client has issues with the current transportation.

Recommended Solutions

- The problem arises due to transportation costs.
- High storage and transportation costs arise due to an unfavorable mode of transport. Thus, the company should either change its transportation methods or set up new warehouses and trade routes.

Observations/Suggestions

- It's essential to find the key revenue streams for the clothing stores.
- Calculate the net effect of reduction of prices on profit and the possible ways of increasing revenue from the convenience store.
- Develop equation between x and y and find desired relationship.

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Footwear Brand

We are a footwear brand operating in India, and we're facing a significant decline in profitability. We're struggling to stay competitive in the market. We need your help to identify the core issues and recommend changes.

Alright, I'd like to ask whether this issue has come up recently or if it's been ongoing for a while?

The decline has been observed over the past 1-2 years, amounting to approximately 5-10%.

Is the decline in profits limited to our client's footwear brand, or have other brands in this sector also been facing similar challenges?

Other footwear brands have also seen some dip in their profits, but the client has been significantly impacted.

Okay. Could you please tell me more about the client's business and where their stores are located?

The footwear brand sells both online and offline, but most of its sales come from offline retail stores located all across India.

Could you tell me what types of products the client manufactures?

They manufacture and retail two kinds of products—formal shoes and slippers for men and women, all of premium quality.

I would like to ask whether the brand has experienced a decline across all of its offered footwear segments, or is there a specific category that has been affected?

The footwear brand has witnessed a comprehensive reduction in sales across all segments, relative to its competitors.

Okay, who are the major competitors and how are they performing?

Our competitors comprise both smaller local manufacturers and established entities such as Bata, Clarks, and Hush Puppies. Their superior performance can be attributed to their broader product portfolio.

Alright. The decline in profitability could either be due to a cost issue or a revenue problem. Which one has changed during this period?

The cost side doesn't have major issues, analyzing the revenue segment would be relevant.

Revenue depends on the product mix, price per unit, and the number of units sold. Has anything changed in these areas for the company?

That's a good question. The company is struggling with a decrease in both the volume of units sold and the product mix. But the major issue seems that our product mix is quite limited compared to our competitors.

The limited product diversity is definitely a concern. Not just the types of shoes, but also the variety of products offered under each type can impact the product mix. Is there a specific product segment that has been particularly affected by this?

Specifically, the formal shoes segment has faced a significant setback. Improvements made by other brands in this category have led to a decline in our sales.

For a short-term fix, the company could focus on diversifying its formal shoe line. Adding more styles or variations could help boost sales in that segment and compete with other brands.

That makes sense. We've definitely seen competitors offer more variety in that space. What about long-term strategies?

In the longer run, we can a launch sports wear for men and women and improve the marketing of our existing products through targeted channels.

That's interesting. Sportswear seems like a big market these days. Is there anything else we should consider?

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Footwear Brand

Absolutely. Introducing sandals and flip-flops for kids would be another strong move. It would allow you to reach a new segment—families shopping for children. This would not only expand your audience but also increase the number of units sold, which would, in turn, drive up revenue and profitability.

I see. That's a solid approach—targeting both adults and kids. These are some really practical recommendations. Anything else to add?

No, I think that covers it. We've outlined both short-term and long-term strategies that should help the brand get back on track.

Great! That concludes our discussion. Thanks for your help!

Thank you!

Footwear Brand

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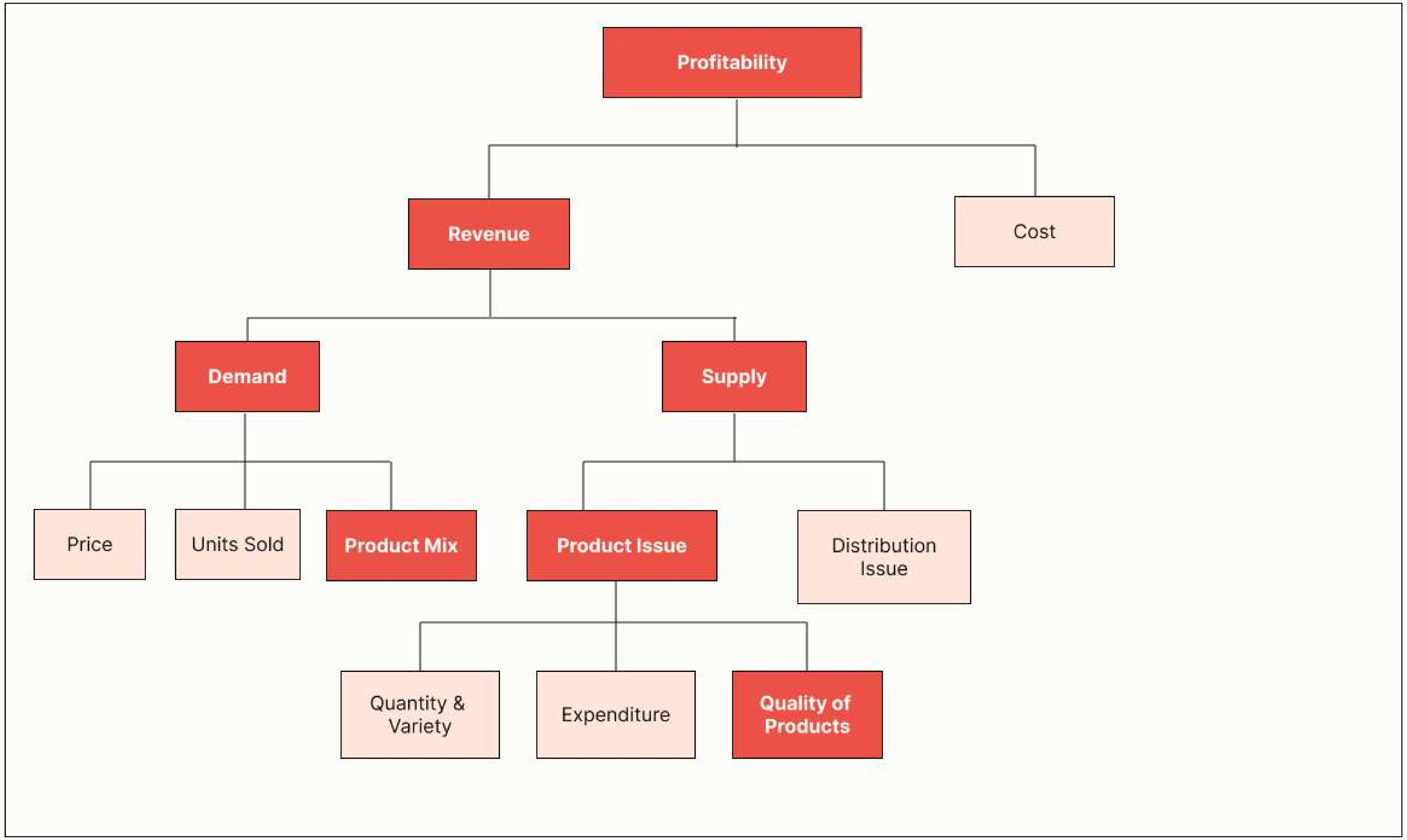

Your client is a footwear brand operating in India. It is facing a major decline in profitability and is unable to compete. You have been approached to find the problem and suggest changes.

Case Notes

- Client is a footwear company.
- Problem is declining profits of 5-10% over the past 1-2 years.
- Each product is facing the decline in units sold.
- Client needs to improve the quality of its existing products.
- Competitor has slashed the sales of their products.

Recommended Solutions

- Short term:
  a. The client should focus on improving the quality of the existing products.
  b. The client should upgrade the marketing of its products.
- Long term:
  a. Explore the other product options available in the market.
  b. Introducing new launches to attract more customers.

Observations/Suggestions

- It's essential to find the key revenue streams for the company.

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Insurance Company

Your client is a large insurance company which is facing a revenue drop in its healthcare insurance product. All other insurance products are going well. You have to find the cause and advise them on tackling this.

Okay before analyzing this further, I would like to confirm if the company is facing a revenue drop only in its
healthcare insurance product or any other vertical as well.

The issue is observed only in the Healthcare product and the others are doing well.

I would also like to know if this issue is only affecting our client or if it's something seen across the industry. And is it specific to any particular region?

The competitors are doing good. The issue is faced within the company itself and is being observed throughout our operational areas.

So considering the product is facing a revenue drop, I would like to know more about the cause of this decline. Is the price per policy decreased or the total number of policies sold?

The client is facing a decline in the number of policies sold and the price per policy has remained constant throughout.

Since the competitors are doing good, I feel there is no issue with the demand side of the product. So theproblem must be within the company whether we are unable to serve those many new customers that are coming up(production side) or we are just unable to bring enough people on board(issues with the distribution side of things)

Yes, the number of customers that we onboard has dipped drastically when compared to previous times.

Taking into consideration that our other products are working well, there is a chance that the issue resides in our conversion rate of specific Healthcare policy rather than the number of customers the company is onboarding in general, is it fine to go with this assumption?

Yes, the company is struggling to convert customers to buy the specific Healthcare insurance.

I would first like to know that for onboarding new customers what are the current methods the company uses and can we see any particular drop in any of them?

Currently, the company focuses on the Agent-based sales model apart from conventional sales and marketing, and there is no such deviation evidently visible.

Okay, could you please elaborate on how this Agent-based Sales model works? Do the agents have any incentives based on how much they sell?

Yes, you are right, so we have agents who work under us and get paid an extra commission according to the number of policies they sell as a whole

Okay, so I'd like to divide this Revenue from agents into the Number of Agents and multiply it with the Sales produced by each agent. Which of the factors is different from our competitors?

The issue seems to be with both the number of agents and the volume of sales that each of them is producing.

Oh okay, this seems alarming, Is there any specific reason why we are not recruiting more agents if we know it's an issue directly?

Yeah, we can do that but at the moment our priority is to maximise the volume of sales/agent.

Sure, for that I'd like to have a look at the agent's journey. So all the way from finding the right target audience to pitching them and making them feel that our product is important to them and then converting them into customers (transaction), can you tell me where the issue is in these steps?

The main issue is found at the pitching part and we are unable to convert the customer in the first place.

Okay, then if this public perception of the product is a problem, We can improve it by doing the following:
-Improve the insurance scheme by making it more affordable and increase the length of time duration, in order to average out the effect(increasing the number of people who take insurance, thereby producing more revenue and thus we'll be able to reduce cost per policy)
-Increase the commission for the agent, so that they can put better efforts into pitching the policy and converting the possible customers to consumers.
-Change the way people perceive our product(by collaborations with top medical associations and Hospitals).

Yes, these seem to be good suggestions, we can wrap the case here.

Insurance Company

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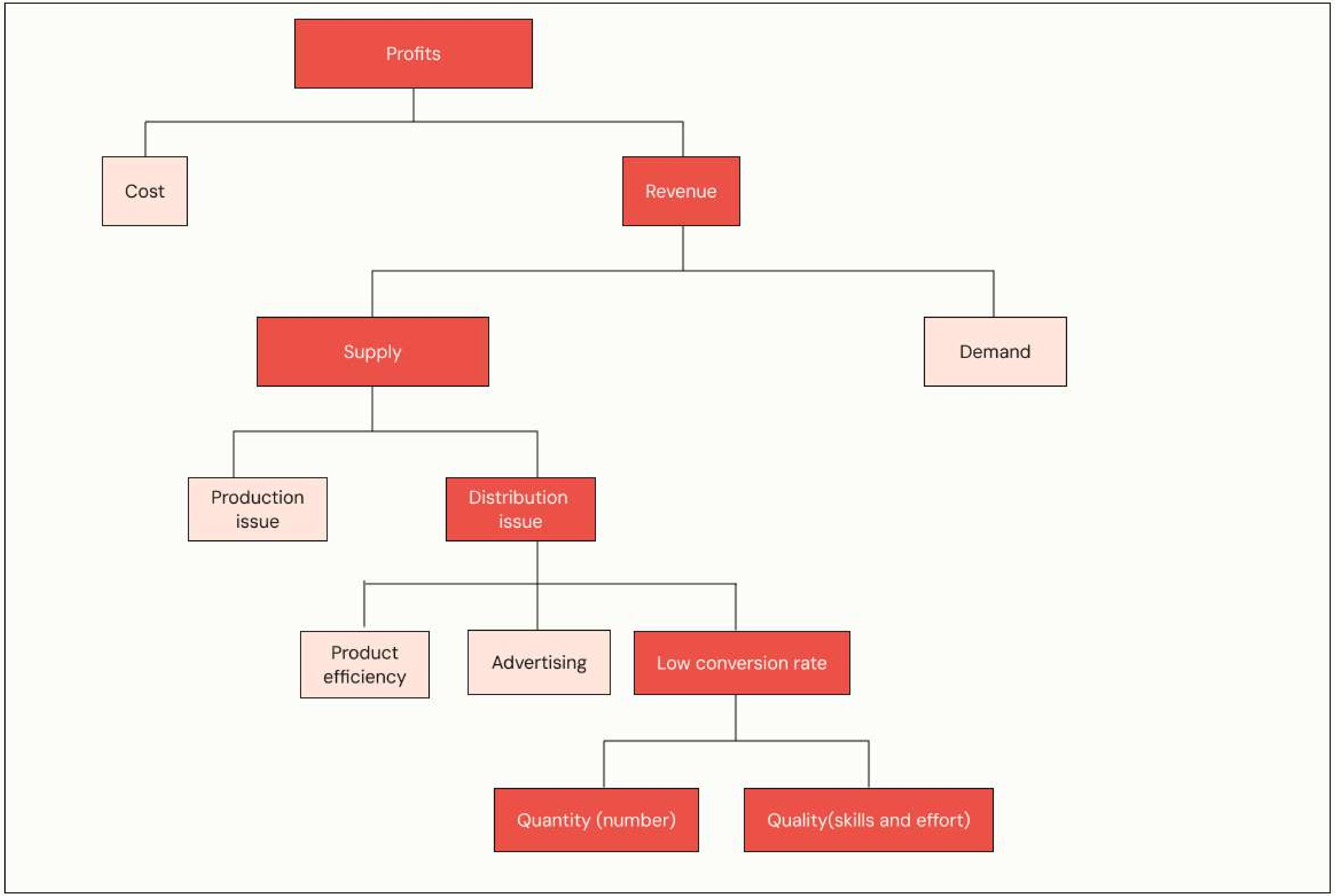


Your client is a large insurance company which is facing a revenue drop in its healthcare insurance product. All other insurance products are going well. You have to find the cause and advise them on tackling this.

Case Notes

- The Client is an established insurance company.
- The problem is a decline in revenue from healthcare product.
- Other products of the company do not face this issue.
- The decline is not in market size but in market share.
- The Agent benefits from selling health-care products are less.

Recommended Solutions

Short Term Solutions:

- Establish clear and open communication while pitching the product.
- Run targeted campaigns and educational events to promote the product.
- Offer rewards to agents in order to encourage them to sell the product more.

Long Term Solutions:

- Customize plans and introduce value-added services to cater to diverse needs.
- Improve the online experience and utilize data analytics for insights.
- Launch sustained educational campaigns that focus on increasing health insurance literacy among potential customers.
- Collaborate plans and introduce value-added services to cater to diverse needs.

Observations/Suggestions

- It's essential to find the key revenue streams for the healthcare insurance.
- Calculate the net effect of reduction of prices on profit and the possible ways of increasing revenue from the agents.
- Develop equation between x and y and find desired relationship

Profitability | BCG Buddy

Retail Store

Your client is a retail store owner. They have been experiencing a decline in revenue, and would like you to analyze the causes of this issue and recommend potential solutions to address it.

Ok, before beginning I would like to clarify some things, Is this issue faced by only your client's store or all the stores?

Most of the stores are facing the decline in sales.

Ok, so that means that the issue is not particular to our client's service providing. As you said most stores, there are some stores which are not facing this issue. Is it a single store that is not facing the decline or are there more than one?

There is only one store that is making more profit and is not facing a decline in revenue.

Okay, Now I would like to know about the timeline and magnitude of the decline, and for how long have these stores been operating?

The stores have been operating for the past 10 years and the problem has been faced from the past three years. However, we don't have exact data on the extent of the decline.

When did the store in profit come into the race?

They started their store 6 years ago.

As you mentioned that the decline is in revenue, can you please confirm if the revenue from a specific product decreased or has the revenue from all categories of products declined?

The revenue from almost all the products has declined.

Is there a decrease in footfall across the stores or decrease in basket size?

There is no decrease in footfall or basket size but, they are comparatively lower than the store in profit.

Okay, So does the competitor that is making a profit have the edge in profit or the revenue generated?

The difference is in the net profit gained by the stores while revenue is comparable.

Do competitors offer a wider range of products? How do the prices compare between us?

That's a good observation. They have more volume and variety of products, and their selling price is slightly lower

So let me clarify, the revenue is similar but profit margins are higher for the competitor, which means the issue is on the cost side.

Yes you are moving in the right direction.

That's interesting. So, even after selling at less price they are earning more .This can lead to two observations, that either the supplier provides them with more quantity and diverse products or they have less expenditure. Can you tell me about the expenditure gap between your client's stores and the store in profit?

There's not much difference, but yes, our expenditure is a bit higher.

Ok then, let me start analysing the cost side. So, the major activities included in the cost side would be maintenance of the stores, cost price of goods, advertisement, and labour wages. Which one of these would you like me to consider?

I would like you to consider the cost price of goods as maintenance and advertisement costs are minimal and labour costs are similar.

Great! That means the problem is on the supply side. Ok, how good is your communication with the suppliers? Are there any delays in receiving the products or any quality issues?

Profitability | BCG Buddy

Retail Store

There are no quality issues, but there are delays in receival of product in some cases.

Do all the retail stores nearby our store buy from the same supplier?

Yes, most of them including the store in profit.

Ok, do the suppliers have a significant market share in the industry? Are they a very well established brand?

Yes, they are a very well established brand in the market.

Ok, so that might be a reason due to which they could sell products at higher pricing and not deliver them as requested. The retailers won't be able negotiate with them due to their power in the market. But in that case even the store in profit must have been impacted, but that does not happen.

Yes you are right.

Does the store in profit get products before other stores?

Yes, they are the ones to receive the products before.

So what I think is maybe the suppliers provide exclusive deals and contracts to specific retailers like the store in profit and that results in a decline in the revenue of our clients' store.

Ok, so how would you like to conclude and what would you suggest to the clients?

So, the market power of the supplier acts as an unfair advantage to them and their preference to the store in profit, by providing exclusive contracts (like more diverse products for lesser prices) leads to the decline of revenue of our store. My suggestion would be

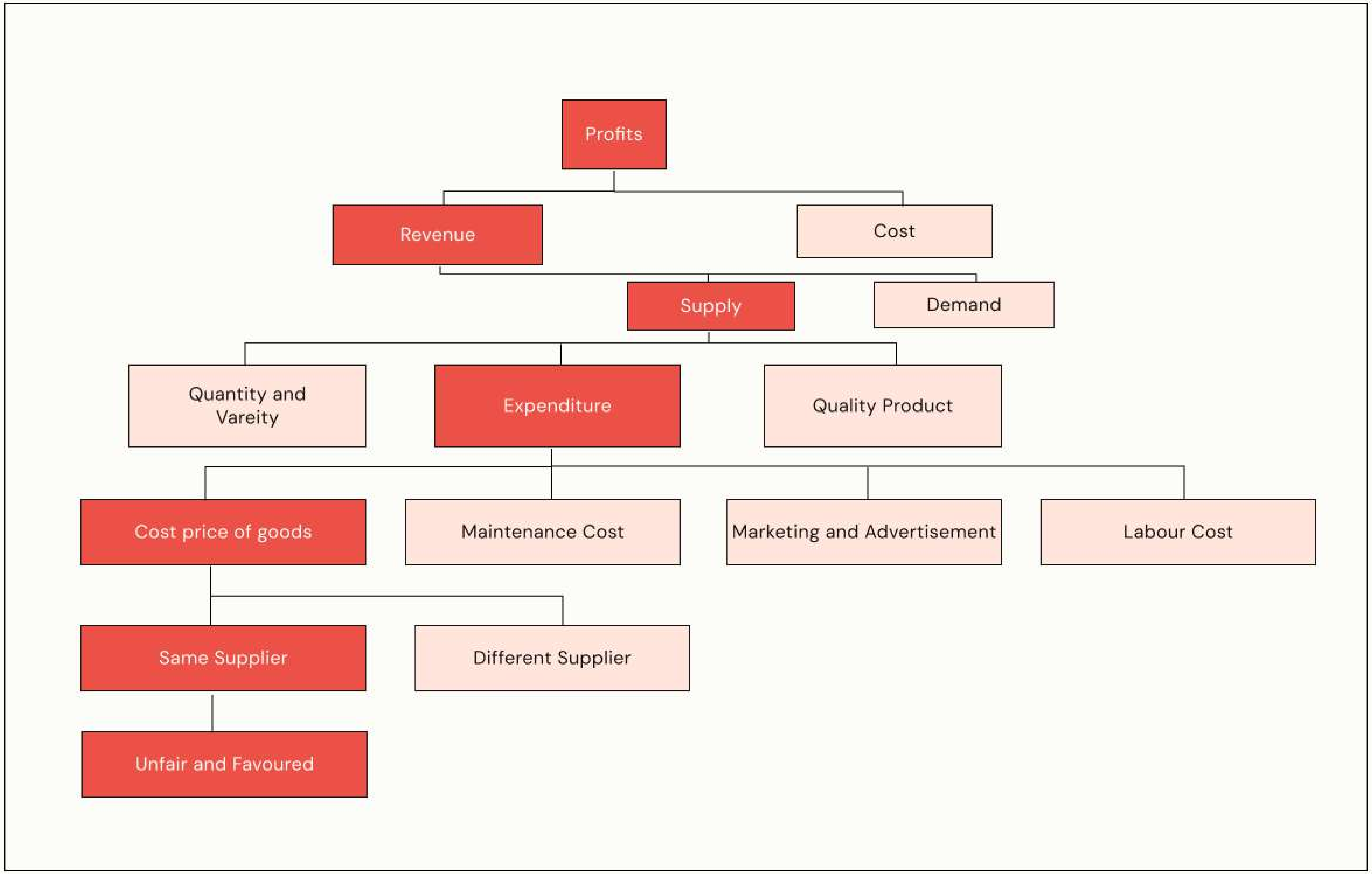
- To buy the supplies from any other supplier or directly from the manufacturer itself considering the transport and other costs.
- Negotiate with the supplier to come into a legal binding contract to deliver the products on time at at a mutually agreed price.
- Diversify our products to other brands of similar quality and customer demographics.

Okay thank you, we are done with the case.

Thank you.

Retail Store

Profitability | BCG Buddy



Your client is a retail store owner. They have been experiencing a decline in revenue, and would like you to analyze the causes of this issue and recommend potential solutions to address it.

Case Notes

- Client is a retail store owner.
- There is decline in revenue from past three years. There is only one store that is having more net profit.
- Each product is facing the decline in revenue and the client's expenditure is higher than the store in profit
- Issue is on the supply side, particularly the cost of goods and there are delays in product receival.
- Supplier is a very well established brand in market: This acts as an unfair advantage to them
- Supplier also provides exclusive deals to the store in profit.

Recommended Solutions

- To buy the supplies from any other supplier or directly from the manufacturer itself considering the transport and other costs.
- Negotiate with the supplier to come into a legal binding contract to deliver the products on time at at a mutually agreed price.
- Diversify our products to other brands of similar quality and customer demographics.

Observations/Suggestions

- It is essential to keep the products according to customer choices, hence regulation of products is necessary
- Identify the operational differences if only one store is generating profit while the others in the same area are experiencing a decline.
- Relying on a single supplier gives the supplier power and may lead to loss in business.

Profitability | KPMG

Gas Company

Your client is a leading gas company in India. It has been seeing a decline in profitability for the last 2 years. Analyze the causes for it.

To begin, I would like to know more about our client. Which domain does it operate in, who are its clients, what is its position in the value chain, and which geographic regions does it serve?

The client is a gas manufacturing company. It is a pan India-based company and not a regional one. It has clients in a lot of sectors like steel, food processing, medical, computer, construction, automotive.

Okay. Is the decline in profitability a industry wide problem or specific to our client?

It is specific to our client and others are doing pretty good.

I would like to know more about the different products that our client offers.

The client had been dealing with non-cryogenic gases for the last few years. Recently they have also entered into the cryogenic gases.

Okay. How long has it been since they started with cryogenic gases? Also could I know the market size and growth rate for the cryogenic gas industry?

It's been almost 3 years now since we entered into cryogenic gases. Coming to the market size it is almost $100 billion and growing at 7% CAGR.

Alright, that seems like a good industry to enter, so the issue might be with them entering into new products since after that period their profitability has started declining. Is the decline visible in the Non cryogenic sector as well?

The cryogenic sector has not been much rewarding for us, though the growth in non cryogenic sector has been steady and growing.

Okay. The decline in profitability could be due to issues on the cost or revenue side, but since we have just entered the new industry, I feel there could be an issue on the costs side, which part should I analyze first?

Yes you are right, you can proceed with Cost side analysis for now.

Sure. I'd like to look into their value chain first. Starting from raw material procurement, processing, storage & transportation, distribution and finally marketing.

Yes, these factors look fine. You can proceed with them.

Next, I would like to know which component causes maximum deviation from the costs.

Storage and raw material procurement costs seem to be an issue.

Okay, thank you. Raw material procurement could be divided into the cost of raw materials, supplier contracts, and efficiency of usage. For storage, I would like to examine packaging, warehouse costs, and distribution costs. Should I analyse all of these aspects, or is there a specific issue with only one of them?

The storage of these gases seems to be a bit complex and are causing concerns over profitability.

Okay. Could you provide me with information on how these gases are stored and what is the scenario for the manufacturers of such containers?

Sure. Cryogenic gases are stored at extremely low temperatures. Hence they require special, expensive containers to be stored in. There are limited manufacturers for such containers.

Okay. From what I see the costs of raw material procurement and the storage costs are high which does not compensate for the revenue.

Yes, you are right.

Can I have some data to understand how much are we spending currently on this storage and transportation, just to understand if it's viable.

The raw material costs amount to INR 22.5 billion annually. The company has invested in specialised storage tanks and facilities, which incur an annual cost of INR 2.5 billion.

How are our competitors surviving in this industry sustainably?

Profitability | KPMG

Gas Company

The existing suppliers are already in long-term contracts with our competitors, making it difficult to establish new relationships with them. Additionally, due to the limited number of suppliers, their bargaining power is high.

Is our client aiming for immediate profitability, or are they looking for long-term profitability over a 10-15 year period in order to secure an optimal contract from the supplier?

The client is interested in instant profitability

As of now since there are no other alternatives, we will go for the exit option.

Okay. Please provide me with a rough guide for it.

Yes, sure. Can I get to know the costs for the exit option?

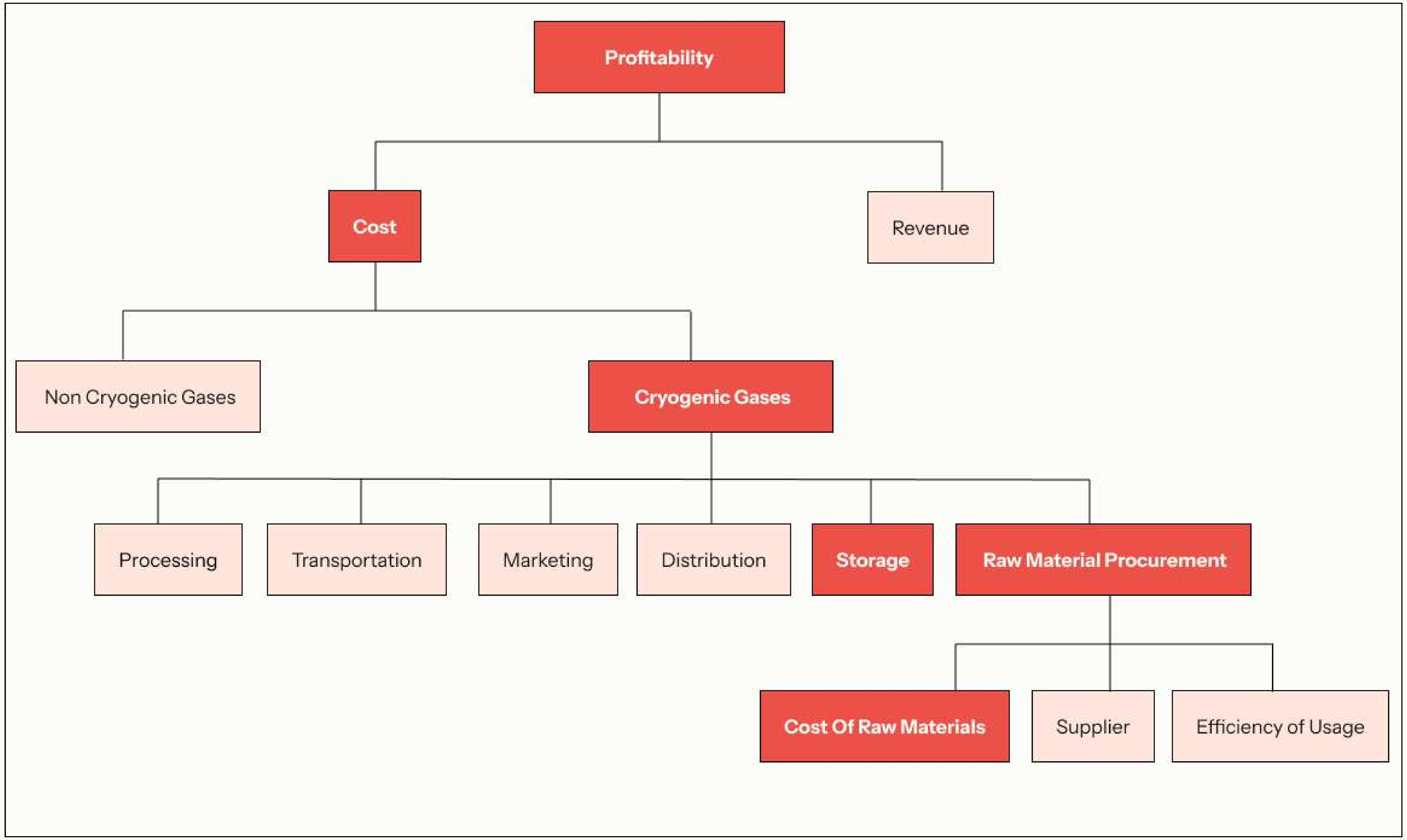
For the exit option, consider the following costs: asset write-offs of 11.7 billion INR, employee severance of 2.34 billion INR, and contractual obligations of 4.68 billion INR. The projected revenue for the business is 5.77 billion INR.

Sure. According to the data, the break-even time is calculated as Total exit costs upon Annual revenue. It would take approximately 3.24 years for the company to recover the exit costs through the projected annual revenue.

Okay, we can wrap the case here.

Gas Company

Profitability | KPMG



Your client is a leading gas company in India. It has been seeing a decline in profitability for the last 2 years. Analyze the causes for it.

Case Notes

- Client is a gas manufacturing company
- Dealt in Cryogenics but started manufacture of Non-Cryogenic Gases since last 3 years
- Seen decline in profits since last 2 years
- Extremely high costs of raw material procurement and storage
- Client interested in instant profitability
- Existing Suppliers are in long contract with competitors

Recommended Solutions

- Since the costs of raw material and storage vessels are extremely high we can get into long term contracts with the existing suppliers.
- However the client is not interested in long term profitability hence we are left with no other option but to go for exit option.
- With current annual revenue it will take the client almost 3.24 years to break even.

Observations/Suggestions

- Their are limited number of manufacturers for cryogenic gas handling equipments.
- The company could indulge in upsell of such equipment to its clients.
- This would help the company reach its break even point even faster.

Profitability | BCG Buddy

Steel Manufacturer - 1

Your client is a steel manufacturer lacing declining profits, the client has asked you to find out why and recommend solutions.

I would like to confirm if I have understood all the critical aspects of the client's situation. So, our client is a steel manufacturer facing a decline in their profits and we have to find out why and recommend solutions to their problems.

That's right.

Okay. I want to ask a few preliminary questions before diving deep into my overall structure and strategy.

Okay. Let's go ahead.

Do we have any information on the quantum of profit decline and for how long they have been experiencing it?

Yes, the client is facing the decline of 20% over the 12-15 months.

So is this decline specific to our client or is it an industry wide issue and whether the decline is specific to any particular geography?

No, only our client faces declining profits from all over the India, while others have been experiencing profits.

What kind of product do our client manufactures and in which geography they operate?

So, our client manufactures household furniture like Wardrobes, Tables, and chairs and their business has expanded across India.

In which part of value chain, does our client operates?

So, our client procures and manufactures the steel furniture and distribute it through various suppliers to the stores.

Okay, I have completely understood the objective of the problem.

Great. You've understood the situation well, how do you propose going about the solution?

Sure, I would like to look at the Profit Revenue Cost, and then I will deep dive into the various buckets. under them.

Your structure seems good. Our cost have remained the same. Why don't you go ahead with the revenue?

Sure, I will break the revenue into three buckets, se, Number of units sold, price per unit, and the product portfolio. Do you want me to look at any specific bucket out of them?

Yes, please go ahead with the Product portfolio.

Sure. According to my data, our client manufactures three kinds of steel furniture. Do we have any data on the % revenue share by each product?

Yes, wardrobe has a significant chunk of 70%, while tables and chairs contribute about 15% each.

So, out of these three, have we experienced a decline in the revenue share from any product?

We have experienced a decline in every segment of the product.

I see. There is some problem with any aspect of the product.

What do you mean by the aspect?

So, for any product, there are two aspects: Qualitative and Quantitative. Qualitative consists of the raw materials and the efficiency, while Quantitative covers the price and the Number of units produced.

Sounds good. So, we have no issue with raw materials and the efficiency of the product. Also, there is no change in the Number of units produced.

So, now we can come to the price of the products. Do we have changed the pricing of our products?

No, our prices have not changed in the last two years.

Profitability | BCG Buddy

Steel Manufacturer - 1

So does our competitors have changed their prices?

Yes, our competitors have slashed the prices of their furniture, causing our customers to buy products and causing a decline in our profits. Can you quickly suggest some solutions?

Sure, I have two types of solutions for our client

Short term:

- Clients should match the prices of their furniture with their competitors Client can give bundling offers like a free table or chair on the wardrobe purchase. Clients can also offer non-monetary benefits to their customers

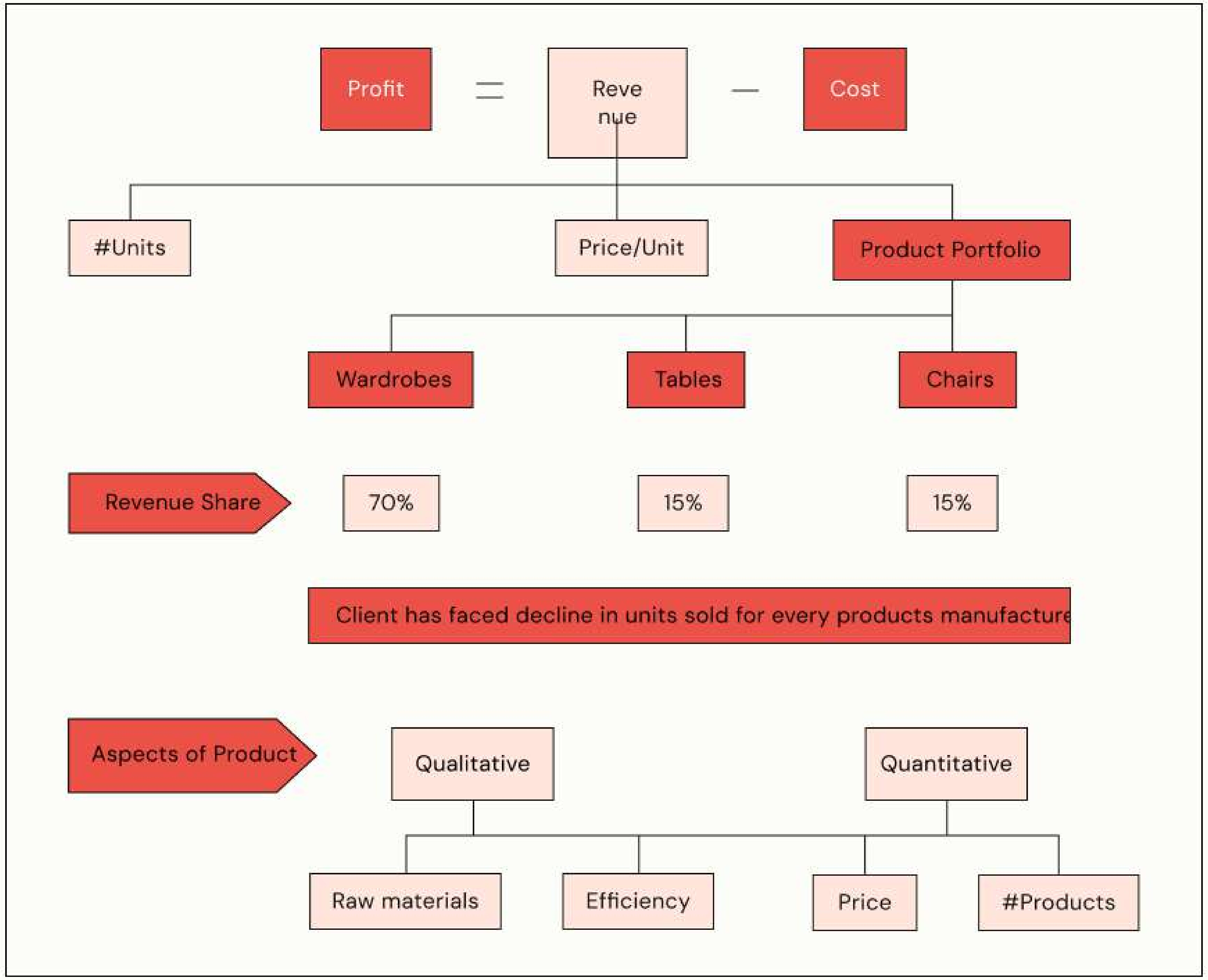
Long term:

- The client should try other cheaper but durable materials for furniture manufacturing.
- They should make their presence on the Online E-commerce platforms.

Thank you. We can end the case here.

Steel Manufacturer - 1

Profitability | BCG Buddy



Your client is a steel manufacturer who is facing declining profits, you have been asked by the client to find out why and recommend solutions

Case Notes

- Client is a steel furniture manufacturer
- Problem is declining profits of 20% over the past 12-15 months
- Each product is facing the decline in units sold.
- Client has no issue in their supply chain
- Competitor has slashed the prices of their products

Recommended Solutions

Short term:

- Client should decrease the price of the products and match with that of the competitor, considering the profit targets'
- Client should sell their products in bundles.
-

Long term:

- Explore the other materials for furniture.
- Increase the online presence.

Profitability | BCG

Steel Manufacturer - 2

Your client is a steel manufacturer facing increasing costs, the client has asked you to find out the reason a recommend solutions.

Before preliminary questions, I would like to reiterate the facts and objective of the case.

Sure, go ahead.

Okay. Our client is a steel manufacturer facing the problem of increasing costs and we have to find out why and recommend solutions to their problems.

Yes, correct.

Do we have any information on the quantum of cost increase and for how long they have been experiencing it?

No, we do not have any data on that

Okay. Is this increase in Cost specific to our client or an industry-wide issue and whether this issue related to any specific geography?

No, this is limited to a specific manufacturing unit in a tier 2 city of our client only.

Sure. In which part of the value chain, does our client operate?

So, our client procures and manufactures the steel furniture and distribute it through various suppliers.

Okay, I have completed my preliminary questions. Give me a couple of minutes, and I will be back with my approach.

Sure, take your time.

Okay, I would like to look at the cost and dive deep into the various buckets under it. Cost broadly includes two buckets i.e. Fixed Cost and Variable Cost.

Your strategy seems good. Can you elaborate on the two buckets?

Sure, the fixed Cost includes the labour wages, electricity bills, and rents, while variable Cost includes the
raw materials, R&D and machinery.

Okay. We have no issue with the fixed Cost. Can you look at the variable costs?

Sure, coming to the variable costs. Do we have any data on the changes?

Yes, our spending on raw materials has increased in the past few months. Can you analyse why are we facing such issue?

Sure, I will analyse the four major segments of raw materials, which include Suppliers, Cost of raw materials, wastage and contracts

Your segment seems good. Can you go ahead with the wastage section?

Sure. Regarding the wastage, I want to understand the types of raw materials used while making the steel.

In steel manufacturing plants, manufacturers need four primary raw materials: Iron Ore, Coal, Iron and limestone

I see. Do any of them have seen any changes or increase in the wastage?

Sure, with this, we can move the coal's overall journey from its supplier to its end product. For this, I will segment the journey into two segments, i.e., pre-processing and during-processing

Can you elaborate on these two segments broadly?

Sure, pre-procession will include the supply of coal from the supplier's location to the client's location, loading, unloading, and storage, while during processing, it will include the use of coal in the steel industry.

Interesting. Let me tell you that we have experienced the wastage of coal while transporting it to the client's location. Can you look into that?

Sure, I want to understand the location of the client's manufacturing unit.

Client's manufacturing unit is located inside the city where coal is transported from the place outside the city.

Profitability | BCG

Steel Manufacturer - 2

So, the wastage of coal must have increased due to the long transportation time. Can you tell me more about how the coal is transported?

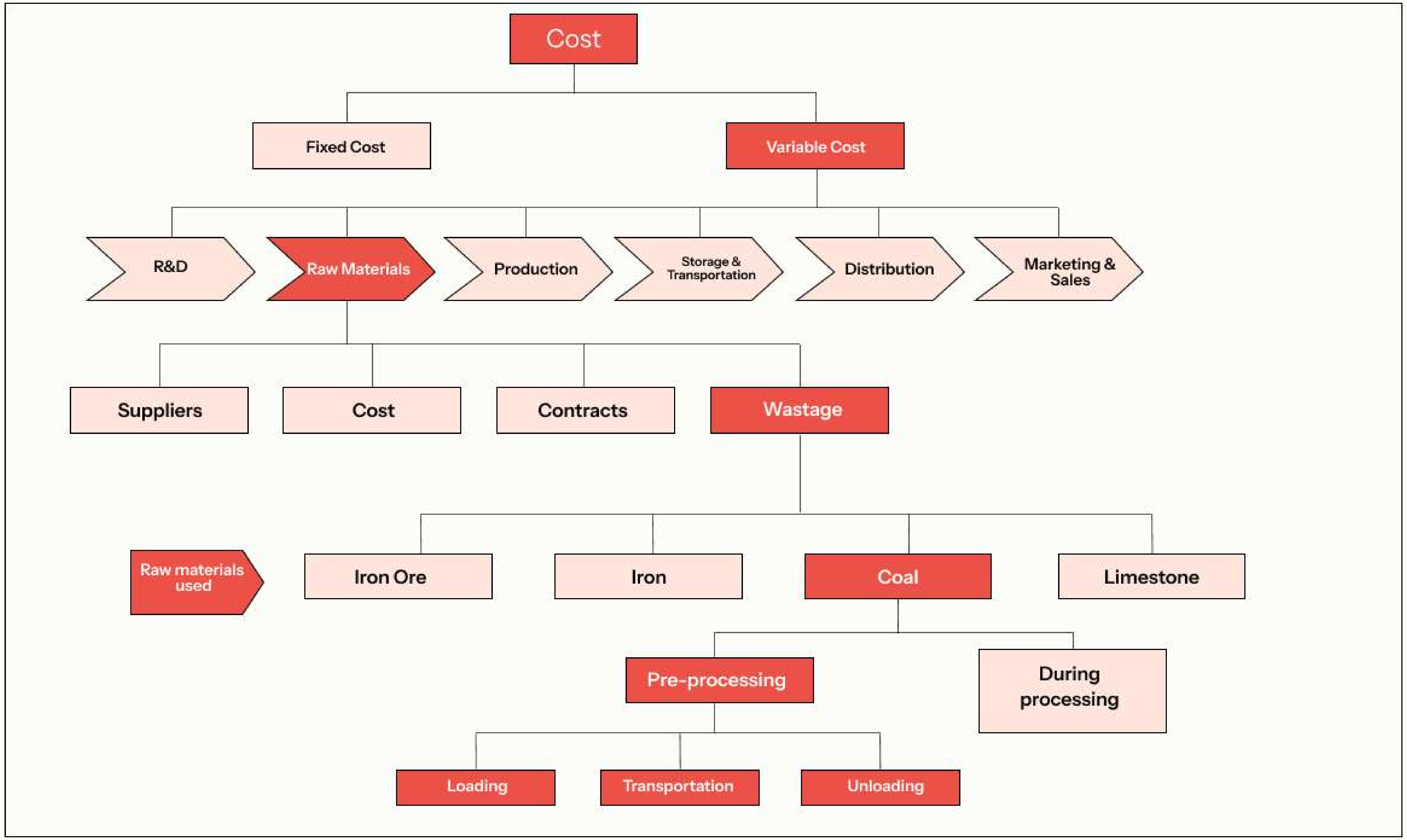
Yes, our supplier is based outside the city, which has caused this wastage. The coal is transported through railways using open containers. Can you suggest some solutions?

Sure, I have two types of solutions for our client.
Short term:
The client should use small containers to store the coal while supplying
The client can change their vehicle to a closed one.
Long term:
The client should look for suppliers based in the city.

Thank you. We are done with the case.

Steel Manufacturer - 2

Profitability | BCG



Your client is a steel manufacturer who is facing increasing cost, you have been asked by the client to find out why and recommend solutions.

Case Notes

- Client is a steel manufacturer
- Problem is increasing cost
- Usage of raw material has increased
- Client's manufacturing plant is in the middle of the city
- Transportation of coal to a longer distance has increased the wastage

Recommended Solutions

- Short term: Client should use closed boxes/containers to transport the coal to their manufacturing unit
- Long term: Client should contract with the coal supplier based in the same city

Observations / Sugesstions

- Break the problem into clear steps, getting feedback from the interviewer at each stage.
- Understand the supply chain of the industry and adapt it for the specific product.
- Offer short-term solutions for quick results and long-term sustainable strategies.

Profitability | BCG

Tractor Manufacturer 1

Your client is a luxurious tractor manufacturer who is facing loss from the past 6 months, you have been hired as a consultant to find out the reason and suggest some solutions.

Before moving forward, I want to reiterate the case that our client is a premium Tractor manufacturer facing loss from the past 6 months and we have to find out why and recommend solutions to their problems

Yes, corect.

Do we have any information on the quantum of loss?

No, we do not have any data on that.

Okay. Is this loss specific to our client or an industry-wide issue?

No, this is limited to our client only. Our competitor is enjoying profits.

In which part of the value chain, does our client operates?

So, our client manufactures the Tractors and distributes them through various suppliers

You have mentioned that the Tractor is a premium product, so what features make it a premium product?

Our Tractors are an example of state-of-the-art manufacturing and provide various features that make them run on any kind of field in adverse weather conditions.

Coming to the various parts of the Tractor whether our Client manufacture all parts or they have to outbound them?

Good question, The Client manufactures most of the essential parts but they have to outbound some parts to the third-party manufacturer

Okay, I have completed my preliminary questions. Give me a couple of minutes, and I will be back with my approach.

Sure.

Okay, I would like to propose my strategy that, first I will look at the Profit - Revenue - Cost and dive deep into the various buckets under it.

Your structure seems exhaustive. Please proceed ahead.

Sure, do we have any idea whether the Client has faced a decline in their revenue or an increase in cost?

Actually, the Client is facing both issues and wants you to analyze both. Why don't you go ahead with the cost?

Sure. Cost broadly includes two buckets, i.e., Fixed Cost and Variable Cost where the fixed Cost includes labor wages, electricity bills, and rents, while variable Cost includes the raw materials, R&D, and machinery.

Okay. We have no issue with the fixed Cost. Can you look at the variable costs?

Sure, coming to the variable costs. Do we have any data on the changes in any of the aforementioned buckets?

Yes, our spending on raw materials has increased in the past few months.

So, with this, we can come to the raw materials buckets, where I will analyze the two major segments, which include însourcing and Outsourcing.

Your segment seems good. Go ahead.

Sure, out of the Insourcing and Outsourcing, do we have experienced any increase in the cost?

Yes, we have seem a significant increase in the cost of outsourcing the spare parts. Why don't you analyse it?

Yes, as you have mentioned our Client outsources some essential spare parts, so I want to ask whether our Client has increased the import of such parts or the third-party manufacturer have increased the prices

There is no change in our demand, third-party manufacturer has increased the prices of the spare parts. Can you look into this further?

Profitability | BCG

Tractor Manufacturer 1

Sure, since there in no change in the demand side and the issue is related to the increased prices of the spare parts, there could be two reasons, ie, first- either the raw materials cost have increased or the second-change in the spare parts. Do we have any idea about what has changed?

Yes, our client has changed some parts and manufacturing these parts requires special machinery which has Increased the cost. Why don't you analyse the Revenue segment now?

Sure, coming to the Revenue, I can broadly divide it into segments, ie., # Units Sold and Price per Unit. Does this seems to go ahead?

Your segmentation seems good, our prices have remained same but the units sold have declined. Can you look into that?

Sure, since the number of units has decreased, thus either the supply has decreased or the demand has decreased.

There is no issue with the demand of Tractors as they are unique and outperform other competitor's model

So, with this we will reach to the Supply side issue. Since, we are facing the loss for the last 6 months, so whether we have made some significant changes in the Tractor?

Yes, Client has slightly modified the Tractors and now our tractor requires the new parts and our supplier is not able to meet the demands. Can you analyse why?

Sure, with this we can come to the supplier issue. Since, there is significant changes in the spare parts the supplier is not able to meet the demand and is charging higher prices from the client.

Yes, your assumption is correct. Can you further look into this issue that why supplier is exactly not able to meet the demand?

Sure, I want to understand that how much time did it take to make the new spare parts?

The newly designed parts requires no significant time to manufacture them. Rather, the manufacturer needs some new machinery to manufacture those parts and we have not informed them prior.

Okay, so the outsourcing personnel has not informed the manufacturer about such changes in the parts and now they are facing the supply issue.

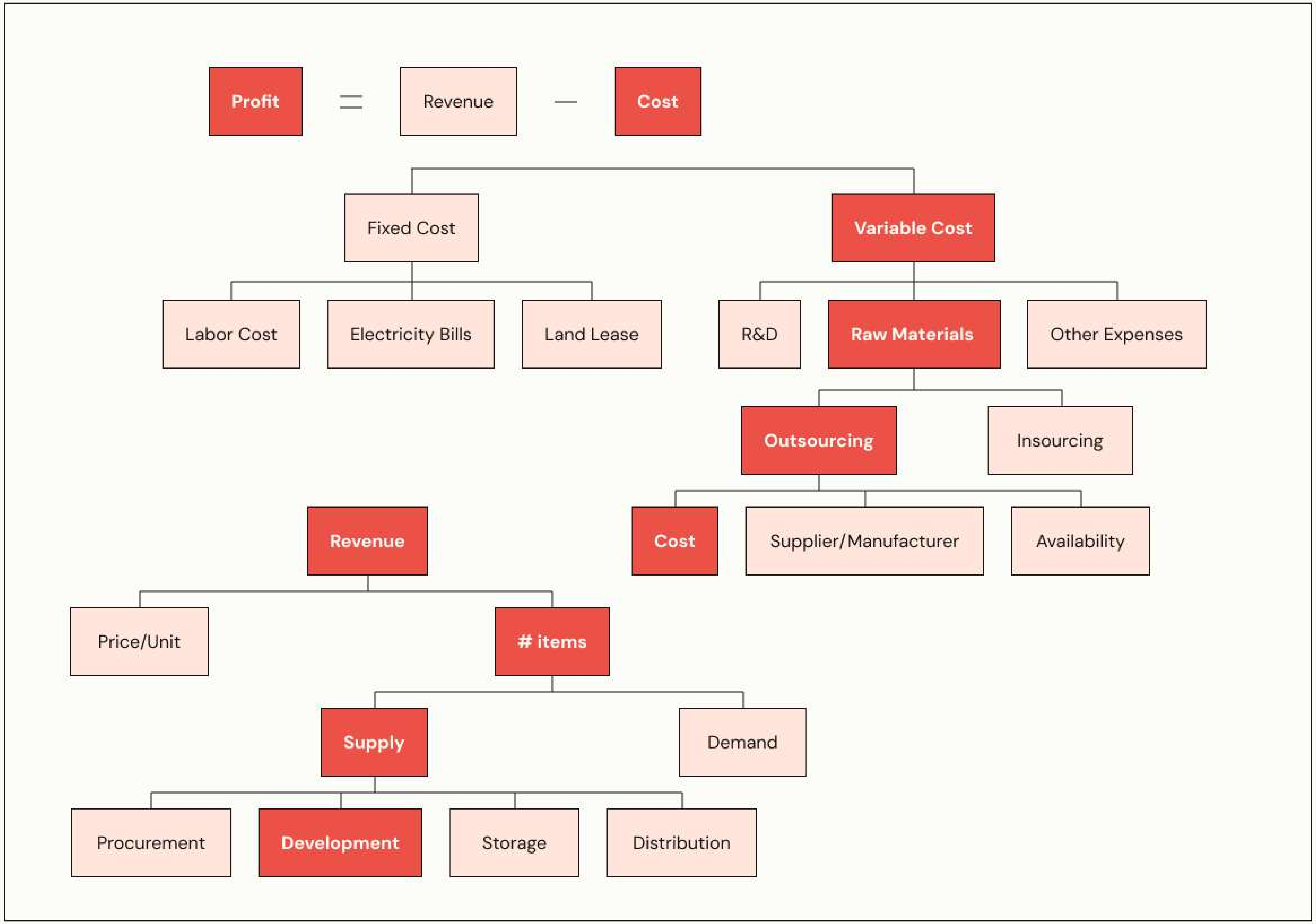
Yes, correct. Why don't you conclude the case with some recommendations?

Sure, I have two types of solutions for our client.
Short term:
Client should order the spare parts in advance to meet the demands of the Tractors
Long term:
Client should look at the possibilities of manufacturing the spare parts in their own units

Thank you. We can close the case.

Tractor Manufacturer - 1

Profitability | BCG



Your client is a luxurious tractor manufacturer who is facing loss from the past 6 months, you have been hired as a consultant to find out the reason and suggest some solutions.

Case Notes

- Client is a premium Tractor manufacturer
- Problem is increasing cost & decreasing revenues
- Client has recently changed some spare parts which has a premium price
- Manufacturer finds it difficult to meet demands of the spare parts
- Manufacturing new spare parts requires special machinery

Recommended Solutions

Short term:

- Client should order the spare parts in advance to meet the demands of the Tractors

Long term:

- Client should look at the possibilities of manufacturing the spare parts in their own units

Profitability | BCG

Tractor Manufacturer 2

There is a tractor manufacturing company that has a capacity of 5000 tractors per month. However, it was producing 3000 tractors per month to keep up with the market demands. Over the past 6 months, demands for tractors have increased, yet we are not able to ramp up our production to 5000 tractors per month Suggest possible reasons and recommendations.

The key problem I need to focus on is finding the issue with declining revenues from tractor sales is there any other objective I need to keep in mind?

No, currently we can focus on increasing our revenue only.

I would like to know if this issue is prevalent throughout the industry or it's specific to our client alone

The remaining competitors are doing good in this space, the issue is observed only with our client

Okay, I would like to know about our client a bit more, what are the different products they produce in the factory?

The company is producing only one type of tractor as of now.

I would like to explore the supply chain of producing the tractor, starting from pre-production to production and then post production.

Yeah seems like a good approach, you can proceed further

Tractors are manufactured by designing specifications, sourcing components, assembling on a production line, integrating electronics, applying paint, conducting quality checks, and final inspection. The finished tractors are then distributed to dealerships or customers, often with additional reviews and training before delivery. Is there any particular part you'd like me to look upon?

You can focus on the Production part as of now as that's the main issue we are facing.

Okay, in the Production part, I'd like to focus mainly on Capacity utilisation of the machines, working staff and operational costs pertaining to the factory, Is there any issue observed in any of these?

Dive into capacity utilization and working staff aspects of production as of now

Regarding capacity utilization, I'd like to first know the number of machines that are in use and the number of functional hours per machine.

There are around 5 units. Each produces 600 tractors. And all can produce up to 1000 tractors, you can assume that each machine works for around 10 hours per day as of now.

Okay, I'd like to know if there is any constraint that our client is facing right now to not produce according to our maximum capacity.

Since the demand has suddenly surged up now, the client was lacking the enough staff to increase their production.

Right, that makes sense, I feel that the client should recruit more staff as the demand has gone up and also invest in educating and training them so that we can increase our capacity utilization of the existing machines. I'd like to know how are our competitors facing this sudden increase in demand.

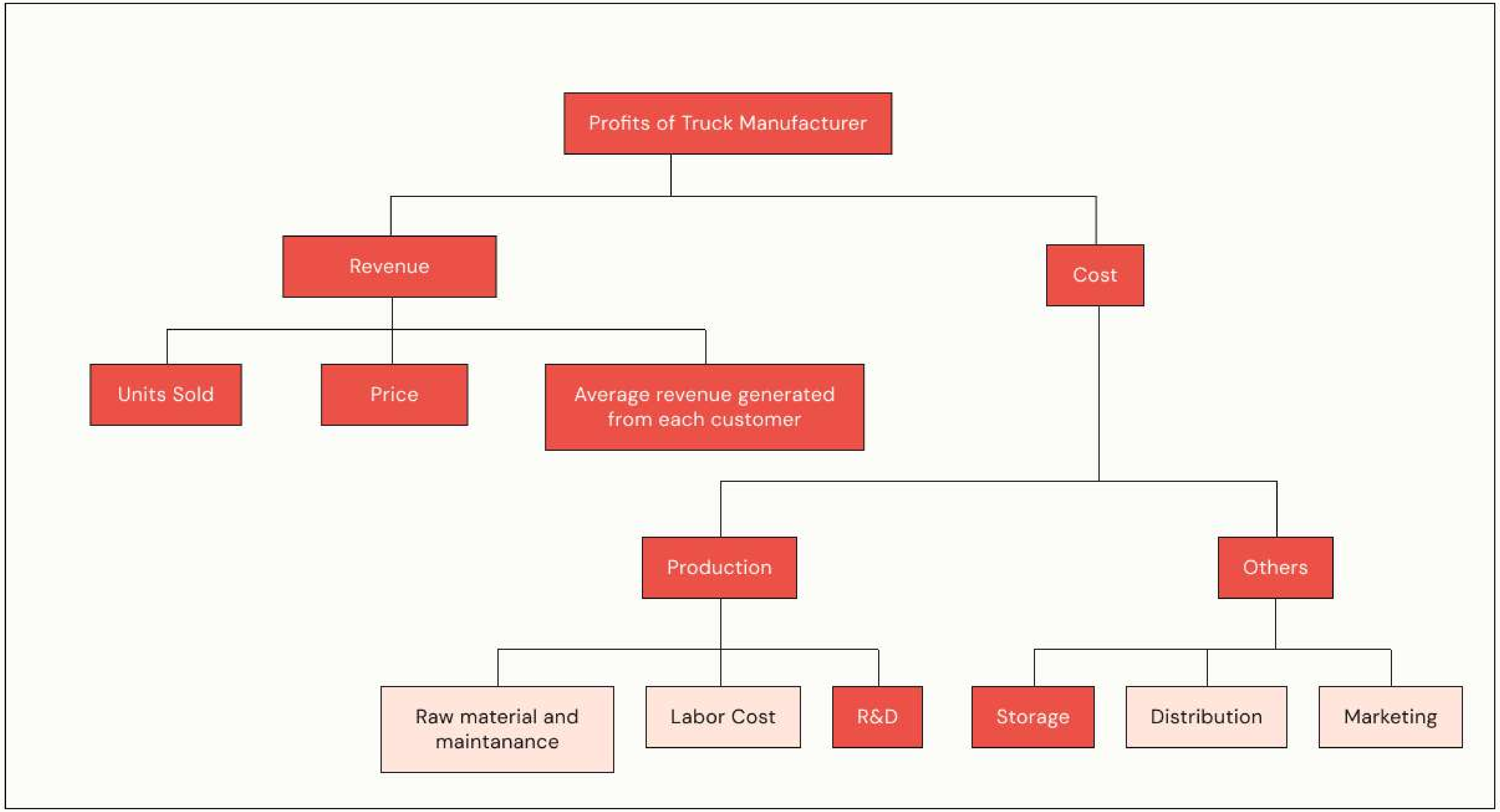
Okay that's a good point. Regarding our competitors, we don't have much information but they are doing good. How do you think we can reach at the right amount of production so that we can attain the maximum market share?

The short term goal should definitely be to increase the trained staff so that we can match the sudden increase in demand and for the long term goals, we should analyse the data driven trends to estimate the demand, so that we can have enough inventory in the stock while everyone would be busy in matching the increase in demand, this could be done with more staff(regular upskilling) and increase in advanced machines under our company and thus have a competitive price in the market by attaining economies of scale.

Yes that seems fine, we can wrap the case here.

Tractor Manufacturer - 2

Profitability | BCG



There is a tractor manufacturing company that has a capacity of 5000 tractors per month. However, it was producing 3000 tractors per month to keep up with the market demands. Over the past 6 months, demands for tractors have increased, yet we are not able to ramp up our production to 5000 tractors per month. Suggest possible reasons and recommendations.

Case Notes

- Client is a tractor manufacturer
- Problem is unable to ramp up production
- Demands for tractors have increased
- The manufacturing company has a capacity of producing 5000 tractors per month

Recommended Solutions

Based on the analysis, the main problem seems to be a combination of production issues, supply-side constraints, and potentially inefficient processes. These factors collectively prevent the company from reaching its full production capacity of 5000 tractors per month, despite increased demand.
Addressing these issues through improved production processes, equipment upgrades, and workforce training would likely be the key to resolving the company's challenge of meeting market demand.

Observations/Suggestions

- It's essential to find the key reasons for not be able to ramp up production
- Calculate the net effect of reduction of prices on profit and the possible ways of increasing revenue from the convenience store
- Develop equation between x and y and find desired relationship

Profitability | BCG Buddy

Airport Taxi

Dubai Airport is retracting all existing permits and is issuing 2,100 new permits to the three largest operators in the country. Our client is a local Big-three taxi operator with a 3,000-car fleet, but he is not servicing the airport yet. He has a spare capacity of 500 taxis and he is considering applying for 500 new permits. He asked us to help him determine if he should pursue applying for the permits or not.

What is the target profit for our client?

Our client is looking for an investment target of 20% ROI over 1 year.

Okay, so I would like to dive into the revenues first. On average how many passengers use the airport and how many of them go into Dubai?

The airport has 84 million passengers per year, and 20% go into Dubai using a taxi, the remaining 80% are transit passengers

Is there a variation between amount of passengers overnight and during the day?

Yes, Between midnight(12 AM) and 6 AM, 50% require a taxi (this takes into account multiple passengers sharing a taxi). Between 6 AM and 12 AM(over a duration of 18 hours), the other 50% require a taxi (this takes into account multiple passengers sharing a taxi).

Alright, what are the fares for the two respective timings?

The night fares are $80 and the day fares are $70. The taxis operate 24/7 - assume no need for fuel, maintenance, and that there are no traffic jams.

How long is the journey of the passenger on average?

Every trip takes 60 minutes to leave the airport and get back on average.

Calculating the demand for taxis, during the night, there are 50% * 20% * 84,000,000 = 8,400,000 passengers per year which is 3,835 passengers per hour. During the daytime, there are 50%*20%*84,000,000=8,400,000 passengers per year which is 1,278 passengers per hour. As it is known that there is a supply of 2100 taxis expected to be available during this time, we can see that there is almost a 61% utilization during the daytime (1278/2100) (61% assuming the taxis travel with individual passengers).

Right. And what is the actual revenue per taxi?

The daily revenue of one taxi is (6*$80)+(18*$70)=$1,740. The annual revenue of 500 taxis is (500 * $1,740) * 365 = $317.5 m. This revenue calculation assumes that the taxi utilization is 100%.

Seems right. You can dive into the costs now.

Right so breaking this into different buckets, for our client, there are Operating costs, License costs, and Driver Costs. What are the general costs per cab for each of these buckets?

So, drivers get 50% of the revenue instead of a salary. The operating costs are $5,000 per cab per year, and the license costs are $250,000 per cab paid in advance as a one-time fee.

So the total payroll comes out to 50% * $317.5 m = $158.8 m. The operating costs are $5,000 * 500 = $2.5 m, and the total license costs are $250,000 * 500 = $125 m.

The calculations seem valid. Proceed with the ROI calculation.

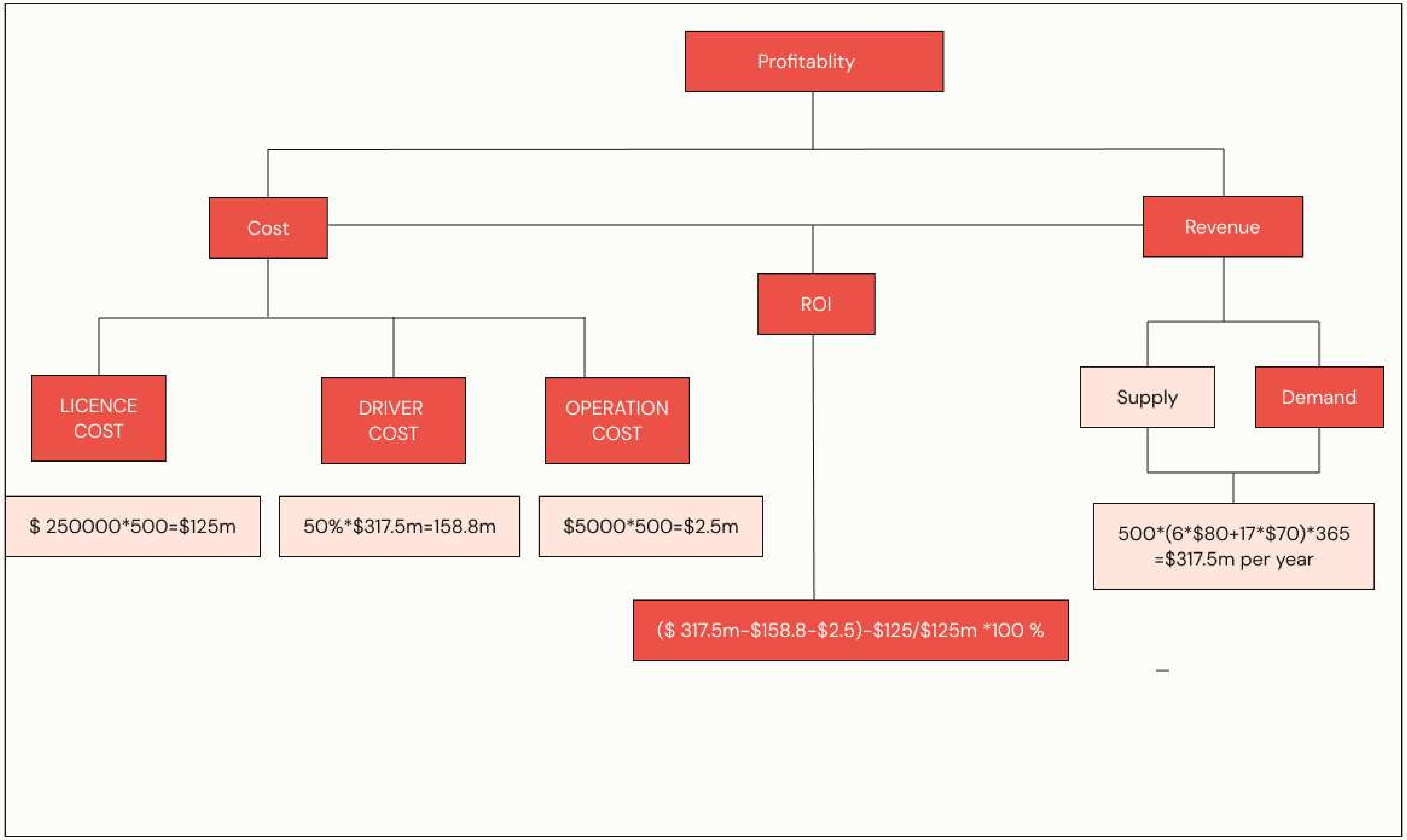
Right, so the total earnings over the 1 year is
$317.5 m - $158.8 m - $2.5 m = $156.2 m.
The ROI(Net Profit / Total Investment) * 100%.: (($156.2 m- $125 m)/$125 m)) * 100% = 24.96%. So our return is an estimated 25% for the first year. Since the licence costs are a one-time payment, the ROI will increase to 125%.

So what would be your final decision based on these calculations?

Given the calculated ROI of 25%, which exceeds the target of 20%, this investment appears financially viable. However, the client should also consider market fluctuations, potential regulatory changes, and competition before making a final decision.

Airport Taxi

Profitability | BCG Buddy



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Case Notes

- ROI per year = (Earning over a year - investment per year) / investment per year * 100%
- Profit (Earning per year) = Revenue per year - Cost per year
- For the costs go into the value chain analysis
- Supply and demand side approach for the revenue calculation

Recommended Solutions

- The client should consider the investment opportunity as the ROI is approximately 25% which is 5% greater than the expected (20%) ROI.

Observations/Suggestions

- The utilization calculation is an important addition to the overall calculation as it gives insights on how the demand varies over the time-period which is crucial for decision-making.
- The utilization percentage could've been included into the solution and recommended that the client supplies different amount of taxis respective to the timings, but since it is an overall lease-based system, it could cause troubles and can be deemed not feasible.

Profitability | KPMG

Energy Drink

Your client is a FMCG company manufacturing energy drinks. Initially the client had a market share of about 98% which has now reduced to 50%. Find out the reasons for the possible dilution in market share and also suggest measures to regain the market share.

Before starting off with the case, I would like to begin by asking a few questions. What is the exact product line of the company and where does it operate?

The company manufactures only one type of energy drink and it is based in India.

How long has it taken for the company's market share to decline from 98% to 50%?

The time of decline has been about 5 years for the company.

Who is our target customer when it comes to this energy drink?

The company has a specific type of customer segment to which it caters.

Market Share depends on the industry size and the revenue of the company. Do we know what has changed in the past 5 years?

The industry is not growing at all, in addition to which the revenue has decreased.

The revenue would in turn depend on the number of units sold and the price per unit. Since the revenue has decreased, we could say it is due to one of these two. Has the number of units being sold decreased?

That is indeed, correct. The number of energy drinks being sold has gone down in the 5 years which has led to a decrease in the revenue.

The number of units sold would be affected by the customer needs, affordability, accessibility and the customer experience. Customer needs would imply how much demand is there for the drink amongst the customers, affordability would imply benchmarking our product against that of our competitors. Accessibility is how easily a customer can reach our product. Customer experience could possibly revolve around the product design and the taste.

That's a good approach to break down the problem. The problem lies with the affordability of the product. Our competitors are able to provide the drink at a lesser price.

This could be a possible cause of the loss of market share, since it is directly affecting our revenues. Since the problem mainly lies with affordability, do we have any information related to the pricing of the products?

Our product has a selling price of 966 Rupees per unit which has been the same throughout the years, whereas our competitor is able to sell at 874 rupees per unit.

Since we're selling at a higher price, it could imply that we are incurring more costs per unit sold. I believe that costs will be incurred at every step of the value chain, which will be of two types essentially - fixed costs and variable costs.

We incur a cost of 366 Rupees per unit when it comes to our raw materials. In addition to this, we can broadly sum the costs over the production into fixed and variable. For every unit produced, we have a fixed cost of Rupees 178 and a variable cost of Rupees 166.

In order to optimize our costs, we can benchmark them against that of our competitor. Out of the three types of costs given, which type of costs is seeing the maximum amount of deviation?

The raw materials and variable costs, both per unit are almost similar to our costs and do not play a major difference. However, the fixed costs per unit of our competitors are much lower than our costs.

Profitability | KPMG

Energy Drink

Fixed costs are usually independent of the total number produced - they would depend on other operational factors. Thus the fixed cost per unit could go up if we have been inherently producing less than that of our competitors. Since our competitors are able to produce more, it is possible that they might have achieved economies of scale

Good observation! We have been producing less than our competitors. Could you suggest possible causes for our production being lesser than that of our competitor's?

To assess this, we can look at the value chain of our company. We can divide the value chain into three major parts- pre-production, production, post-production. The pre-production part involves research and development, sourcing of raw materials and inbound logistics. The production part involves the actual conversion of the raw materials into our product and its packaging. The post production part involves outbound logistics and marketing.

Let us look at the problems associated in the sourcing of raw materials and production.

For sourcing of raw materials, it is possible that the amount and quality of raw material that we are effectively getting has gone down, which is leading to lowered production. For the producing and packaging part, there might be a problem of capacity utilization or the number of machine cycles that are being run for production.

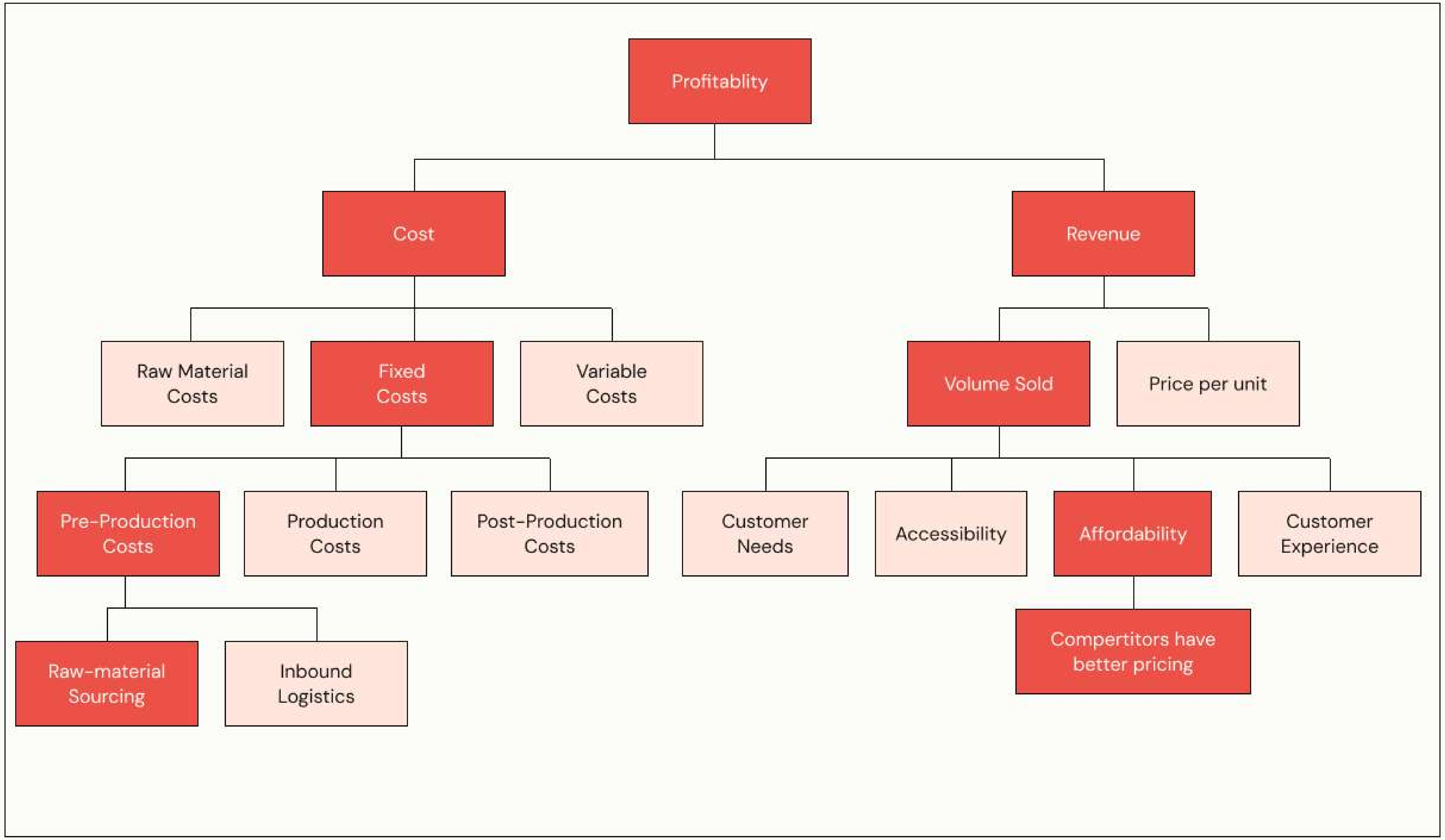
What would you recommend as solutions for these problems?

For the problem with the sourcing of raw materials, we could negotiate better deals with the suppliers for better raw materials. In order to produce more, we could ensure maximum capacity utilization and that the machines are running at optimum number of cycles

Good points, that concludes the case! Thank you.

Energy Drink

Profitability | KPMG



Your client is a FMCG company manufacturing energy drinks. Initially the client had a market share of about 98% which has now reduced to 50%. Find out the reasons for the possible dilution in market share and also suggest measures to regain the market share.

Case Notes

- Two types of approaches, a growth type approach and a profitability type approach are possible but with clarifying questions -> profitability.
- A proper MECE dissection of the problem will lead to optimal results.
- Volume sold is broken into needs, accessibility, affordability, and experience, a proper end to end product experience.
- Costs can be broken into Raw Material, Fixed, Variable costs.
- Fixed costs is broken into pre, during, and post production which follows a proper production cycle.

Recommended Solutions

- Negotiate better deals with the suppliers for quality raw materials to improve raw material sourcing.
- Ensure maximum capacity utilization and that the machines are running at optimum number of cycles to improve production.

Observations/Suggestions

- The framework followed was standard but very extensive and broke down each segment into perfect MECE segments.
- Raw Materials costs could've been included into the fixed /variable costs components.
- The product life cycle type of volumes sold breakdown was very good rather than supply and demand approach as it could've gotten more complicated to arrive at the better competitor pricing issue.
- Identification of the problem was done fluidly.

Profitability | BCG Buddy

Drug Manufacturer

Your client, an oncology drug manufacturer, is facing a decline in profitability. The client has asked you to find the reasons, and hence recommend solutions.

Okay. I want to ask a few preliminary questions before diving deep into my overall structure and strategy.

Please, go ahead.

To the best of my knowledge, oncology is related to cancer. Is that correct?

That's right.

Is the problem company specific or industry specific?

The decline is specific to our client.

For how long has the client been experiencing the decline in profitability?

The client has been facing a decline for a year.

How does the client sell its products?

The drug is sold to pharmacies and hospitals.

What geographics does our client manufacture in, and is the problem related to a specific geography?

It has nationwide presence except the Northeast and the client is facing declining profits from all over India. The decline is more noticeable in regions where competition is high.

Okay, I have understood the situation. I would like to look at profit which is revenue – costs and hence dive deeper into each bucket.

The cost has been stagnant. The challenge really seems to be on the revenue side.

Okay. I would like to divide my revenue into three buckets, number of units sold, price per unit, and product portfolio. Firstly, is it fair to say that there has been a decrease in the number of units sold?

Yes, although the client's product is the same as competitors' product, there has been a decline in the number of units sold.

Has the price of our client's product fluctuated? And has the price of competitors' products fluctuated in the same time frame?

No. The prices of the client's as well as the competitor's product have been maintained in the required time frame.

What are the promotion strategies used by our client?

Our client's primary method of promotion is through their team pharmaceutical sales representatives. Other methods are patient support programs, workshops and training sessions.

What are the promotion strategies offered by our competitors?

They employ a similar promotion strategy as our client. However, three out of the five competitors also offer additional commissions to doctors as an incentive for prescribing their drugs.

In light of industry practices, is there any interest in exploring the possibility of introducing incentives for doctors, or does our client intend to continue with their current approach?

Profitability | BCG Buddy

Drug Manufacturer

Our client is committed to upholding their ethical stance and maintaining their current approach. Given this, what would be your final recommendations?

After analysing the case, I would recommend the following solutions:

1. Strategic Partnership: Consider partnering with the second manufacturer who employs similar sales strategies. This collaboration could enhance our revenue share and bring down the costs.
2. Advocacy: Engage in lobbying efforts with the government to enhance the promotion of our product and secure subsidies to boost visibility and financial support.
3. Market Expansion: Establish manufacturing facilities in the Northeast region. This approach will strengthen our market presence and drive sales growth in that area.

Sounds good. Let us move to the risk assessment of the proposed recommendations.

Sure. When entering a new market, there is a potential risk of increased costs. Additionally, in the case of a joint venture, challenges related to synergy could arise, and careful attention to regulatory compliance will be essential while engaging in lobbying efforts.

Thank you so much. The case concludes here.

Profitability | BCG Buddy

Fan Manufacturing Company

Let's dive into the case. Your client is a fan manufacturing company, and they want to increase their gross profit margin. How would you approach this?

To begin, I would like to ask a few questions to better understand the client's situation

Sure, go ahead.

First, what types of fans does the company manufacture? Also, what are the key features of these products?

The company primarily manufactures ceiling fans and table fans. They offer standard features such as multiple speed settings, energy efficiency, and basic designs.

How does the company's product currently differentiate itself from competitors, if at all?

At present, there isn't much differentiation. The products are comparable to others in terms of price and features.

Alright. How long has the company been operating in the market, and what is their market share compared to competitors?

The company has been in the market for about 20 years and holds approximately 15% of the market share. The competitor landscape is quite competitive, with several well-established players.

I see. Could you also share where the company operates? Is it primarily in India, and if so, in which regions?

Yes, the company operates in India, with manufacturing facilities in Gujarat and Southern India, and a distribution network across the country.

That's helpful. Finally, could you clarify the company's positioning in the value chain? Are they involved in design, manufacturing, distribution, or any other parts of the chain?

The company is involved in design, manufacturing, and distribution, with a focus on in-house production.

Great, thank you for that. To increase the gross profit margin, I would look at both revenue enhancement and cost reduction strategies. Let's start with revenue. Revenue is a function of the number of units sold times the price per unit. One approach could be to increase the price per unit. However, since the product currently lacks differentiation from competitors, it might be challenging to raise prices without losing market share.
Therefore, I would recommend focusing on improving the product's technology and features to bring differentiation, such as incorporating energy-efficient motors or even smart features that allow remote control via mobile apps.
Additionally, we can explore investing in new, more efficient machinery available in the market. This could help reduce manufacturing costs by improving production efficiency and lowering long-term operational expense.

That makes sense. However, are there any potential risks or challenges associated with implementing these strategies ?

Initially, there will be a need for capital investment in R&D, which could be a significant expense. However, this investment is likely to yield positive long-term effects.

Okay. Suppose we take your advice and invest in R&D to improve the product. Can you suggest some areas in our cost structure where we could cut costs to balance the R&D investment?

To identify potential cost savings, I'd like to categorize our expenses into fixed and variable costs. Let's start with fixed costs. If I understand correctly, fixed costs typically include expenses such as rent, salaries for permanent staff, and machinery depreciation.They remain relatively constant regardless of the number of units we produce. Is that accurate?

Yes, that's correct.

Great, now let's move on to variable costs. From my understanding, variable costs generally include expenses such as raw materials, energy consumption and direct labor costs. Would that be an accurate assessment?

Yes, that's correct.

Have there been any recent increases in expenditure for any of these variable costs?

Profitability | BCG Buddy

Fan Manufacturing Company

Yes, we've noticed a recent increase in expenditure on raw materials. Additionally, a significant portion of our costs is dedicated to meeting energy requirements.

Okay, based on our discussion and the insights I've gathered, I can suggest the following strategies to address these challenges
Review your current suppliers to see if you can negotiate better prices or switch to more cost-efficient materials.
Consider transitioning to renewable energy sources. While this may require an initial investment, it can lead to significant long-term savings.
We can outsource some activities such as design work . This would allow you to focus more on improving core areas like manufacturing and distribution, potentially enhancing overall efficiency.

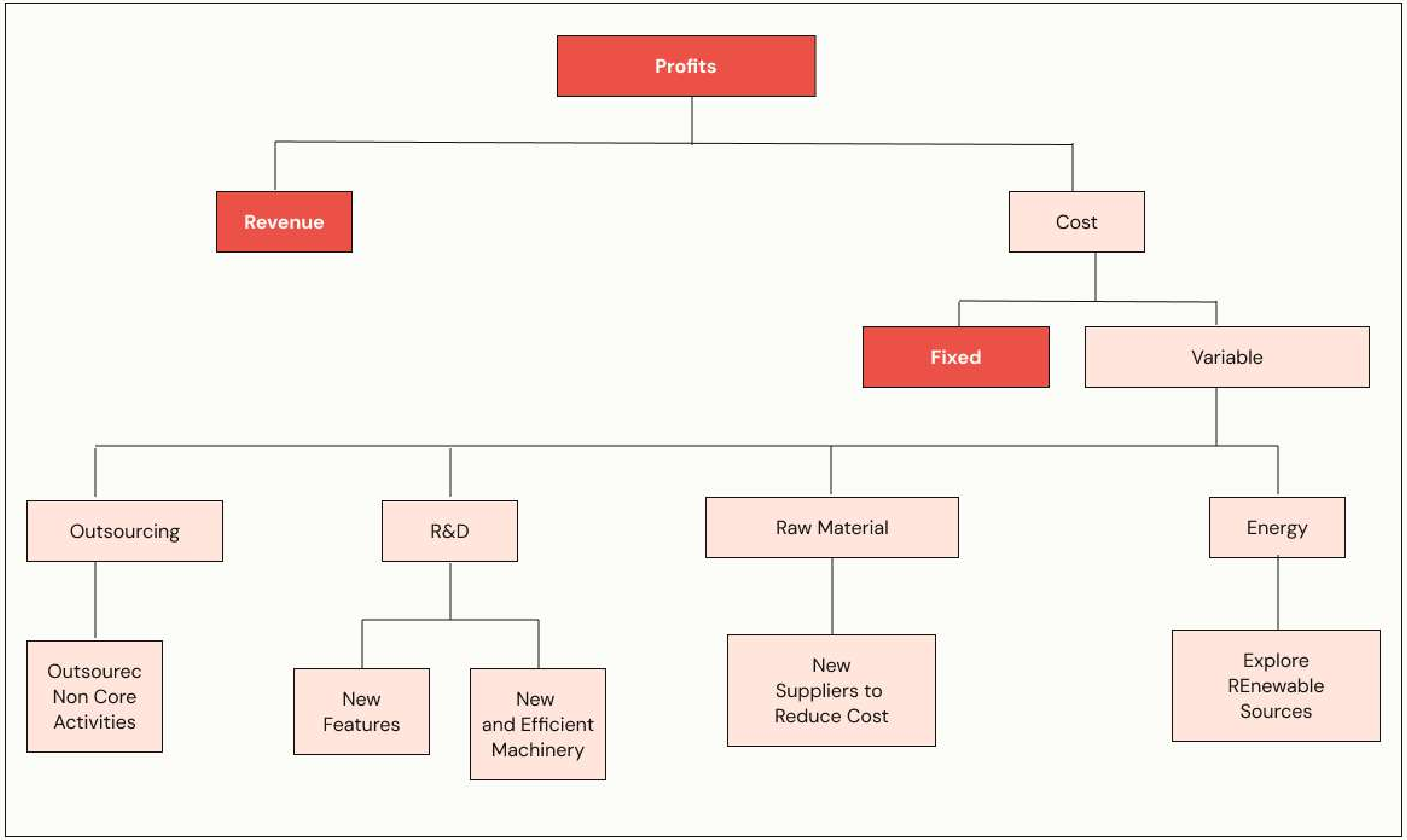
Your approach seems fair. Please summarize all of your suggestions.

To summarize, here are the recommendations:
In the long term, we should focus on investing in R&D to incorporate new technologies and features that will differentiate our products from competitors. Additionally, exploring the acquisition of new, more efficient machinery will enhance manufacturing effectiveness and help reduce costs.
Adopting renewable energy sources is also recommended, as it will be cost-effective in the long run.
In the short term, we should review our suppliers, negotiate better pricing, or switch to more cost-efficient materials.
Furthermore, outsourcing non-core activities will allow us to concentrate more on improving our manufacturing and distribution processes.

Good Recommendations! That concludes the case. Thank You.

Fan Manufacturing Company

Profitability | BCG Buddy



The client is a fan manufacturing company specializing in ceiling and table fans with standard features like multiple speed settings and energy efficiency. They have hired you to help increase their gross profit margin by exploring strategies for product differentiation, cost reduction, and operational efficiency in a highly competitive market.

Case Notes

- The client manufactures ceiling and table fans with standard features like multiple speed settings and energy efficiency.
- Operating for 20 years, the company holds a 15% market share in a highly competitive industry.
- Manufacturing facilities are located in Gujarat and Southern India, with nationwide distribution.
- The company handles design, manufacturing, and distribution in-house.
- Products lack differentiation, limiting the ability to command premium pricing.
- The market is highly competitive with many established players, challenging market position.
- Rising costs in raw materials and energy significantly impact the company's expenditures.

Recommended Solutions

- Long-Term Strategies:
  - Invest in R&D for product differentiation (e.g., energy-efficient, smart features).
  - Upgrade machinery to boost manufacturing efficiency and cut costs.
  - Shift to renewable energy for long-term savings.
- Short-Term Strategies:
  - Renegotiate supplier contracts or opt for cheaper materials.
  - Outsource non-core activities like design to focus on manufacturing and distribution.

Observations/Suggestions

- Market Expansion: Enter new markets with less competition to grow market share.
- Cost-Effective Innovations: Enhance products using cheaper, efficient materials.
- Outsourcing Risks: Evaluate risks like quality control before outsourcing.

Profitability | BCG

FMCG South Africa

Your client is an FMCG company with a global presence, specifically their operations in South Africa. They have observed a decline in profitability and have asked you to identify the root cause and recommend solutions.

Thank you. Just to confirm, we are focusing on the South African operations where there's been a decline in profitability. To get a clearer picture, could you tell me how significant this decline is and how long it has been a concern?

The decline has been around 15% over the past year.

Understood. I would like to take a structured approach by analyzing the profitability equation: Profit = Revenue - Costs. First, let's look into the revenue side. Have there been any significant changes in revenue over the past year?

The revenue has remained relatively stable, with no significant growth or decline.

That's clear. Since the revenue side seems stable, it suggests that the decline in profitability is likely driven by rising costs. To proceed, I'd like to break down the cost structure into direct and indirect costs. The direct costs would mainly include raw material, labor costs. Have we seen any changes in them?

These direct costs have remained stable over the past year.

Thank you. Given that direct costs are stable, the issue might be stemming from the indirect costs. Indirect costs in this case would include Utilities, Fuel, Rent, Maintenance and Marketing costs.

The key indirect costs are related to fuel and machinery maintenance for our 40 factories.

I see. Let's first focus on the fuel costs. Can you provide more detail on how fuel is used in these factories?

The machinery in these factories runs on solid fuel, and the type of fuel used can change based on the availability. Each type of fuel has a different cost.

Okay so do we have data on does it vary across different factors like location, type of fuel, or availability?

Fuel costs do vary significantly based on different types of fuel used and their availability.

That makes sense. So, the inconsistency in fuel types and their costs is likely contributing to inefficiencies. Do we have data on how often the fuel type changes and the cost differences between them?

Yes, data shows that the costs can differ by as much as 20% between the most and least expensive fuels, depending on the availability.

Thank you for that information. It sounds like standardizing the type of fuel used across factories could be a potential solution to manage these costs better. Before we discuss solutions, let's move on to the maintenance costs you mentioned. What does maintenance entail, and what factors are influencing these costs

Maintenance involves managing around 7,000 different SKUs for spare parts. The prices of these parts vary across our 40 factories due to differences in supplier contracts and logistics.

I see. So, similar to fuel costs, there seems to be a lack of standardization in how spare parts are sourced and priced. Do the factories procure parts independently, or is there a central procurement process?

Currently, the procurement is managed locally at each factory, which is why the prices vary.

It appears that standardizing both the procurement process and pricing for spare parts could help in controlling these costs. To summarize, it seems the profitability decline is primarily driven by inefficiencies in fuel usage and the maintenance process, particularly the sourcing of spare parts. Does that align with your understanding?

Yes, that's correct.

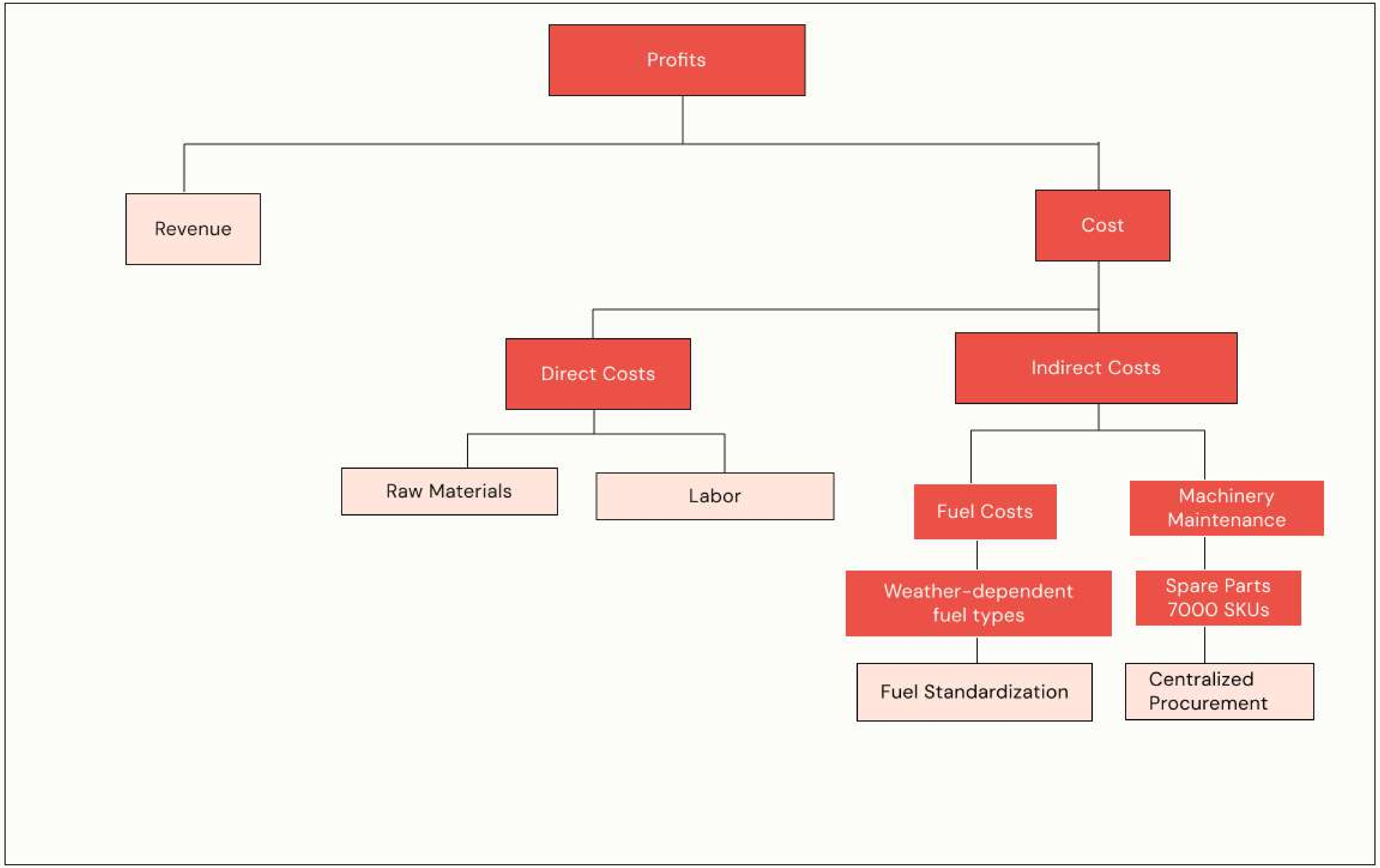
Based on this, I would recommend focusing on two key areas:

1. Fuel Standardization: Analyze the different fuel types and their costs to identify the most cost-effective option that could be standardized across all factories, possibly securing bulk purchase agreements to further reduce costs.
2. Centralized Procurement for Spare Parts: Implement a centralized procurement system for spare parts to standardize pricing across all factories and potentially negotiate better terms with suppliers.

That sounds like a solid plan. Thank you for your detailed analysis and recommendations.

FMCG South Africa

Profitability | BCG



Your client is an FMCG company with a global presence, specifically their operations in South Africa. They have observed a decline in profitability and have asked you to identify the root cause and recommend solutions.

Case Notes

- Profitability has decreased recently, though revenue remains steady.
- Direct costs are unchanged, problem lies with rising indirect costs.
- Fuel and machinery expenses have grown significantly.
- Using various fuel types has caused higher costs and wastage.
- Spare part costs fluctuate widely due to factory-specific local suppliers.

Recommended Solutions

- Standardizing fuel supply to reduce costs and optimize efficiency.
- Centralizing spare part procurement across all factories to enhance training and improve operational flexibility.

Observations/Suggestions

- It's essential to separate costs into direct and indirect to manage short-term increases.
- Standardizing supply is crucial for consistency across the factory network.
- Centralized procurement can address price volatility, supply uncertainties, and improve operational flexibility.

Consulting & Analytics Club
IIT Guwahati

Market Entry

Interview Transcripts

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Market Entry | American Express

Perpetual Motion Invention

Your client, a renowned scientist, has set his sights on creating the world's first perpetual motion apparat-us. He's eager to explore potential markets for monetizing this invention, particularly in Europe. He's also curious about the potential earnings in the first year. How would you approach this scenario?

To begin, could you please furnish me with some details about the functionality of the technology, its associated costs, the availability of building materials, the machine's dimensions, and its efficiency?

Certainly. The machine's construction costs amount to approximately $1,000. It's capable of perpetually powering a small fan without any external energy source. However, it weighs 30 kg and occupies a space of 1 m3. All the required materials are readily available. Additionally, the scientist believes that with technical enhancements, the technology could eventually produce twice the energy at a quarter of the weight and size.

Thank you for that information. From what I gather, the machine is quite sizable and heavy, yet it generates only a modest amount of energy. Even with potential improvements, it's unlikely to yield significantly more energy than it currently does. However, its scalability could allow for more power generation.

You've captured the essence well. Please proceed with your analysis.

Certainly. To delve into the monetization prospects, could you please provide me with the potential applica-tions of this technology, following a MECE (Mutually Exclusive, Collectively Exhaustive) framework?

Certainly. The primary applications include Power Plants, which are vital as they cater to the majority of a city's energy needs and are not constrained by size or weight. Another avenue could be Transportation though due to its bulk, it's limited to large ships. This technology might not be suitable for smaller energy demands, but it could find a place in larger-scale requirements such as farms and islands.

Thank you for outlining the applications. It seems clear that despite not requiring fuel, the machine's weight and size constraints could limit its practical applications. As such, the primary market appears to be power plants.

Your deduction is on point. Proceed with your calculations for the first year's revenue

Certainly. To calculate the revenue, I'll start by estimating the market size. We have two customer categories: Households and Government/Industries. With a European population of 500 million and an average family size of 4, we have 125 million families. Assuming a $40 monthly electricity bill per household, the Household market size is $40 * 125 million, equating to $5 billion per month. Assuming similar energy spending by Government/Industries, the total market size becomes 2 * $5 billion * 12 months, or $120 billion annually. If we consider that we can build power plants to meet 5% of the total market demand within the first year, the projected revenue for the initial year would be 0.05 * $120 billion, amounting to $6 billion.

Your revenue projections seem reasonable. Please proceed with the feasibility analysis of the project.

Certainly. To assess feasibility, let's calculate the Net Present Value (NPV) of the Project. Could you provide the power output, plant lifespan, selling price of electricity, and the discount factor?

Each power plant generates 50W of energy and sells it at 20 cents per kWh. The plant's lifespan is 20 years, and the discount rate stands at 5%

Understood. For each power plant, the revenue generated per hour is 0.05 kW * 20 cents/kWh, which is 1 cent/hour. Therefore, the annual revenue per plant is 1 cent/hour * 24 hours * 365 days, totaling $87.6. This leads to a Present Value of $1,091.69 and an NPV of $91.69. This positive NPV indicates that the project is likely to generate favorable cash flows over its lifetime.

Your financial analysis is sound. Are there any potential risks or concerns associated with this venture?

Absolutely, there are a few notable risks. The risk of technology replication is substantial, so it's advisable for the scientist to promptly secure a patent for the invention. Moreover, swift improvements should be prioritized to enhance the return rate. Collaborations with major energy firms and venture capitalists for financial support would be strategic. Given the large-scale requirements of power plants, economies of scale could also be leveraged.

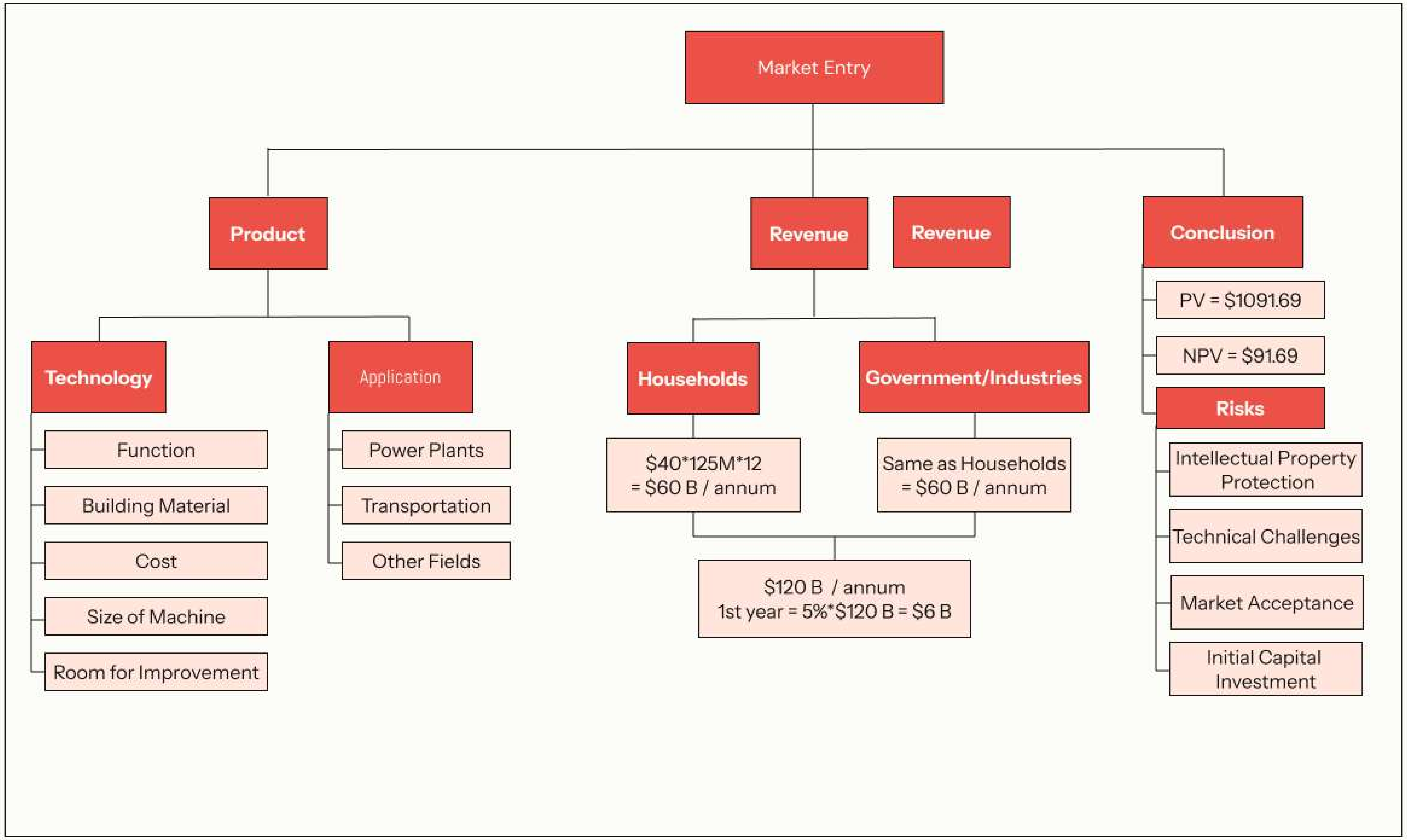
Your risk assessment is comprehensive. Do you have any final recommendations?

Certainly. Given the novelty of the technology and the significant market potential, I recommend pursuing this project. However, it's crucial to prioritize rapid enhancements and secure substantial capital investments for successful execution.

Your approach is well-structured and comprehensive. We can conclude this case study here.

Perpetual Motion Invention

Market Entry | American Express



Your client, a renowned scientist, has set his sights on creating the world's first perpetual motion apparatus. He's eager to explore potential markets for monetizing this invention, particularly in Europe. He's also curious about the potential earnings in the first year. How would you approach this scenario?

Case Notes

- Client is a Scientist who has recently invented a Perpetual Motion Appratus
- He wants to market his new invention
- He wants to know about feasibility of the project and revenue in first year
- The product is new and market size is huge
- The size and weight constraints of the product limits its applications

Recommended Solutions

- The client should patent his invention to avoid duplication
- Collaborations with power industries and government is needed to meet large capital investment
- Improvements to be made in the product to increase efficiency

Observations/Suggestions

- Although the product is one-of-a-kind but has limited applications due to size constraints
- Focus should be on improving and redesigning product for practical use
- Large capital investment needed can be met with industrial collaboration

Market Entry | KPMG

Steel Manufacturer - 3

There is a major Steel company that wants to expand to the Middle East part of the globe. You have been approached to suggest a suitable market entry strategy.

Great can you give some details about the present market and expertise of the Company

The company is a prominent market share holder globally in the production of hot-rolled steel.

Okay, to proceed, could you shed light on the specific objectives the company aims to achieve through this expansion?

The company aims to expand into the Middle East with the motive of dominating the other kind of steel i.e. cold rolled steel.

Okay, has the company ever explored cold-rolled steel manufacturing earlier or are you planning to start it from the Middle East only?

No, the company is planning to start it from the Middle East itself.

Any particular reason to do so?

The industry is very underdeveloped in the region and the company wants to leverage this opportunity. Moreover, cheap labour in the region provides an option to export to other countries as well

Okay, can you explain a bit about the usage and demand of cold roll steel in this market?

Cold rolled steel is used in high-precision applications like the automobile industry, appliances, and certain construction materials. The market is expected to grow at 6.2% CAGR and reach $21B by 2026.

Great, considering this opportunity, there are two potential pathways: Brownfield Investment and Greenfield Investment. Is there a preference for either one?

I'd like you to explore both options.

Certainly, first could you explain the differences in the manufacturing processes between hot-rolled steel and cold-rolled steel?

Cold rolled steel is produced by passing previously hot rolled steel through rollers without reheating, unlike the manufacturing process of hot rolled steel.

Understood. Given this insight, it appears viable to leverage our current manufacturing capabilities while incorporating the necessary technological advancements for cold-rolled steel production. This aligns well with a Greenfield Investment strategy, we could establish new facilities in the Middle East, capable of producing both types of steel. These facilities would cater to local demand while also facilitating exports to broader markets.

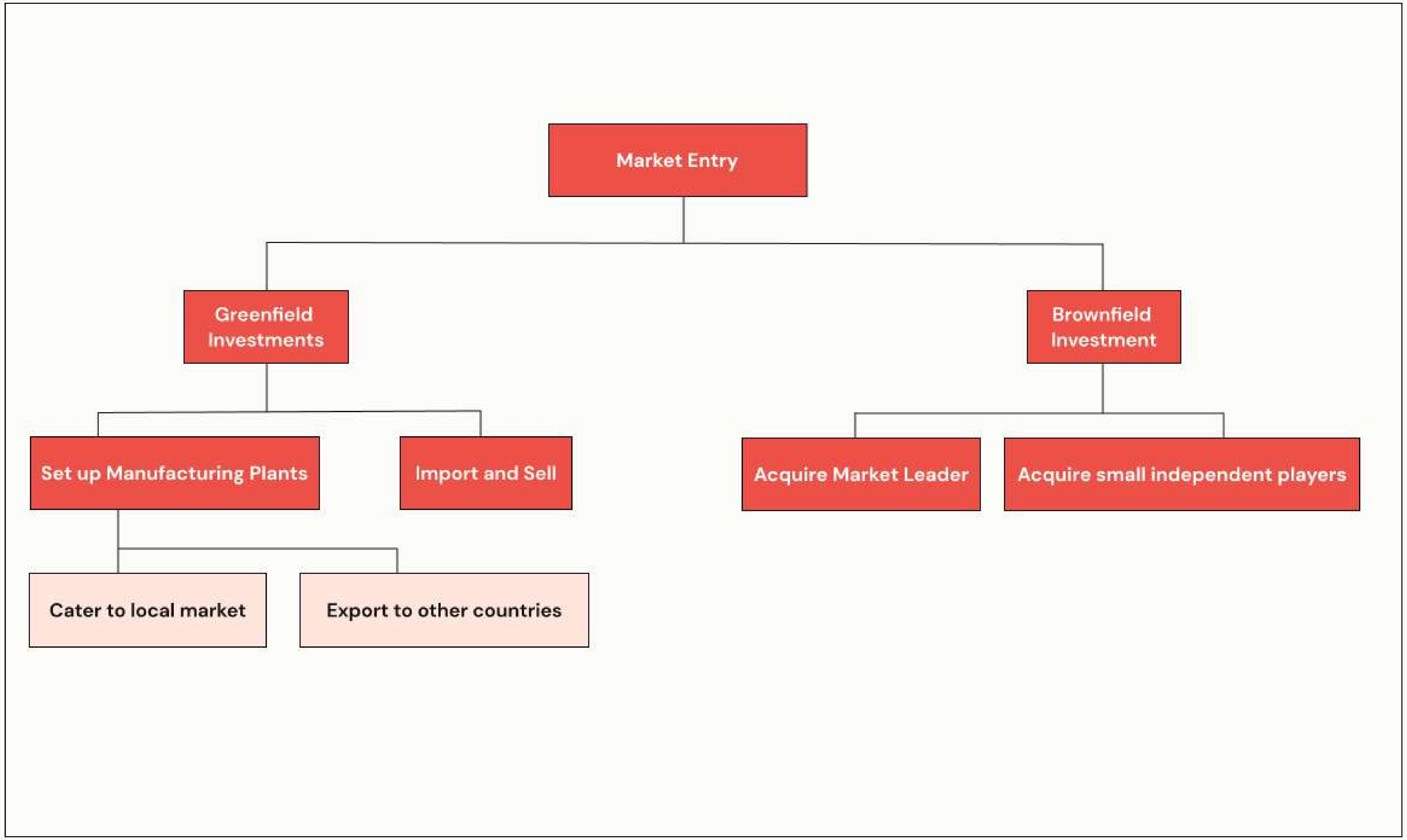
Good enough. Any proposal for brownfield investment?

Certainly, as we are new to the Middle East market, it could be advantageous to partner with a company already possessing an extensive distribution network across the region. Through a Brownfield Investment approach, we could acquire an existing company operating in the Middle East and vertically integrate it into our production network. Since cold-rolled steel production builds upon hot-rolled steel production, we can leverage both products based on our interests. By leveraging their established client relationships and distribution channels, we could efficiently enter the market and expand our presence.

Your perspectives on both strategies are well-reasoned. It seems you've covered the crucial aspects. Thank you for your comprehensive analysis. That concludes our interview.

Steel Manufacturer - 3

Market Entry | KPMG



There is a major Steel company that wants to expand to the Middle East part of the globe. You have been approached to suggest a suitable market entry strategy.

Case Notes

- Client is a major Steel Company with sizeable market share
- It wants to expand to the middle-east part of the globe
- It has expertise in hot-rolled steel manufacturing
- It wants to explore into cold-rolled steel manufacturing
- Manufacturing process of cold-rolled steel is one step ahead in manufacturing of hot-rolled steel
- Market size is large and industry is growing

Recommended Solutions

- Client can set up greenfield investment in the area and use it for manufacturing of both type of steels for domestic use and exports
- Client can acquire an existing player in the market and vertically integrate it into its supply chain, and also leverage its client and distribution network

Observations/Suggestions

- Manufacturing facilities can be redesigned to manufacture both the types of steels
- New facilities can be set up to cater both existing and new markets
- Other players with vast distribution networks in the new market can be acquired to rapidly capture the market share..

Market Entry | Bain & Co.

Nutripremium

Nutripremium is a very well-known premium nutrition food company in Europe. The CEO of Nutripremium thinks that the market in Europe is starting to get saturated and wants you to analyze the Chinese market. What are the key areas you would explore to determine whether this is a good idea?

Okay I would like to start with a few clarifying questions. Where is our client's company based and where do they operate thus far?

It is based in Spain and has an excellent market share not only in its home country but also in Portugal, France, Italy and Germany.

Great. So what are the different lines of products that our company offer?

1. Nutripremium has two main lines of products:
Vitamin-supplements for pregnant women
Concentrated dehydrated aliments and vitamin pills for sick patients (with Diabetes or Cancer).

So I want to dive into the target market. How is the customer outlook for the Chinese market for both products and how much are they paying on average for nutrition products.

Approximately **10%** of pregnant women consume nutrition products and the number is increasing by **25%** every year. The average expenditure per customer is **150 Euros**. As for sick patients, **10%** of them consume nutrition products and the number is increasing by **15%** every year with an average expenditure of **300 Euros.**

Okay so starting with the number of pregnant women at a given time, we can assume that a pregnant woman has 2 children in her lifetime (or a duration of 18 months/15 years) and lives up to 75 years. That means that 15/75 or **2% of the women are pregnant** at a given time. Assuming that the Chinese population is 1.5 Billion people and that 50% are women, we get that **1.5 * 0.5 * 0.02** which is **15 million pregnant women** at a given time. Now 10% of these women use nutrition products which gives us 1.5 million pregnant women and with an average expenditure of 150 Euros, that gives us a market size of **225 Million Euros.**

Sounds accurate. Proceed with the market size of the sick patients market.

Right. Similar to the pregnant ladies, we assume that approximately **2%** of the population has cancer with a average duration of 5 years (either cured or passed away). With that, we get 0.02*5/75*1.5Bn which is approximately **2 million people.** To simplify calculation, we can assume **10 times** as many diabetes patient: which gives us a total of **22 million people**. For the market size we get 22 million people * 10% who use nutrition *300 Euros average expenditure which gives us a total of **660 million Euros per year.**

Right that looks quite accurate. What conclusions have you drawn from this?

Well the market looks quite attractive, but we should identify if our company has the capabilities to expand into this market. How are our production capabilities?

Nutripremium had been consistently expanding its production capacity. However, since the European market showed signs of slowing down 3 years ago, it stopped the production capacity extension. Factories are now being run at 98% of capacity.

How are our sales done in Europe and do they have similar methodological access in China?

Nutripremium has no distribution channels nowadays in China. In Europe it sells its "Pregnant women" line in retail stores and its "Sick patients" line through hospitals and treatment centers.

That seems problematic A lot of money and effort would have to be invested in building networks and contacts so that Nutripremium manages to engage the necessary distribution channels in China We should also compare how these products will be accessed in China. Would it be an FDI strategy or would it be an export strategy? How will the investment costs vary from Europe to China if we do want to enter and how much are we looking to invest?

A new factory in Spain that produces €100 m worth of products per year would require €500m investment. The same factory in China would cost €300 m. The export costs will turn out to be much more expensive during the long run and has many risks that come with it. The company has around €600m available for investments in its expansion.

Capacity of factories is being used to 98% today. An expansion to a new market would require investments in one or more new factories. Since the factories are supposed to serve the Chinese market and building a factory there is cheaper than in Spain, the factory should be built in China. How are the barriers to enter the market, i.e. the competitive environment?

Market Entry | Bain & Co.

Nutripremium

There are three main competitors: Chinfoo with 45% market share, VitaCo with 25% market share, and SupCo with 20% market share. Government hold 49%, 31%, and 33% share respectively in each of these companies.

Oh wow, the government's major part in the industry would create a lot of troubles for our client down the line. How are the regulations on nutrition products in the industry?

The market of special nutrition food is new in China. Old regulations contrary to it have been dropped upon Chintoo's request. Lobbying by Chinfoo has been essential for the regulation-cancellation.

Hmmm also how are our client's capabilies compared to the competitors and how is the production outlook of our competitors?

Nutripremium's more advanced technology would allow it to produce 10% cheaper than the current competitors in China. Also, competitors are building at the time 4 new special nutrition food factories.

Alright. I am ready with my solution

Please proceed

Right so, I think Nutripremium should not expand to the Chinese market at this moment for 3 main reasons:

The competition seems to be fierce and government-controlled. The biggest three players in the market hold 90% of the market share. Government has 49% of the shares of the biggest player, which would definitely bring us disadvantages in many circumstances(getting licenses, paperwork, and bureaucracy for commercializing our products among others).
Since we are producing near to capacity, we would need to make new investments in infrastructure (build new factories). Although we do have the money for that, doing it in a very different market from ours - where the customer's taste is different and where we have no experience of manufacturing our products - could end up being a problem if we fail to adapt.
There must be other markets where the competition is more diluted among more players and where the market has still a big size and potential for growth. Emerging countries in South America like Argentina and Brazil are good examples of possible candidates. The population has also more similar tastes to Europe than in China. The investment could yield a much better return in these countries.

That seems like a good and relevant solution. In case the client still wants to pursue the Chinese market, how many cancer patients would we need to have for our cancer product to breakeven?

Could you let me know what is our primary method of sales and how is the background for it? Also what is the average selling cost of the product and the average duration that the patient takes the product? And what are the profit margins for the products?

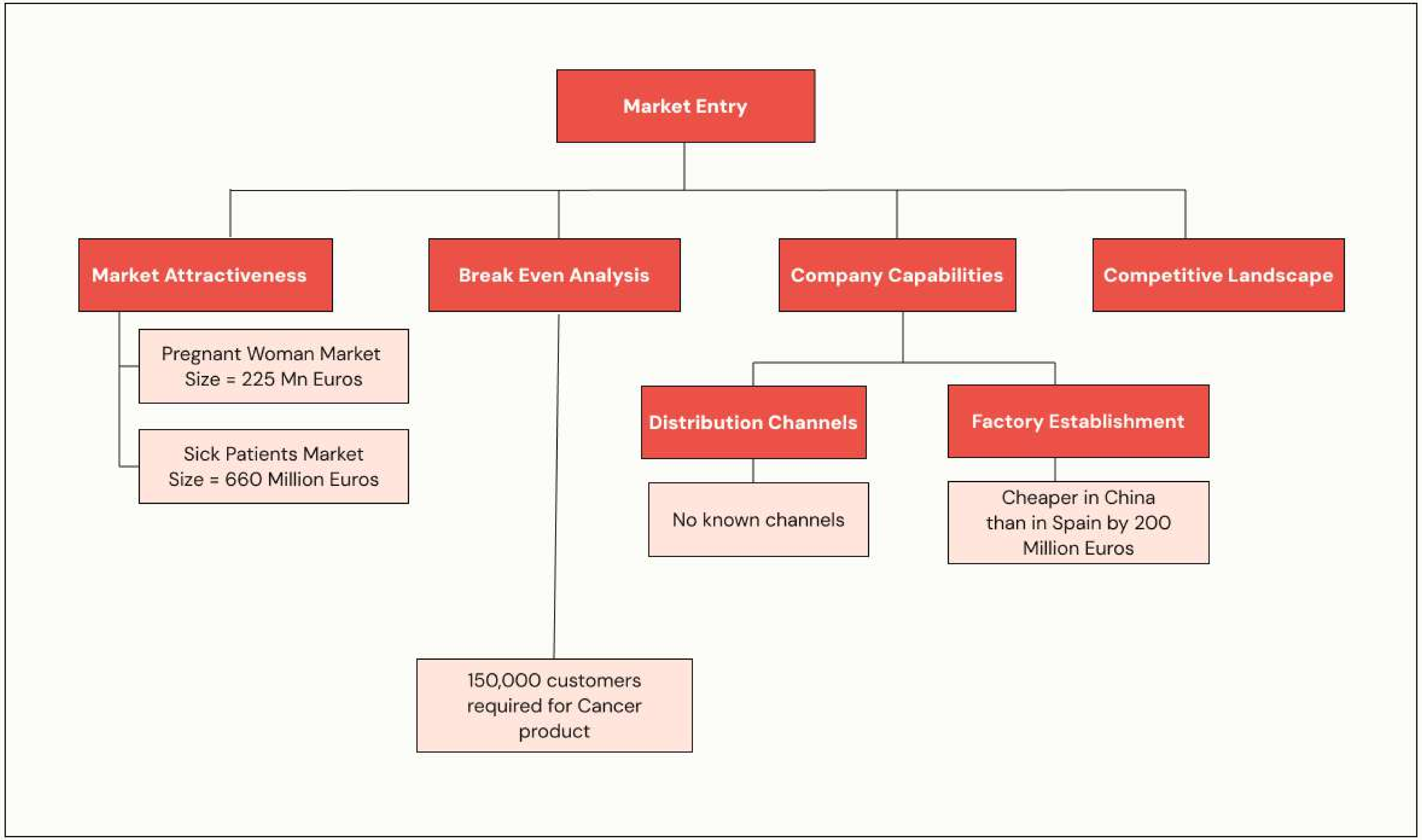
We primarily follow sales through sales representatives, and we have 25 Sales Reps (earning €200 k each) and spend €10 m in other indirect costs. You can assume each patient takes 4 doses per day for 4 months. A dose costs €1 and its profit margin is20%.

We have a total cost of € 15m (10m+200k * 25) excluding the direct costs of the doses which comes to a total 15 million Euros. The number of doses a client takes per year is 480. Since the margin is 20% for each dose, each customer means a profit per year of around €100.We conclude than that we need approximately 150,000 customers for break-even in our cancer product.

Perfect. That concludes your case.

Nutripremium

Market Entry | Bain & Co.



Nutripremium is a very well-known premium nutrition food company in Europe. The CEO of Nutripremium thinks that the market in Europe is starting to get saturated and wants you to analyze the Chinese market. What are the key areas you would explore to determine whether this is a good idea?

Case Notes

- The 3Cs 1M framework is a good approach for this kind of case.
- Market size is very attractive and investment costs are also in favour.
- Since product is edible, cultural differences will make a difference.
- Barriers of Entry are very high - biggest and most important problem.
- Can suggest alternatives for the market.
- Break Even means Proft = Revenue - Cost = 0. Also inflate the revenue to be 120% of the costs because of given margin.

Recommended Solutions

- The client should not consider expansion into the Chinese market because of the high barriers of entry from monopolistic competition and government influence (49% of market share of the market leader), the cultural differences and alienation of company.
- The client can consider alternatives such as the South American countries like Brazil and Argentina where the market is emerging and has similar cultural tastes.

Observations/Suggestions

- The 3Cs and 1M approach was a really good strategy for this type of problem and is perfect for most market entry problems.
- The suggestion of South American market as an alternative was a product of existing knowledge and the cultural aspect is a very good point.

Argentinian Toy Manufacturer

The Client is an Argentinian toy manufacturer. It has 50% market share in Argentina and is the market leader in South America. However, its international market share is only 5%. Their CEO wants you to brainstorm and structure potential ideas to increase the company's profit margins and market share. The CEO also wants you to think about exploiting new revenue sources.

Commencing on our discussion, I would like to know about the competitors of the company, both local and international.

The company segments their customers into local and international markets. Since there are no significant local competitors, the company charges local customers premium prices. However, U.S., Chinese and Indian imports threaten our client's local position.

Fine, could you kindly furnish me with some data pertaining to the market expansion within the toy industry?

The global toy market is growing at an average of 1% per year. Further every year, India's market grows 10% and China's market grows 15%.However, the U.S. and European markets are shrinking at a yearly rate of 5%. The Argentinian toy market is growing at a yearly rate of 10%.

Alright, I would now like to comprehend the Client's business with greater clarity. Could you please brief me about the challenges that you are facing?

Sure, our company is a prominent toy manufacturer in Argentina, holding a solid 50% market share in the country. We're proud to be the market leader in South America as well. However, when it comes to international markets, our market share is just 5%, which is significantly lower. We're facing the challenge of expanding our global presence and increasing our profit margins while maintaining our leadership locally.

Thank you for that overview. Expanding internationally is certainly a big step. To successfully expand your global market, I would like to inquire about the company's product portfolio: types of product prices and the number of units sold.

Rightly asked! The domestic market sales comprises 3 principal products with 600000, 200000, and 200000 sales respectively. The average selling price of the products are 21.00$, 12.00$ and 10.50$ respectively.

Further, can I know a little bit about the competitive environment? Are the competitors also facing the same issue as us?

Clothing fashion is a dense industry. There has obviously been healthy competition. But our competitors, in general, have seen significant growth.

Okay. So let me focus on the cost aspects. I will start by analyzing the value chain. I will start by dividing the value chain into the following major subgroups:
R&D, Raw material extraction, Inventory management, Storage Transportation and Distribution and finally outsourcing and marketing.

The unit costs of the products are 9.00$, 6.60$ and 5.60$ respectively. However, the international sales are not so promising with only 200000, 100000, and 50000 sales of products 1,2, and 3 respectively. The average selling price of the products at an international level are 17.00$, 14.00$ and 8.00$ respectively.

Thank you for that overview. Expanding internationally is certainly a big step. To successfully expand your global market, I would like to inquire about the company's product portfolio: types of product prices and the number of units sold.

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Well, after analyzing the profit margins of the three products, it can be concluded that products 1 & 3 are more profitable locally whereas product 2 is more profitable internationally.
How do you plan to innovate and diversify your product portfolio?

Innovation is key in the toy industry. We're investing in research and development to create unique, trendsetting toy designs that cater to evolving consumer preferences. We're also exploring eco-friendly and educational toys to align with market trends and appeal to conscious parents who value both sustainability and learning opportunities.
However, production lines cannot be easily altered to produce different products. It will cost a lot to alter production lines. So, without significant investment, factories cannot easily change the production mix.

Argentinian Toy Manufacturer

Well, in that case, how do you plan to leverage digital platforms for growth considering e-commerce the future of business sales?

E-commerce is indeed a game-changer. We're focused on enhancing our online store to provide a seamless shopping experience for customers worldwide.

Hiring experienced web developers and web designers will do the work. Strategic partnerships often play a vital role in expansion. Could you tell us more about your plans in this area?

Absolutely. We're actively pursuing partnerships with well-established retailers in our desired markets, aiming to present and sell our products in high-traffic stores. Furthermore, we're evaluating the potential of licensing arrangements with renowned entertainment franchises to create co-branded toys, tapping into existing fan bases and expanding our reach.

Expanding into new regions requires careful planning. Are there any specific emerging markets you're targeting?

We are considering the possibility of procuring businesses in more favorable markets such as China and India. This is also important because the company's primary export destination, the United States, is experiencing a decline.

It's clear you're exploring multiple avenues for growth. How do you plan to maintain customer engagement and drive brand loyalty?

Customer engagement is a priority. We're considering developing interactive apps that complement our toys and building online communities where customers can share their experiences and feedback. We are confident that this initiative will foster a feeling of inclusion and strengthen the bonds between our brand and customers.

These strategies sound promising. Are there any issues pertaining to the production and distribution of the products?

The factories are operating at full capacity and there are no significant issues regarding the distribution of the products.

Okay, these are a few things which I will recommend to expand the market share of the company internationally. The company should focus on the marketing and distribution of product 2 since it is more vulnerable to the international market. Reducing its price to some extent and re launching the product in the international market with a more enhanced marketing would benefit the company in the long run, thus increasing its international market share gradually. The client should also ask the local Argentinian government to help its exports become more successful.

Clothing fashion is a dense industry. There has obviously been healthy competition. But our competitors, in general, have seen significant growth.

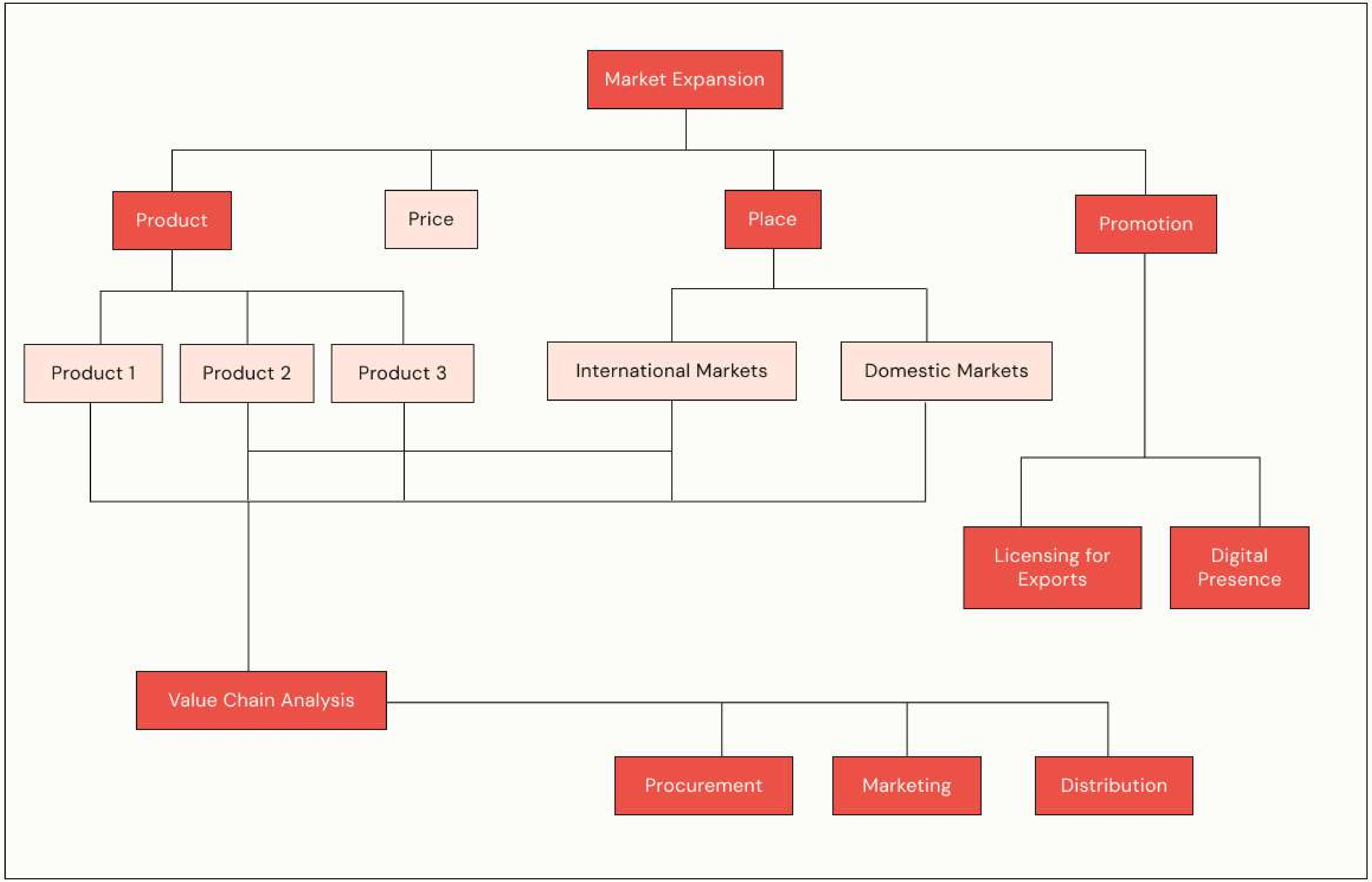
Okay. So let me focus on the cost aspects. I will start by analyzing the value chain. I will start by dividing the value chain into the following major subgroups:
R&D, Raw material extraction, Inventory management, Storage Transportation and Distribution and finally outsourcing and marketing.

Thank you for the suggestions! In addition, what else would you recommend to maintain the company's position in the local market?

In order to maintain their leading position in the Argentinian market, the client could consider reducing its price to compete with Indian, Chinese and U.S. imports. Although this would reduce profit margins, the client's market size could increase, thus increasing the client's overall profitability. The client should also consider partnering with Argentinian clients to develop new products and to establish new distribution channels (e.g.: franchising, selling at supermarkets, selling online) to increase their client base. Setting up virtual showrooms where customers can interact with our products virtually will boost the market share of the company globally. Digital marketing, utilising social media and collaborations with online influencers will play a significant role as well.

Argentinian Toy Manufacturer

Market Entry | PrepLounge



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Case Notes

- Product 1 & 3 are more profitable locally. Product 2 is more profitable internationally.
- The factories are running at full capacity. Without significant investment, factories cannot easily change the production mix.
- There are NO significant competitors in the region. However, imports could provide some competition.

Recommendation Solution

- In order to maintain their leading position in the Argentinian market, the client could consider reducing its price to compete with Indian, Chinese and U.S. imports.
- Risk: Although this would reduce profit margins, the client's market size could increase, thus increasing the client's overall profitability.
- The client should also consider partnering with Argentinian clients to develop new products and to establish new distribution channels (e.g.: franchising, selling at supermarkets, selling online) to increase their client base.
- The client should ask the local Argentinian government to help its exports become more successful. Ways the Argentinian government could help our client:
- Subsidies
- International commerce chambers
- Customs tax partnerships
- The client should also consider acquiring companies in more promising markets (e.g.: China and India) because their main export market, the U.S., is shrinking.

Pricing

Interview Transcripts

Pricing | MasterCard

EV Pricing

Your Client is a car manufacturer, and they want to move into the EV segment. For this, they want you to determine the price of the car.

Before moving to the preliminary questions, I want to reconfirm the facts from the problem statement.

Sure go ahead with your facts.

Thank you. So, our client is a car manufacturer, and they want to enter the EV market and wants to price their product.

Absolutely correct, go ahead.

Before moving to the overall strategy for pricing the product I want to ask some preliminary questions. Can I know more about the client, i.e., their geographical area of operation, when they want to launch their product and is there any specific type of car which they want to launch?

Our client is an established car manufacturer in India. They produce a wide range of vehicle types. For this venture, they are specifically interested in the EV segment, focusing on SUVs. They plan to launch their EV next year and are targeting a nationwide market.

I see. Can you provide me with their major competitors and what are the prices of their products?

Sure. Tata, Mahindra, and MG Hector are the main competitors. The current pricing of competitor SUVs is as follows: Tata Hatchback (Tiago) at ₹8 lakh, Sedans at ₹12-13 lakh, Mahindra SUVs at ₹19-20 lakh, and MG Hector at ₹25 lakh

Thank you for the content. Give me a couple of minutes to present an overall strategy to approach this problem.

Sure, take your time.

Okay, I would like to propose an overall strategy where I will first analyse the market attractiveness then I will look at the operational feasibility and at last the risks and concerns.

That seems reasonable. Go ahead.

Great. For market attractiveness, I will take market size as 5% of the overall auto space in India. Additionally, I'll factor in the client's production target of 50,000 cars per month, which amounts to 6 lakh cars annually. I will consider an expected market share of 50% since we will manufacture SUV cars superior in numbers, which will ultimately reach to our expected Market share.

Great, now how would you estimate the price?

For that I will need the cost of manufacturing the product, and the profit margin which our client wants to make.

We don't have any data on that. Can you suggest some other strategy to price our products?

Sure, in such case I'll analyze the current prices of the Competitors' products and for making our business to be profitable I will take the average of the overall prices of the competitors' EV cars. Based on competitor averages and our analysis, I will suggest a price range of ₹17-18 lakh per car.

Sounds reasonable. Can you look at the other non-quantitative factors that can affect our sales and capturing the market?

Sure. Next, I will look at the operational feasibility. Based on my instinct I think that since our client is already existing auto manufacturer and distributor they will not face any major threat. But, in EV cars, companies have to spend a lot on establishing Charging stations and manufacturing Li-ion batteries. But, based upon the current scenario in India, governments are also encouraging and providing subsidies for establishing Charging Stations. So, our only left concern is the procurement of batteries. Do we have any information on that?

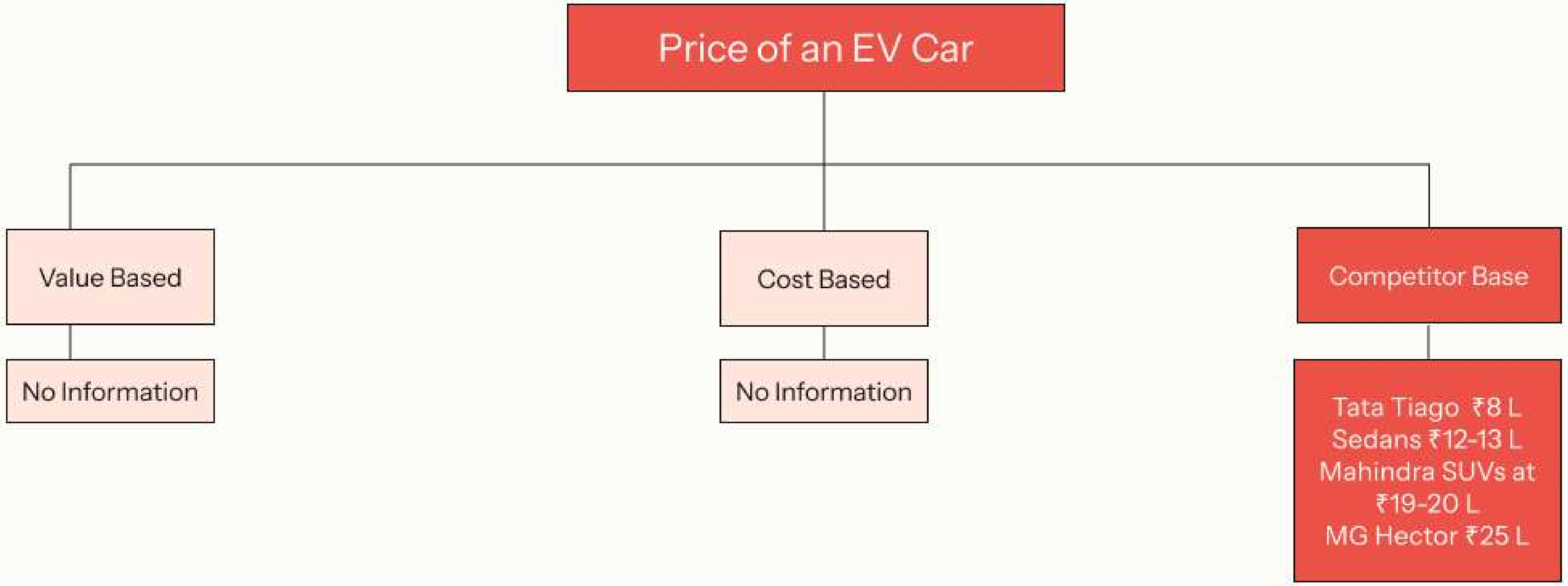
Client have made an agreement with a local battery manufacturing company which will provide batteries for our SUVs.

Great. Do you want me to look at any other factors?

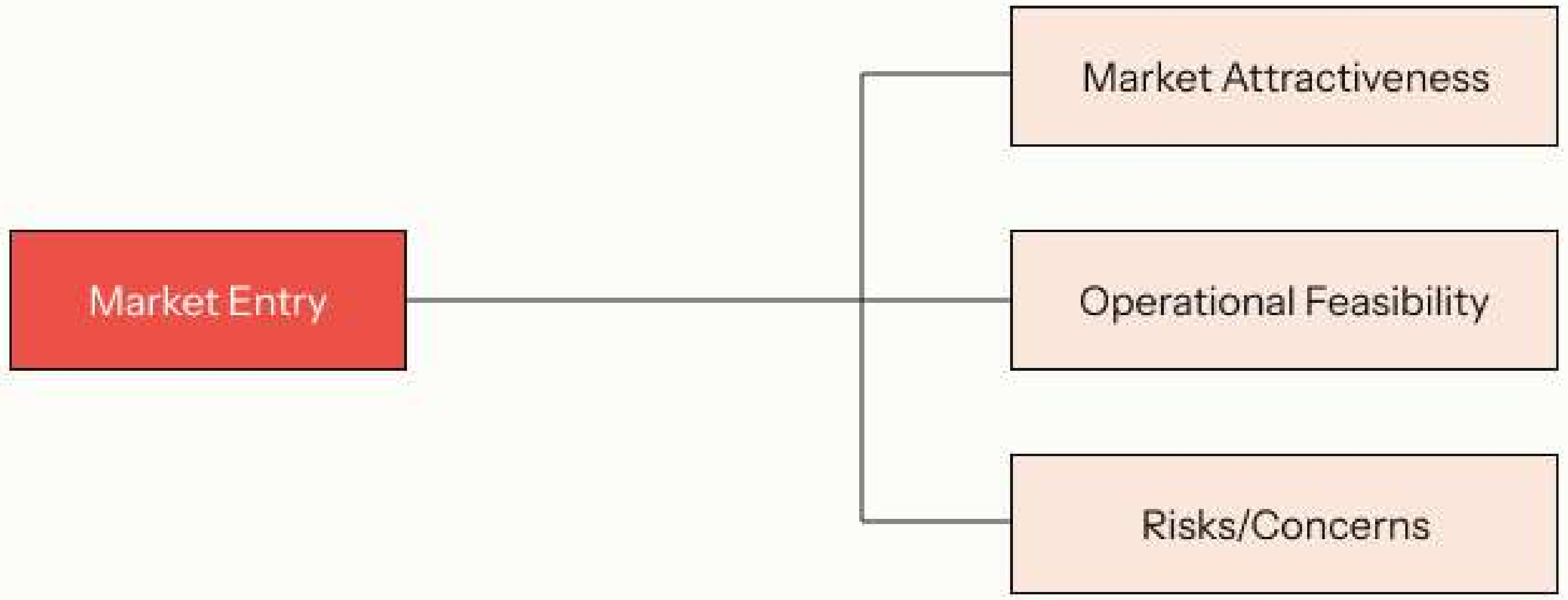
No. I think you have covered every aspect of concern, we can end the case here.

EV Pricing

Pricing | MasterCard



Average Price of EV Car = Average Price of all types of EV Cars sold by Competitors= (8+12+20+25)/4 = Rs. 16.25 L



Your client is a car manufacturer, and they want to move into the EV segment. For this, they want you to determine the price of the car.

Case Notes

- Client is a car manufacturer, wants to move to the EV sector
- Clients wants to launch their first Car next year across Indian Market
- Client wants to price their Product based upon their Competitor's pricing

Recommended Solutions

- Client should price their product for about Rs. 17-18 L

Pricing | BCG

Hair Oil

The client is the market leader in hair oil in India. They have one brand and two standard SKUs. They have seen stagnancy in the productivity of their sales team for the last 3 years. You have been hired as a consultant to figure out the reasons

May I know the distribution model adopted by the company?

They follow a typical retailer distributor model, all sales happen offline

Okay. How is productivity defined here?

Productivity = (Total Revenue)/(Total salary of salesforce). Can you look into the possible reasons for stagnancy issue?

Sure. The stagnancy in productivity can be due to the following reasons -
1. Both Increasing at a steady rate
2. Both decreasing at a steady rate
3. Both are constant at the same level

Correct. We are facing the first problem here i.e. both are increasing at a rate of 6%. Why don't you look at the possible reasons for that?

Okay, I would like to proceed by analyzing the costs first.

Sure, go ahead with your analysis.

For Salary = No. of Sales employees * Average salary / employee, which of these factors have fluctuated?

No. of employees has been the same. Can you list down different reasons due to which the second part can increase?

Sure. Few reasons that I can think of are: Promotion of employees, Inflation, Market Adjustments.

Fair enough. Let's focus on the Revenue side then.

Coming to the Revenue part, let revenue be defined as Price*No. of units sold. Is there any data on the increased figures of these?

Price and No. of Units Sold have both increased by 3% each, whereas the industry average is a 5% increase on both, resulting in a total increase of 10%. Why is this happening?

For this, I want to focus on why the average price increase is lower for us. May I know the pricing of the two SKUs and the volume of the SKUs?

Of the 2 SKUs, one is 250 ml and other 500 ml SKUs. Price of both the SKUs have increased, however, the price of 250 ml SKU is greater than that of 500 ml.

Okay, then if the average price increase is defined as the weighted average of the price increase across the SKUs based on sales figures as the weight, then if 250 ml SKU is getting sold less, then the average price increase will be lesser.

Sure, the 500 ml SKUs are getting sold more. As, Number of Units sold = No. of customers * Freq of purchase * Avg Quantity per purchase. Out of these three, Freq of purchase will be less as people are buying more 500 ml SKUs without a drastic change in consumption pattern.

Correct, now can you think of any other reasons behind the sales getting stagnated?

Retail channels can be Modern Trade, Small Shops and Malls. As per my understanding hair oils are generally sold through Small shops close to home.

Correct, What can go wrong in this channel?

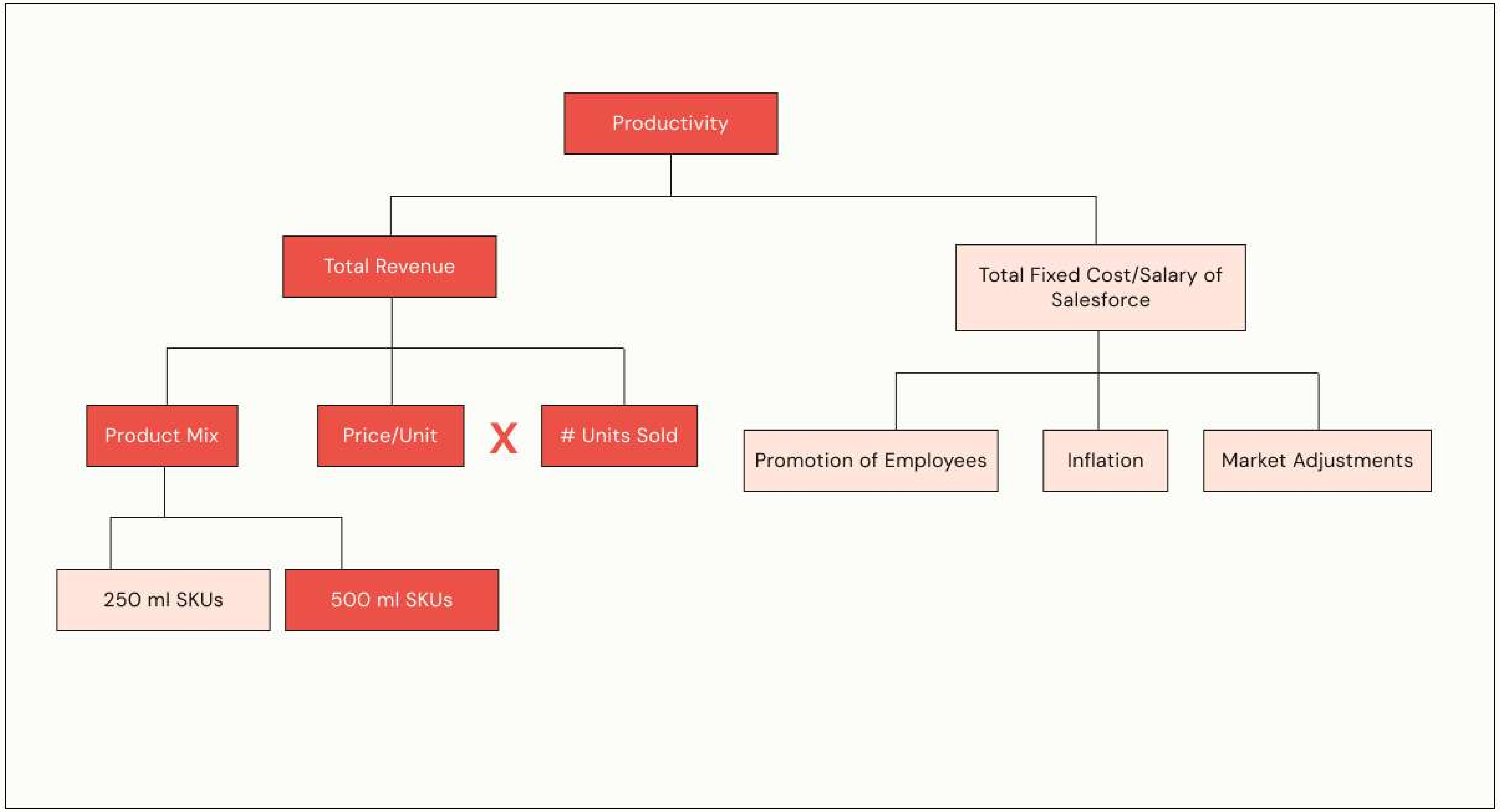
Since we have increased the price, SKUs may not get sold as much as they did earlier, since small shops often run on low margins and are not stocking our product often

I think we have reached the problem faced by the client. We can close the case here.

Thank you so much. It was a nice and interactive discussion.

Hair Oil

Pricing | Easy



The client is the market leader in hair oil in India. They have one brand and two standard SKUs. They have seen stagnancy in the productivity of their sales team for the last 3 years. You have been hired as a consultant to figure out the reasons.

Case Notes

- Client is a market leader in Hair Oil in India
- Client have one brand and two standard SKUs.
- Client has been facing stagnancy in their productivity for the past 3 years.
- Both the factors of productivity are increasing at the rate of 6%.

Pricing | Bain & Co.

Bank Envelope

Your client, Customlope, is the leader in the US secure envelope manufacturing industry. Banks buy these envelops for operations such as money deposits and high value transactions. Next year, a new digital technology will reduce the overall number of units sold in the industry by 25%. In short term, our client wants to maintain his current profit level without investing in new technology. How can you help him?

If the number of units sold will decrease, revenue to will decrease. So does that mean the client wants to optimize the costs?

Not necessarily, but you can dive into the cost analysis for now.

I want to analyze along the value chain. There are going to be R&D costs, Production Costs, Labor Costs, Marketing Cost, and Operational Costs. How are these individual costs for the company?

The respective costs last year came up to $1 m, $18 m, $11 m, $2 m, and $3 m

Great. Just to clarify the revenue, how many products and units of each were sold and at what prices?

Our client only sells ONe type of product whose price is $1/unit. Last year, our client sold 50 million units.

Alright, so that means the revenue last year was $50 million and costs were 1+18+11+2+3= $35 m which brings our client current profit to $50 m. Is that correct?

Yes that is correct.

Since our client wants to improve the costs, are there economies of scale that haven't been reached or is there a lack of optimization in the operational/labor costs?

Costs have already been reduced as much as possible.

Hmmm, since the costs have already been perfected, we should take a look at the revenue shortcomings. First are we producing/selling the maximum amount or is there room for improvement?

Customlope has excess capacity. It can produce at least double the amount of units per year at similar or lower unit costs

Double the amount meaning 100 million units can be produced. However, since there is a better technology to come, there is no way to convert the entire batch produced.

That seems like a valid conclusion. Proceed further

So that means increasing the conversion of units sold, means the pricing of the product is to be fixed. Since we obviously cannot increase the price as that will make the situation worse leading to much lesser units sold, lowering the price is the best option. But before diving into that, I would like to take a look at our competitors. How are their costs and revenues?

There are 5 competitors with each of them having 10% market share, whereas our client holds a 50% market share. Our economies of scale allows us to produce our product at $0.70/unit, whereas, they produce their products at $0.90/unit. Their selling prices are the same as us and they cannot reduce further as it will lead to loss

Wow that gives us a major upper hand in taking over the competitor's market shares by lowering the costs to a more optimal amount. Fil are lowered and wea assume that the customers will switch over to our company once the prices attain 100% market share.

That seems very optimistic but its understandable. Go ahead with your calculations

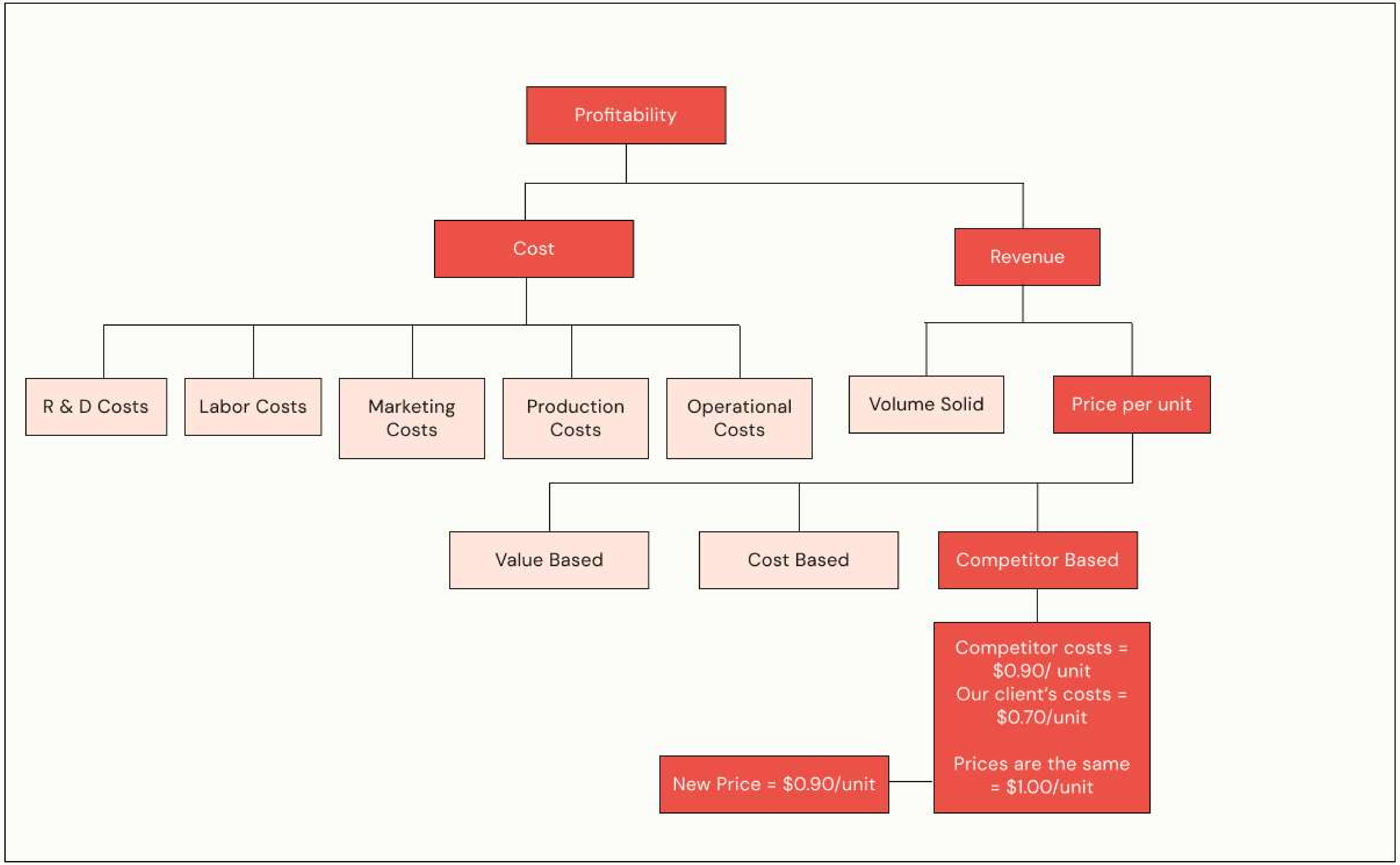
So assuming a price of 5090 per unit, we get 0.90 100% 100 munits sold which brings our revenues to 590 m. Since our costs have remained the same, for last year it was $35m/50 m units produced which brings it to $0.70 per unit. For 100 m units, it comes to $70 m in costs, and a profit of $20 m which is a profit margin of 33.33% compared to last year's costs

What about the 25% decrease in units sold because of the new technology next year?

Adjusting the profits made to 075" calculated we get 0.75 * $20 m = S15 m which is the same as last year, meeting the client's expectations

Bank Envelope

Pricing | Bain & Co.



Your client, Customlope, is the leader in the US secure envelope manufacturing industry. Banks buy these envelopes for operations such as money deposits and high value transactions. Next year, a new digital technology will reduce the overall number of units sold in the industry by 25%. In the short term, our client wants to maintain his current profit level without investing in the new technology.
How can you help him?

Case Notes

- Increasing the price is NOT an option because the envelope is a commoditized good.
- Decreasing costs is NOT an option because costs are already optimized.
- The only way to maintain current profit levels (without investing in the new technology) is to increase market share by decreasing per -unit price.
- By taking advantage of its lower costs, Customlope can push other competitors out of the market because the competitors cannot make a profit on their envelopes.

Recommended Solutions

- • The client should reduce the price of their products to $0.90/unit which allows them to gain their competitor's market share and convert their high production capacity into sales.

Observations/Suggestions

- There could be market regulations against a monopoly. However, since the company would not be selling their products at a loss, competitors cannot accuse the client of price dumping.
- Some competitors might remain active in this market even if they have to sell at a loss.For example, they might use their market presence to cross-sell different products to banks. Thus, the client may not obtain 100% market share.

Growth

Interview Transcripts

Growth | BCG

Relaunch of a Tea Brand

Your client is a tea manufacturer. Lately it is facing series of unsuccessful outcomes.

Just to confirm the client wants strategies to overcome the loss making outcomes. What was the company's vision and mission when it started?

The company wanted to capture the growing tea market of the country.

What were the reasons for the decline?

Essentially the company was not able to tap into the market. Nor did it get any positive response from the masses.

Before moving ahead I would like to ask about the particular demographic the company initially tapped into.

Northern India was the initially targeted demographic. So how would you approach this problem and provide a substantial solution.

Are there any logistical challenges the company faces in distributing its products to different regions?

No

Has the company conducted any recent market research to understand the changing preferences of customers in Northern India?"

No

Firstly the company need to pull in volunteers for tea trials to get the overview about the general population's taste. That being said the company can develop a new product line that caters to the targeted audience

Ok proceed.

The company can improve the quality of tea by sourcing better quality tea leaves. Also, can enhance the packaging and branding of tea products. Most essentially the company can explore the South Indian market.

Can you elaborate further?

We can tap into the South Indian market and yield the best out of it. Precisely, the company can attend tea fairs and exhibitions in South India to showcase its products and network with potential customers.

What is going to be the company's 'USP' then?

Building a strong brand identity is what going to give the business an image, a voice. More likely the company need to develop a brand identity not just a logo. This is what is going separate the brand from competition

Ok sounds good. Then how are you going to design marketing strategies?

There are many ways. We can go for various forms of marketing including the most relevant like social media marketing, influencer marketing, content marketing, event marketing etc.

Can you brief us about the event marketing?

The company can organize events such as tea tastings and workshops to promote the tea brand and as I mentioned earlier this will increase the engagement with the potential customers.

How else the client can grow their total customer base?

The client can either target new customer segments, more specifically can develop new products and distribution channels. Also, the company can make a mobile-friendly website in order to approach larger audience.

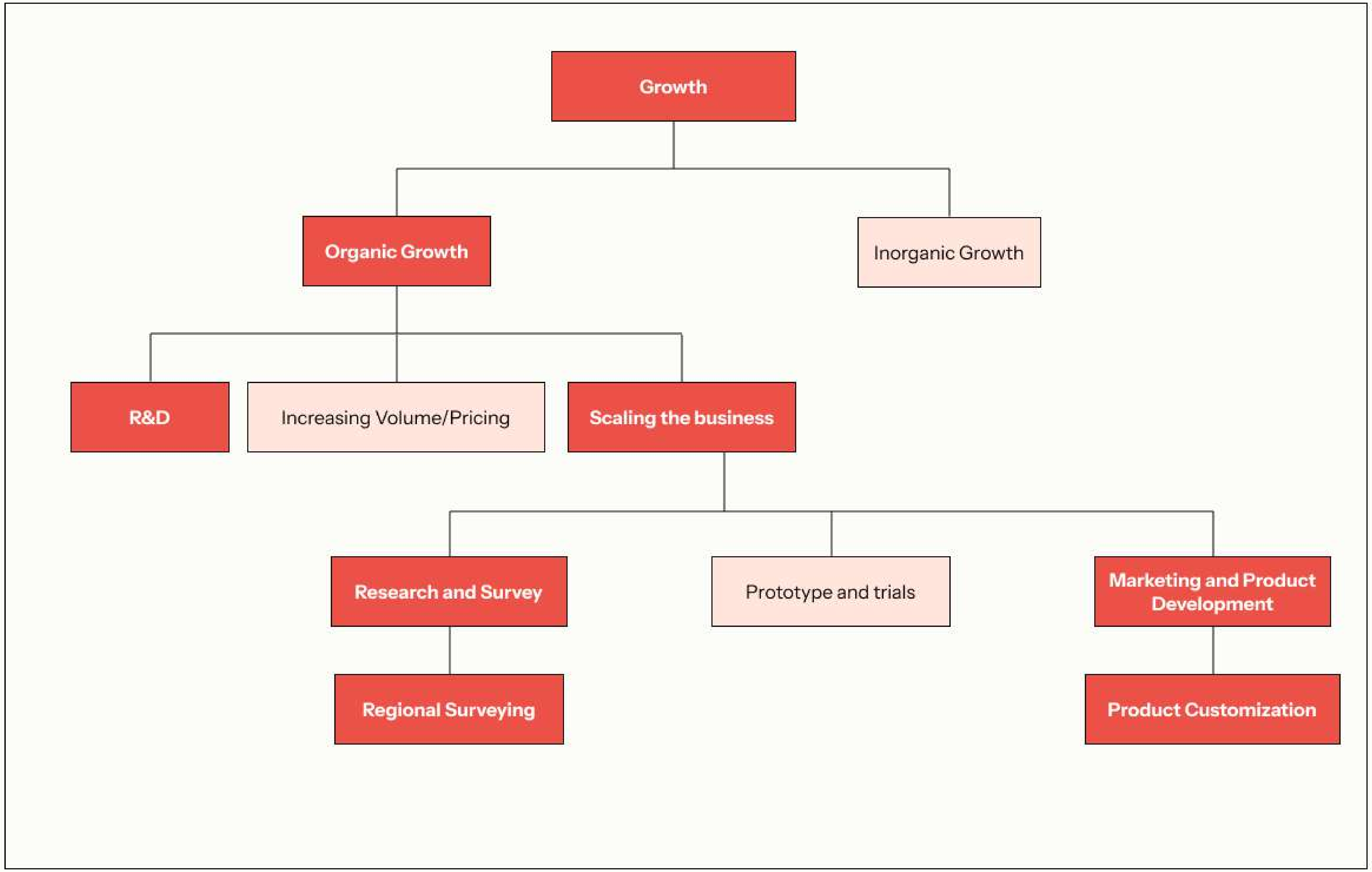
Good. Is there anything else?

The client needs to give very lucrative offers and discounts to attract new customers. For instance offering free samples in malls, yoga studios, etc.

That concludes the case

Relaunch of a Tea Brand

Growth | BCG



Your client is a tea manufacturer. Lately it is facing series of unsuccessful outcomes.

Case Notes

- Client deals in tea manufacturing and retail
- Client is having issues with the sales Pan India
- Issue-specific to the client and not the whole industry
- The problem needs to be identified in differentiating the product according to different regions and their demands

Recommended Solutions

- The problem arises due to improper research and development before the product launch. High difference in demands and taste arise due to large diversity in the taste cultures.
- Proceed by properly covering the southern part of the country by proper research and analysis
- A survey could be conducted or food and taste exhibitions could be attended
- Product should be launched keeping in mind the differences in cultures, hence different factories and warehouses should be made to work according to the regions where they are located.

Observations/Suggestions

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Growth | Bain & Co.

Shaving Company

Our client is an international CPG (consumer packaged goods) firm called Bryan, with multiple business units (toothpaste, batteries, skin & body care, among others). They are the global market leader in every market they play in except for the hair removal market. They came to us asking how they can also become number one in this market. How can you help them out?

Before diving into the case, I have a few questions. What type of products do our client offer in hair removal and how many SKU of each do they offer?

Our client provides Wet-Shaving, Dry-Shaving, and Waxing products. They provide 2 wet-shaving for women and 6 for men, 0 dry-shaving for women and 3 for men, and 1 waxing in common.

How are the volume sold and pricing for these products?

In terms of Market Share, the respective shares for Wet-shaving, Dry-shaving, and waxing are 10%, 0%, and 1% for women and 33%, 20%, and 5% for men. As for pricing, the respective ranges are medium-low, none, medium for women and high, medium-high, and medium for men.

How are the market share statistics for competitors in each of these markets and how does our client reign amongst them?

The men's market has strong players (the 3 biggest players hold 75% of the market), which are not strong in the women's market. Bryan is the second company in terms of market share for wet and dry shaving. It is however the 8th for waxing. The women's market is very fragmented, with 8 companies possessing only 60% of the total market share.

As far as I can see the women's market share is much lower than the men. Is there any reason for that?

Bryan is seen as a cheap brand by its female customers. Men see it as a high-end brand. All products have similar profit margins.

Is there a specific reason for women seeing Bryan as a "cheap" brand?

We had received a few complaints from customers facing side effects after using our products but they are very low in number.

So the trend is that women find the brand less appealing and also they are facing some issues with the product, so there should be a brand survey conducted to find out what are their exact perceptions and preferences and focus on R&D of the product to increase product quality. Also, since the hint is already given saying the "cheap" is an issue, we can increase the pricing of the products in the women segment. Moreover, to increase the brand image, we can use marketing strategies that women find appealing like celebrity marketing and social media marketing.

Okay great. Now dive into the men's market.

Although, waxing is common to both markets, it also seems to be another source of issue. Before diving into that, what is the demand for waxing in the individual segments?

There is a low demand for waxing for men as they generally don't prefer it, whereas there is a very high demand for waxing for women.

Since, there is a single common product for both men and women, they won't find it as appealing. Releasing a separate product line for the individual segments would prove more effective and focusing the development on women segment primarily as there is a much higher demand.

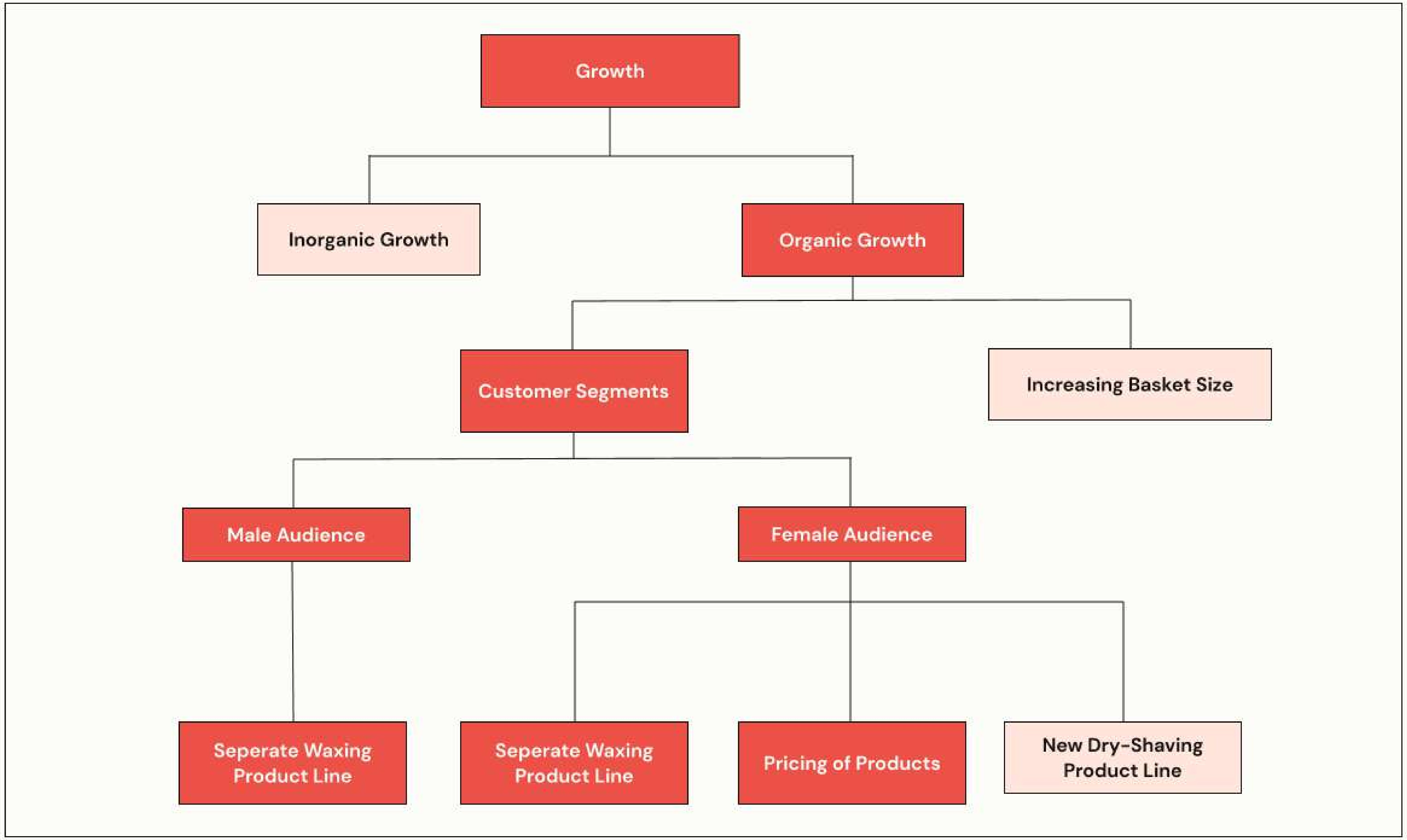
Anything else?

Others forms of inorganic growth can also be considered like a merger with a top competitor or an acquisition of a smaller, yet niche brand to achieve greater market dominance.

This sums up the case. Thank You.

Shaving Company

Growth | Bain & Co.



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Case Notes

- Dive into different segments of the targeted market.
- Make solutions specific to the different product lines and market segments.
- Primary focus is on expanding the brand through marketing and different product lines.

Recommended Solutions

Short term:

- Target Audience specific marketing for women and men to reach out to them more.
- Make a gender specific product (a new product line) for women and men in waxing and for women in dry-shaving.

Long term:

- R&D on different product lines and improving the current set of products.
- Consider a merger or acquisition for a greater market dominance.

Observations/Suggestions

- It's important to dive into the different segment and understand our client's position in the market for these segments.
- Could've gone deeper into the segments for a more finished solution.
- The case could've led to a pricing strategy framework model to improve the female audience's appeal for the brand.

Growth | BCG

Social Media Company

Your client is a social media company whose significant chunk of users are Urban/well-to-do people. The client also has a small Tier 2 and 3 Rural user base. But a new competitor is taking away this share of the client's user base. You have to advise them on how to keep the urban user base intact or even increase it, but alongside counter the competitor and expand in Tier 2/3 rural areas.

Okay, How does the client operate?

The platform aims to remain classic and sophisticated and does not want to push a lot of user generated content to public feed viewers. We want to keep the vibe in the public feed domain.

What is different about the competitor ?

The competitor has a lot of user-generated content coming up, which hooked the tier ⅔ users on it, and there seems to be a lack of belongingness to the tier 2 and 3 users in the client's product.

One of the challenges is the absence of user-generated content on the client's platform, which has led to users seeking that engagement elsewhere. Additionally, there is a need to enhance the sense of belongingness for the Tier 2 and Tier 3 users. They currently don't feel connected to the platform in the same way as the urban users.

How do you propose to address these challenges and retain or increase the urban user base while countering the competitor and expanding in Tier 2 and Tier 3 rural areas?

I have a multi-faceted approach to tackle these challenges. Firstly, I suggest introducing user-generated content in a way that aligns with the client's desired classic and sophisticated vibe. This could involve creating private spaces where users can share their content, which would be visible to their followers only.

What other strategies do you recommend?

In order to increase the sense of belongingness for the rural users, I propose implementing features that cater specifically to their interests and backgrounds. This could involve showcasing localized content, promoting local events and initiatives, and encouraging users to share their experiences from their respective regions.

How would you leverage the influence of urban users to create a sense of aspiration for the rural users?

To create a sense of aspiration for the rural users, I would recommend highlighting success stories and achievements of urban users from similar backgrounds. By showcasing these stories, we can inspire the rural users and make them feel more connected to the platform.

Is there anything else you would like to add?

One more thing I would recommend is actively seeking feedback from both the urban and rural users. This will help the client better understand their needs and preferences, allowing them to continuously improve the platform and provide a personalized experience for all users.

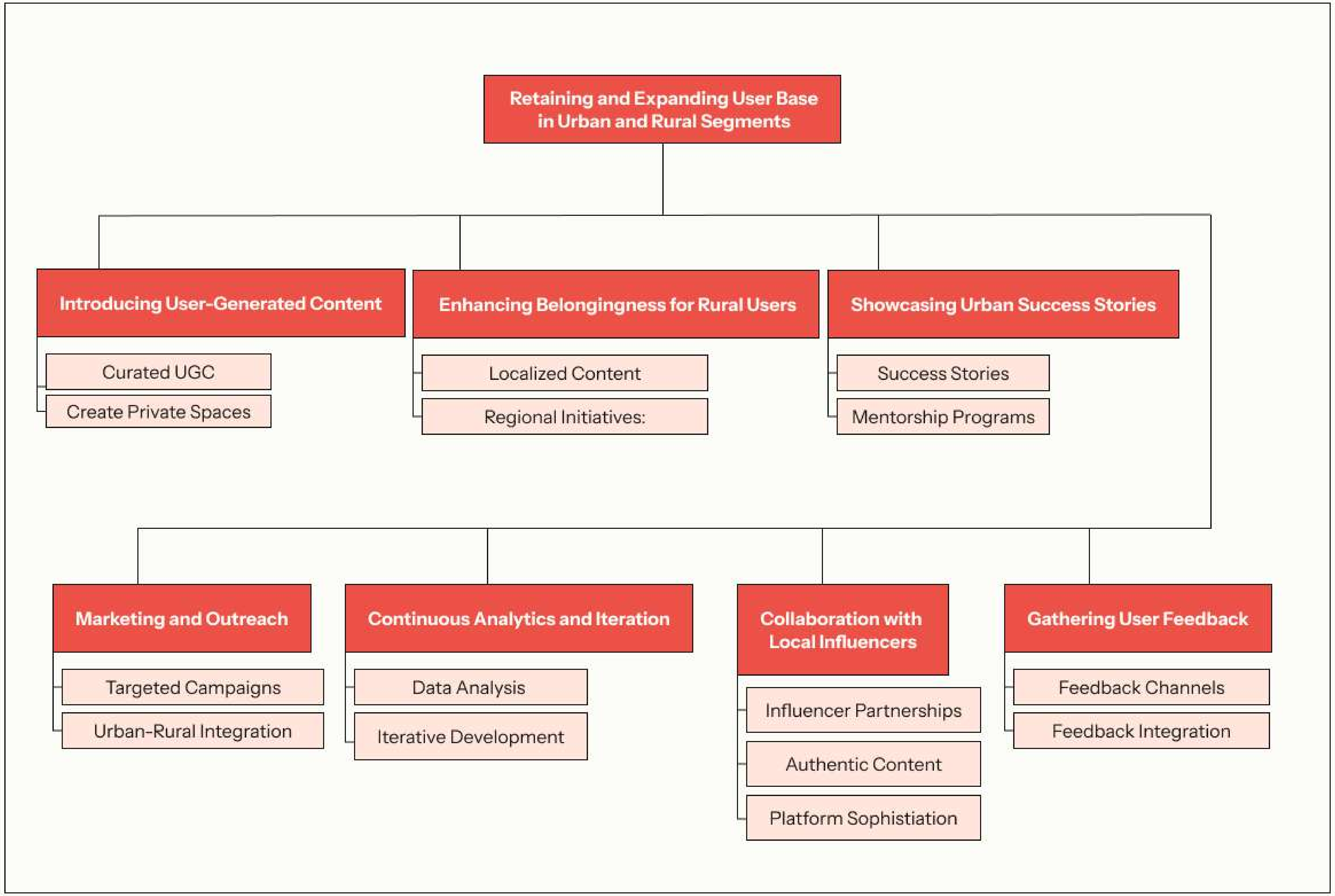
Thank you for sharing your insight. Do you have any other ideas or strategies you would like to discuss?

Yes, another strategy that can be considered is collaborating with local influencers or content creators in Tier 2 and Tier 3 rural areas. These influencers can help bridge the gap between the urban and rural users by creating content that resonates with the rural audience while still maintaining the desired brand image.

That concludes your case.

Social Media Company

Growth | BCG



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Case Notes

- Urban-focused platform competes with user-gen content
- Challenges include bridging urban-rural gap and retaining sophistication.
- Strategies-: private user-gen spaces, rural engagement, urban success showcase, user feedback, local influencers, targeted communication, network growth, adaptation, user-centric approach.

Recommended Strategy

1. User-Gen Integration: Introduce private user-gen spaces while maintaining sophistication.
2. Rural Engagement: Tailor content and events to rural interests.
3. Urban-Rural Bridge: Showcase urban success stories to inspire rural users.
4. Feedback Loop: Gather user feedback for continuous improvement.
5. Local Influencer Collab: Partner with rural influencers for relatable content.
6. Targeted Communication: Market sophistication and strengths to urban users.
7. Network Growth: Encourage referrals for urban-rural connection.

Observations/Suggestions

1. User Demographics: Urban-centric with rural presence.
2. Competitor Impact: Rival draws rural users via user-gen content.
3. Client's Approach: Sophisticated, limited user-gen exposure.
4. Challenges: User-gen absence, urban-rural disconnect.
5. Strategies: Private user-gen spaces, rural engagement, urban-rural connection, feedback loop, influencer collaboration, targeted marketing, network growth.

Public Sector Bank

Your client is a public sector bank. From past few years, they are losing a lot of money on payout fees. You are hired to help them figure out the reasons.

Can I know about the bank's size and quantum of loss?

The bank is one of the top four with pan-India operations, with losses are in excess of Rs 100 crore.

What is the market share of our Client and whether the other competitors are facing similar issues?

This is an example of a zero-sum game, and the client has 6% market share in retail.

I see. If I am not wrong then Payout fee = No. of customers * % of customers using another bank's ATM * frequency of transaction * Flat rate of payment. Can I know whether we have been facing issues in any of these?

Customers are using other banks' ATMs 40% of the time and on average each customer does 4 transactions per month. Why don't you focus on the number of ATMs first?

Sure. Do we have any data about the number of ATMs that our competitors are having? Especially the market leaders, and what is the current total number of ATMs in the country?

Currently, India has a total of 3 lakh ATMs. We have 10,000 ATMs. The market leader has 30,000 ATMs, accounting for 10% of the market, the second player has 22,500 ATMs, accounting for 7.5% of the market, and the third player has 21,000 ATMs, accounting for 7% of the market.

Based on the data, we can see that all banks are lagging behind in terms of the number of adequate ATMs, but we are lagging far behind them.

Yes, the number of ATMs has been a problem for our client, but let's say they have strategically placed new ATMs in locations, although there have been a few hiccups which they faced due to the bureaucratic nature of the L1 models. Now the payout fee is still high after increasing the no. of ATMs. Can you look at the possible reasons for that?

Sure. I think this issue is dependent on the condition of the ATMs. This can be broadly broken down into 2 parts: 1. ATM machines are not getting switched on; 2. ATMs are switched on but still not operating properly.

Good observation. Let's proceed with the different factors that can create the first problem.

Few factors that I can think of for the first problem is, 1. Electricity issue, 2. Maintenance Issue, 3. Unavailability of guards

Sounds reasonable. Can you list the reasons why the ATMs aren't working even after they've been turned on?

Sure. The factors can be broken down into the following heads,

1. Software issues
2. Hardware issues
3. Cash Refill/Availability issue
4. Network Issue

Do we have any information on out of these four, what has changed over time?

We don't have any issues of Software or Hardware, neither we have issue of refilling cash. Can you look at the network issues?

As per my understanding, ATMs require you to connect to the server to fetch and verify user information and update the bank balances in the bank server. So, if there is a network connectivity issue due to location or some other factor, ATMs may not work properly.

Yes, you are correct. The client did place a lot of new ATMs in rural areas without even testing the network connectivity, which is why the ATMs were not operational properly. Proceed to the solution

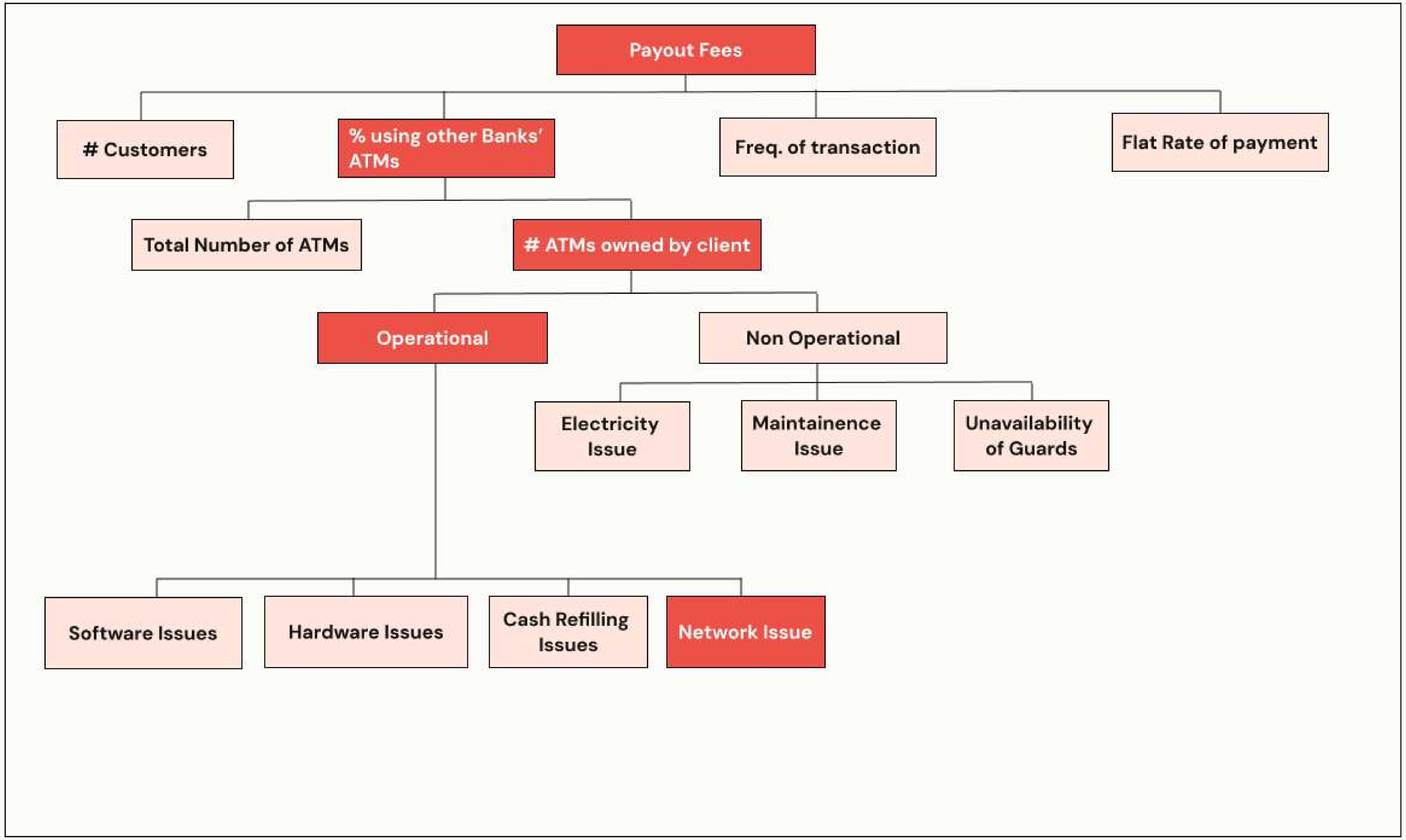
So some possible solutions to consider are:

- Switching to a different network provider whose services are much better in the given area.
- Contacting the current network provider and asking them to set up a better service network in the given area by showing them the benefits.
- Performing Load Balancing operations to enhance the network operations of the bank.

Okay, we can end this case here.

Public Sector Bank

Growth | BCG



Your client is a public sector bank. Five to six years ago, they were losing a lot of money on payout fees. You are hired to help them figure out the reasons.

Case Notes

•Client is a public sector bank and they are facing the issue of payout fees.
• Payout fees are charged by banks and interbank networks charge for the use of their ATMs.
• Number of ATM machines owned by Client are lesser than their competitors.
• Operational ATMs of rural area are facing the network issue.
• Client has placed many ATM machines in the rural areas without proper checking of the Network.

Recommended Solutions

•Switching to a different network provider who's services are much better in the given area.
• Contacting the current network provider and asking them to set up a better service network in the given area by showing them the benefits.
• Performing Load Balancing operations to enhance the network operations of the bank
• Alternative technologies (e.g., mobile banking) that could reduce the need for physical ATMs and thereby lower payout fees

Observations/Suggestions

• It's essential to find the key revenue streams for the education platform
• Calculate the net effect of reduction of prices on profit and the possible ways of increasing revenue from the convenience store
• Develop equation between x and y and find desired relationship
• Evaluate the integration of existing products and platforms.
• In case of unaware of the payout fees term ask for the formula from the interviewer
• Apply MECE approach in order to segment the various buckets

Growth | BCG

Fire Extinguisher

Your client is a fire extinguisher company, who wants to triple their revenue in the next two years. Evaluate how this can be done and suggest recommendations

Just to ensure that I have understood the case, we have a fire extinguisher company that wants to triple its revenue in the next two years. Is that correct?

Yes, that's correct.

When we say fire extinguishers, what range of products are we referring to?

The company has a single product line of conventional red can fire extinguishers.

Since we are looking to triple the revenue in the next two years, what is the current revenue of the company?

At present the company has a revenue of 100 Crore Rupees.

In what geographies does the company operate? Do we have any specific geography contributing to maximum sales?

The company operates pan-India and the revenue is evenly distributed.

Who are our customers and how much do they contribute to the revenue?

The customers are primarily of three types - Commercial Properties (Malls, Hotels, Restaurants) , Residential Complexes, Offices, with the Residential Complexes contributing the maximum - 20% of the total revenue.

What part of the value chain does our client operate in?

The client has a robust end to end value chain starting from the procurement of materials to the after sales support.

Since we now know the major contributors to the revenue, we can have a look at the market and our competitors. How large is the market for fire extinguishers in India?

The market size is about 200 Crore INR and the market shares of our two major competitors are 25% and 20% respectively. The rest of the market is fragmented

In that case, I believe that the problem could lie with either the occupation or the residence part. Since our client is the government dealing with a piece of land in an affluent area, we can assume that due to immense development, there would be a general constraint of space.

Yes that is a good assumption.

What is our client's current market share?

Our client holds 50% of the market currently.

Interesting, so we have 50% of the market share and we want our revenue to be 300 Crore rupees in two years, despite the market size being 200 Crore Rupees at the present. At what rate is the market growing?

You can consider the market growth rate as 10%.

This implies that the market size after two years is 242 Crore Rupees, and we are aiming at a revenue of 300 Crore Rupees. Thus the target set seems to be something which is unattainable, given the market size and its growth trends.

That is a very good observation. Keeping aside the aforementioned target, what do you think could be possibly done to increase revenue?

So given it is a fragmented market, the growth within the market can come by either acquisition or without it.

In case the company isn't looking acquisition.

Growth | BCG

Fire Extinguisher

The company could consider entering into a new product line or a new market. Since we already have majority of the market share in India, we could think of expanding into new locations. Apart from this we could also consider selling complementary products like alarms, sensors, etc to ensure more revenue.

In case the company isn't looking for expansion, what are the things that can be done then?

We can segment revenue as the number of fire extinguishers sold and the price of one fire extinguisher. Since we need to increase our revenue we can first look at increasing the number of fire extinguishers sold.

How do you propose to do this?

In order to increase the number of fire extinguishers sold, we would have to increase the demand. The factors that affect the demand of a product are its need, affordability, accessibility, and the customer experience.

Certainly. To delve into the monetization prospects, could you please provide me with the potential applica -tions of this technology, following a MECE (Mutually Exclusive, Collectively Exhaustive) framework?

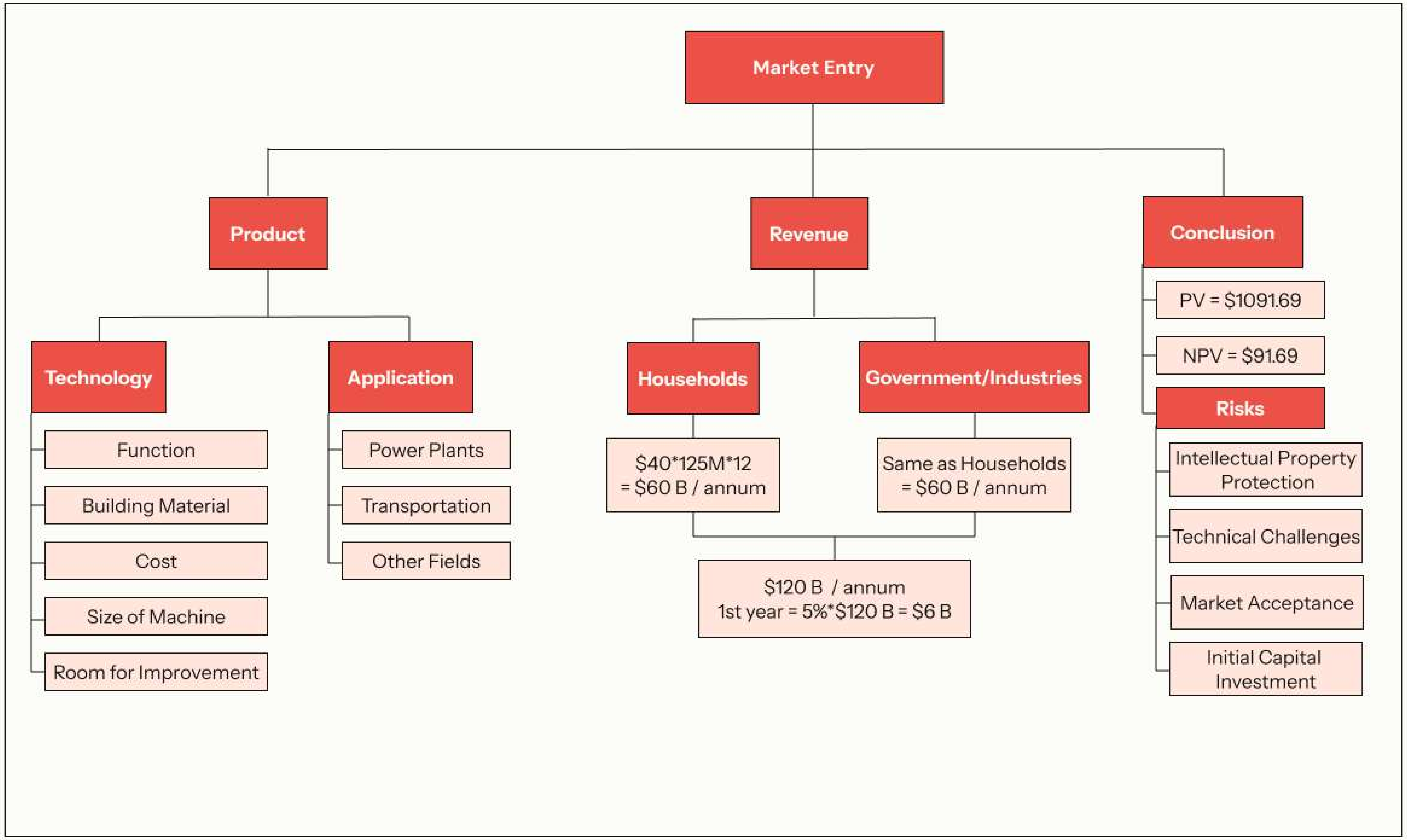
Could you take me through what could be done in this case for increasing the need?

Fire extinguishers as a product are not a commodity and thus the need can't be just increased by increased promotions. There are government norms which dictate the number of fire extinguishers depending on several factors like the type of property, its area, etc. We could look at properties not meeting this number and tap into their needs. Increasing need actually lies in the enforcement of the government rules and policies than the customer segment itself. The stricter is the enforcement of the rules and regulations, more would be the demand.

That's a very good point. We can conclude the case here. Thank you.

Fire Extinguisher

Growth | BCG



Your client is a fire extinguisher company, who wants to triple their revenue in the next two years. Evaluate how this can be done and suggest recommendations

Case Notes

- Dive into the product evaluation of the fire extinguishers and compare with how the different competitors are in the industry.
- Offer a new product line.
- Increasing the volume sold of products can be broken into customer needs, accessibility, affordability, and customer experience.
- Increasing customer need for a public commodity is difficult so offer increasing strictness of rules and regulations.

Recommended Solutions

- The need can't be just increased by increased promotions. There are government norms which dictate the number of fire extinguishers depending on several factors like the type of property, its area, etc.
- Increasing need actually lies in the enforcement of the government rules and policies than the customer segment itself. The stricter is the enforcement of the rules and regulations, more would be the demand.
- Although clients are not considering a dive into a newer product line that is also a good alternative.

Observations/Suggestions

- It's important to dive into the different segment and understand our client's position in the market for these segments.
- The solution is a very unique one but there are very few alternatives that can be done in this situation to increase the need for fire extinguishers.

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M&A

Interview Transcripts

Merger of Two Ed-tech Firms

Your client is an online education platform A, and is looking to acquire its competing platform B. How should they proceed?

That's interesting. Before we delve into further details, could you clarify why "A" is interested in acquiring "B"? Are there specific financial goals or is this more about a strategic expansion?

The primary goal for "A" is to boost their revenue through this acquisition. They are also looking to expand their product portfolio through this acquisition.

Great, so we may deal with this by dividing the problem into Financial and Non-Financial aspects. Which should I first look into?

You may start with Non-Financial aspects.

Certainly. The fit between the two companies is crucial. "A" should assess how well they align culturally, strategically, and organizationally. This involves evaluating the compatibility of employee skill sets, shared long-term goals, and company policies. External factors like a PESTEL analysis are important too.
For instance, if there are any regulations against monopolies in the market, the acquisition might face challenges in regulatory approvals as their combined market share may pose a threat like a monopoly.

Perfect. Now, let's move on to the financial considerations.

Financial feasibility is important. "A" needs to factor in the costs of the acquisition itself and the integration process,such as combining technical interfaces. On the revenue side, they should anticipate an increase due to the expanded course portfolio. Can you provide revenue and cost numbers to continue with the calculations?

Certainly, the revenue, fixed costs, variable costs, and overhead costs for both "A" and "B," as well as their combined entity after the merger are here.

Right. So, the calculated profit after the acquisition is three times the combined profit of individual firms earlier.

Great. Can you think of any other benefits through this deal?

Yes, additionally we should consider synergies that can arise from the acquisition. This acquisition could lower overhead costs for "A" and expand its customer base and cross-selling opportunities.

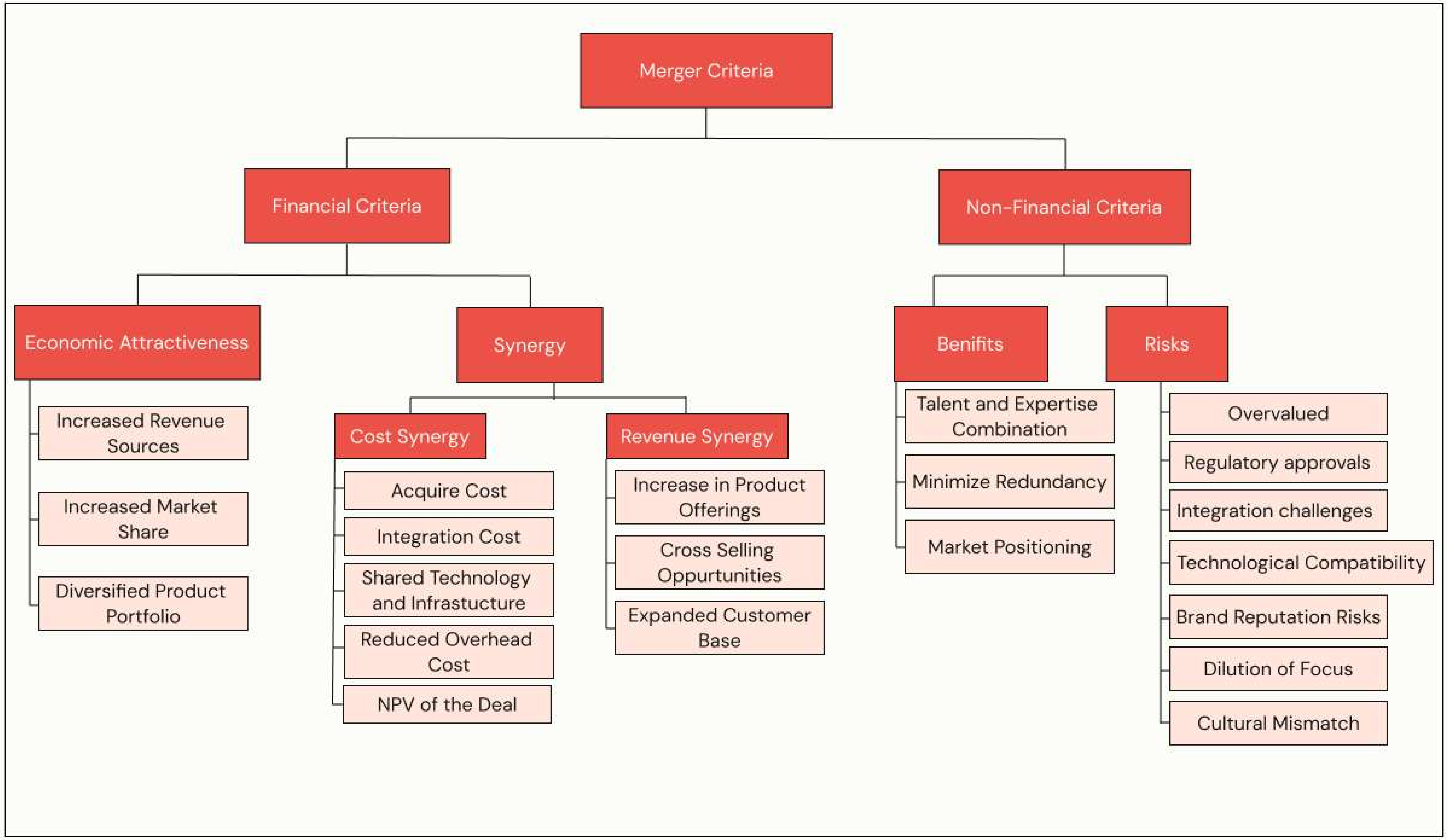
Great, are there any risks involved with this deal?

Yes, I could see overvaluation and delays in regulatory approvals as major risks. Also, there could be Integration challenges like technological mismatch which could be an issue.

You've covered both the non-financial and financial aspects quite well. A successful acquisition involves a careful assessment of cultural alignment, strategic fit, and financial feasibility. Thank you for your insights.

Merger of Two Ed-tech Firms

M&A | BCG



Your client is an online education platform A, and is looking to acquire its competing platform B. How should they proceed?

Case Notes

- Platform A wants to acquire Platform B to boost revenue and expand its product portfolio.
  a. Strategic Fit:
    - Cultural and organizational alignment.
    - Compatibility in employee skills and long-term goals.
  b. External Factors:
    - Regulatory risks (e.g., monopoly concerns).
    - PESTEL analysis for market impact.
- Cost & Revenue:
  a. Acquisition and integration costs.
  b. Potential for increased revenue and cost savings post-merger.
  c. Profit after the merger estimated to be 3x combined pre-merger profit.

Recommended Solutions

- Identify potential risks and challenges that could arise during the merger process.
- Offer support and training to ensure a positive customer experience.
- Combine the best features of each product to create a comprehensive and competitive offering.
- Understand the synergies of 2 companies and achieve a strong foundation for the merger.

Observations/Suggestions

- Overvaluation: Paying too much for B.
- Regulatory Delays: Approval challenges.
- Integration Issues: Tech mismatches, culture clashes.

M&A | Bain & Co.

Acquisition of a Clothing Firm

Your client is a large multinational clothing brand seeking to increase its market share and achieve economies of scale by acquiring a smaller, locally popular clothing firm. Your task is to identify the key factors that should be considered to ensure a smooth acquisition.

To better understand the context, could you please provide more details about the client's current market focus and operational model?

The client is a diversified multinational corporation that caters to various market segments within the clothing industry. They operate both through traditional brick-and-mortar stores (It refers to a traditional company that operates through physical stores) and a highly successful e-commerce platform.

Okay. What is the primary strategic goal behind this acquisition? Additionally, what is the expected ROI for this venture?

The primary objective is to expand the client's luxury product line by acquiring a well-known brand that resonates with high-end consumers. The anticipated ROI for this investment is around 15%.

Understood. Could you provide some insights into the performance of the client's e-commerce platform? Specifically, what portion of their sales is generated online?

The e-commerce platform is a crucial component of the client's business, contributing 30% of total sales.

Thank you. With that in mind, I would like to learn more about the target company. What is its niche within the market, and what business model does it follow?

The company the client is looking to acquire is a luxury brand with a strong reputation among its customers. However, it has experienced limited growth and remains primarily local due to its traditional brick-and-mortar model, which emphasizes personalized customer service.

It seems the client's strategy is to leverage the smaller firm's well-established brand name while utilizing economies of scale to boost production. Is this the core approach they intend to take with the acquisition?

Yes, the client aims to integrate the smaller firm's luxury brand into their portfolio while maintaining its reputation for exceptional personalized service.

Could you provide details regarding the smaller firm's scale of operations, particularly the number of stores, its geographical presence, and its current valuation?

The smaller firm operates 50 stores, primarily in northern India, and is valued at INR 500 crore.

Based on our discussion, it sounds like the key factors to consider for this acquisition span across financial, legal, and social dimensions. Financially, the acquisition costs and pricing strategy are crucial, especially given the smaller firm's popularity and focus on personalized service. Legally, we need to ensure that all contracts are solid and that intellectual property rights are properly owned and transferable. Socially, the cultural fit between the two companies is essential, as well as ensuring that the smaller firm's brand aligns well with the client's luxury portfolio to maintain customer loyalty and market positioning.

That makes sense. Could we now discuss the risks associated with this acquisition?

The risks associated with this acquisition can be grouped into several categories. Pre-acquisition risks include the potential overvaluation of the acquisition target and insufficient legal due diligence. Operational risks involve potential inefficiencies in production processes and the risk of failing to maintain product quality. On the economic side, there could be a misalignment between business models, pricing discrepancies that might impact market positioning, and potential overruns in production costs. Lastly, social risks include cultural and organizational incompatibilities, as well as the failure to communicate and maintain the acquired brand's image.

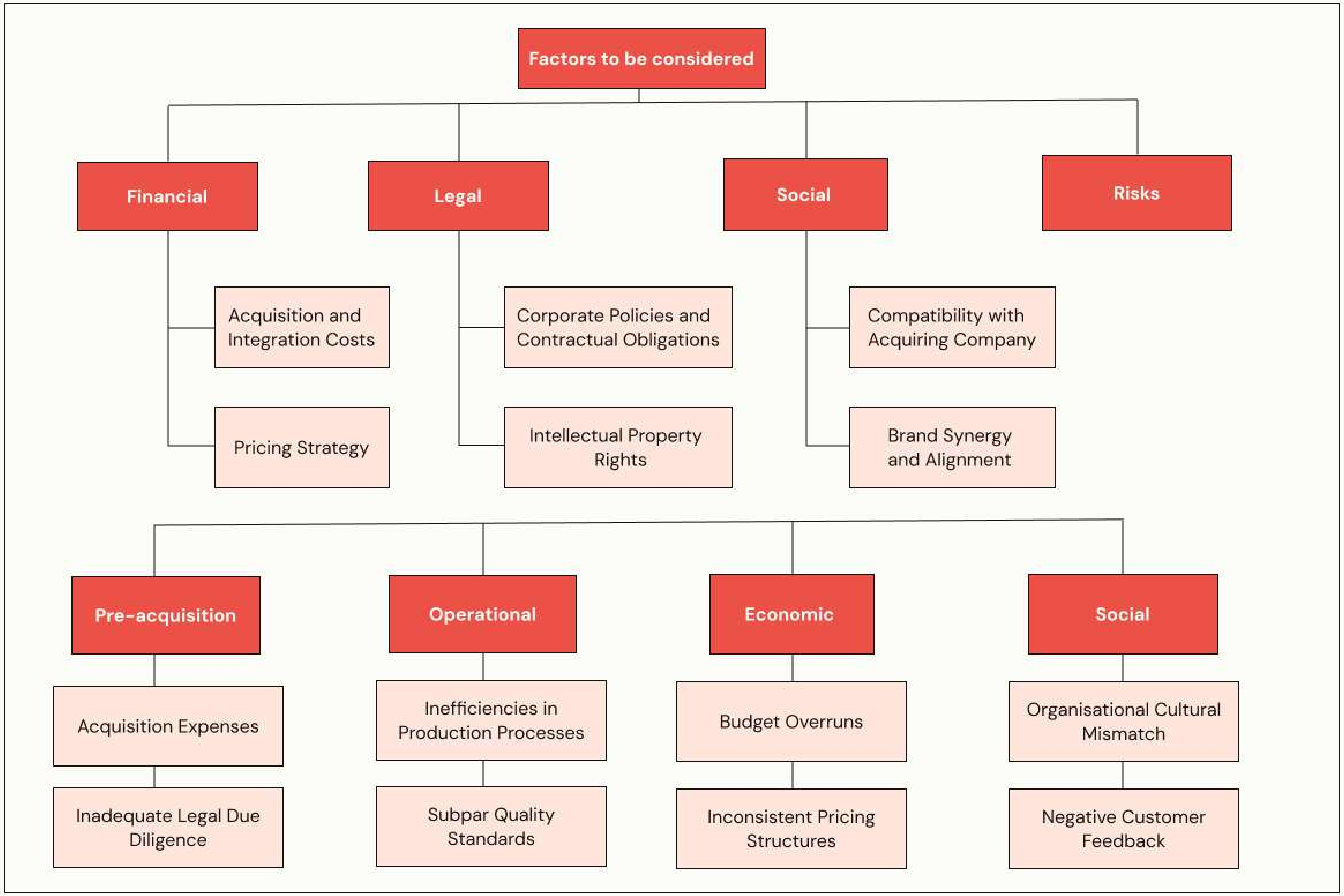
That covers everything. We're done with the case.

Certainly. Given the novelty of the technology and the significant market potential, I recommend pursuing this project. However, it's crucial to prioritize rapid enhancements and secure substantial capital investments for successful execution.

Your approach is well-structured and comprehensive. We can conclude this case study here.

Acquisition of a Clothing Firm

M&A | Bain & Co.



Your client is a large multinational clothing firm looking to acquire a smaller clothing firm with high local popularity. Put together the factors the client should consider before making the acquisition.

Case Notes

- Client is a large international clothing firm.
- Aiming to acquire a smaller firm with strong local popularity.
- Plans to leverage the smaller firm's high brand awareness for its own product line.
- The smaller firm will benefit from economies of scale and access to large capital reserves.
- All factors, including potential risks, need to be analyzed before the acquisition.

Recommended Solutions

Short term:

- Ensure smooth integration of the smaller brand into the client's portfolio.
- Thoroughly assess all factors and risks involved in the acquisition.

Long term:

- Explore innovative manufacturing methods and technologies.
- Gradually integrate the acquired brand into the client's e-commerce platform.

Unconventional | BCG

CEO Of BCG

Our client is the CEO of BCG. He wants to know what he has to do.

So to clarify, our the CEO of BCG wants to know how to proceed about his work.

Yes that is correct.

Is this going to be how his day should look or an overall outlook on his responsibilities?

The overall outlook on his responsibilities.

A CEO's general responsibilities are Stakeholder Management, Financial Decision-Making, Organizational Strategy. Is there a specific one you want me to dive into?

For now, we will proceed with Stakeholder Management.

Stakeholders consist of Investors, Customers, Employees, Suppliers, Government bodies, Media, and Communities. Do you want me to focus on any specific one?

Dive into Investors, Employees, and Customers.

Investors primarily require the company (BCG's) performance statistics and profit margins, along with plans for the upcoming future. A CEO's job is to ensure that the investors are satisfied and are going to back the company. As for Employees, since BCG is a partnership driven firm he also has to update all the partners regularly about the company's proceedings.

Looking good so far, go ahead with Customers.

Right. For customers, each of the offices have their respective Managing Directors and partners who handle the offices' individual clients and the CEO's job is to ensure the managing directors handle these clients without problems.

Alright. Now dive into the Organizational Strategy aspect of a CEO's job.

Organizational Strategy begins with the CEO meeting with respective CXO's and Heads of subdivisions of the company such as Marketing, Sales, Finance, Operations, Strategy, IT, etc. and listening to problems and proposing solutions.

Other than just solving problems, what else should a CEO do in Organizational Strategy?

More than strategically proposing solutions to these problems, the CEO should also make the organization's performance more effective, both financially and temporally. Effective distribution of work down the hierarchy from CXO's to Associates is one of the examples.

How does the financial aspect of being a CEO work?

The chain of financial transactions begin from the Investors, and as mentioned in Stakeholder Management, it is important that they have your back and support you when required. It proceeds into the CFO and CEO, who make business decisions on where to allocate these funds based on requirement and usage. From there it moves into the team of focus that require these funds and leads to excellent performance of the company overall.

Anything else?

Yes, so besides these, the CEO should also oversee the profitability and the global footprint of the company. Regarding the profitability, the CEO must evaluate the present revenue and cost segments and prepare future plans for these categories to improve functionality and return.

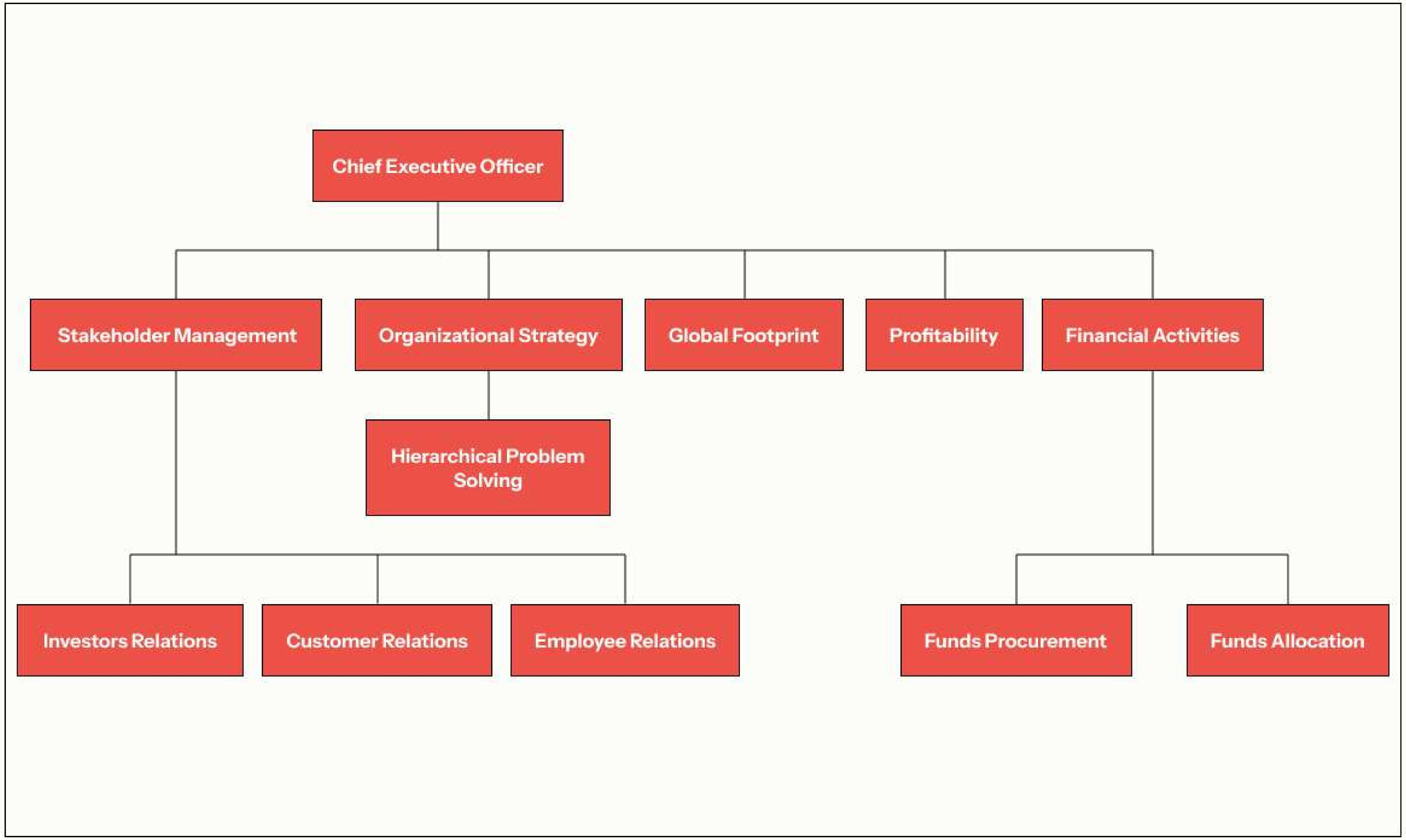
Dive deeper into the Global Footprint aspect.

For the global footprint, CEO needs to focus on increasing the company's impact in Metro and Tier 1 cities and a market entry into larger and higher end of tier 2 cities. As BCG is a highly prestigious and expensive firm, smaller companies might not be able to afford it, so larger tier 2 cities is a good initial focus group.

Great work. That concludes your case.

CEO Of BCG

Unconventional | BCG



Our client is the CEO of BCG. He wants to know what he has to do.

Case Notes

- The CEO of BCG - Chief "Executive" Officer - Meetings with Board (Partners, Investors, CXOs)
- Important to note that BCG is a partnership based firm (autonomously each office is ran but still report to CEOs)
- Manage the operations of the company - Dive into segments like Marketing, Finance, Operations, Strategy, IT, Services, CRM, etc.
- CEO/CFO (If present) would deal with the financial aspect (Money comes from Investors goes to respective heads)
- Ask questions related to autonomy, specific functions to dive into, in a day/overall responsibility.

Recommended Solutions

Short term:

- Meeting with respective Managing Directors and Investors to ensure smooth performance of the company.
- Prepare financial plans (along with CFO) and propose these to Investors for funding procurement and allocation

Long term:

- Establish a perfect Organizational Strategy specific to different domains by communicating with the respective heads.
- Prepare plans for improving the global footprint and profitability of the company.

Observations/Suggestions

- CEO's job is very vast so diving into niche and specific approach would be better than a vague and universal approach.
- It is also important to know that BCG is a partner based firm and knowing the structure of the firm is important.

Unconventional | BCG

Disney buying Star Wars

Disney purchased Star Wars 6 years ago for USD 6 Billion, was it a good decision or a bad decision?

Alright, so our aim is to evaluate the decision of Disney buying Star Wars. I would like to approach this question by evaluating the Revenues that Disney has generated from Star wars since its acquisition and looking into whether the break-even point has been reached yet. Was there any target we had set back then during the acquisition and what was the specific purpose we were looking to achieve from this acquisition?

Yes, you can assume the target has been achieved now, and now we want to estimate the revenues that Star Wars has generated for Disney.

Sure, would you like me to focus on Revenues from any specific location or shall I consider it globally throughout?

You can restrict yourselves to the Indian region.

Sure, I would like to consider that the sources of revenues are majorly of 3 types,
- The revenue generated from Movie tickets Sales
- Merchandise of Star Wars
- Licensing or Broadcasting rights of the movies and Star Wars related Events.

Do you feel is there any other revenue stream that I'm missing out on?

Yes these seem to be fine, you can focus on the Movie ticket sales as of now.

Sure, can you tell me how many movies have been released within this time frame?

There were 2 movies released during this time, you need not go into the details of theatres at that point in time, consider the current status of theatres itself.

Alright, to estimate the revenue from ticket sales per movie, we would use this formula:
(Number of theatres) * (% of theatres showing Star Wars) * (Number of screens) * (Number of shows per screen) * (Total seating capacity) * (% occupancy) * (Ticket price) * (Number of days the movie is screened).
Have I missed any factors? And do we have the total number of theatres in the country?

Yes, this approach looks good. Can you quickly explain how you'd estimate the total number of theatres in India?

To estimate the total number of theatres in India, I'd divide the cities into tiers:
- Tier 1 cities with around 50 theatres each
- Tier 2 cities with about 15 theatres each
- Tier 3 cities with around 5 theatres each.

Then, I'd look at how many cities fall into each of these categories.

Great, for now, you can proceed with this question and assume the number of theatres to be around 1000.

Alright, let's assume each theatre has an average of 3 screens, and about 40% of the theatres would screen a Star Wars movie. If each screen shows 4 shows a day with 300 seats per screen, and we consider an average occupancy rate of 65% (factoring in weekends and weekdays) at a ticket price of ₹250. Assuming the movie is screened for 15 days on average, the calculation would be –
(1000 theatres) * (40%) * (3 screens) * (4 shows per day) * (300 seats) * (65% occupancy) * (₹250 per ticket) * (15 days).
This gives us around ₹350 crores per film. Then, we can multiply this by the total number of films released during that time.

Great, that sounds like a reasonable estimate. Now, can you walk me through how you'd approach calculating the revenue from merchandising?

Sure, for estimating merchandising revenue, I'd split the population into 30% urban and 70% rural, but we'll focus on the urban segment. Then, I'd consider income levels. People below the poverty line and lower middle class likely can't afford merchandise, so we're left with the wealthy (around 20%) and the upper middle class (about 40%). Next, I'd factor in age, focusing on people between 5-30 years. Finally, I'd calculate the number of people willing to buy merchandise—assuming 60% of people watch Star Wars, and typically 50% of them would be interested in buying merch.

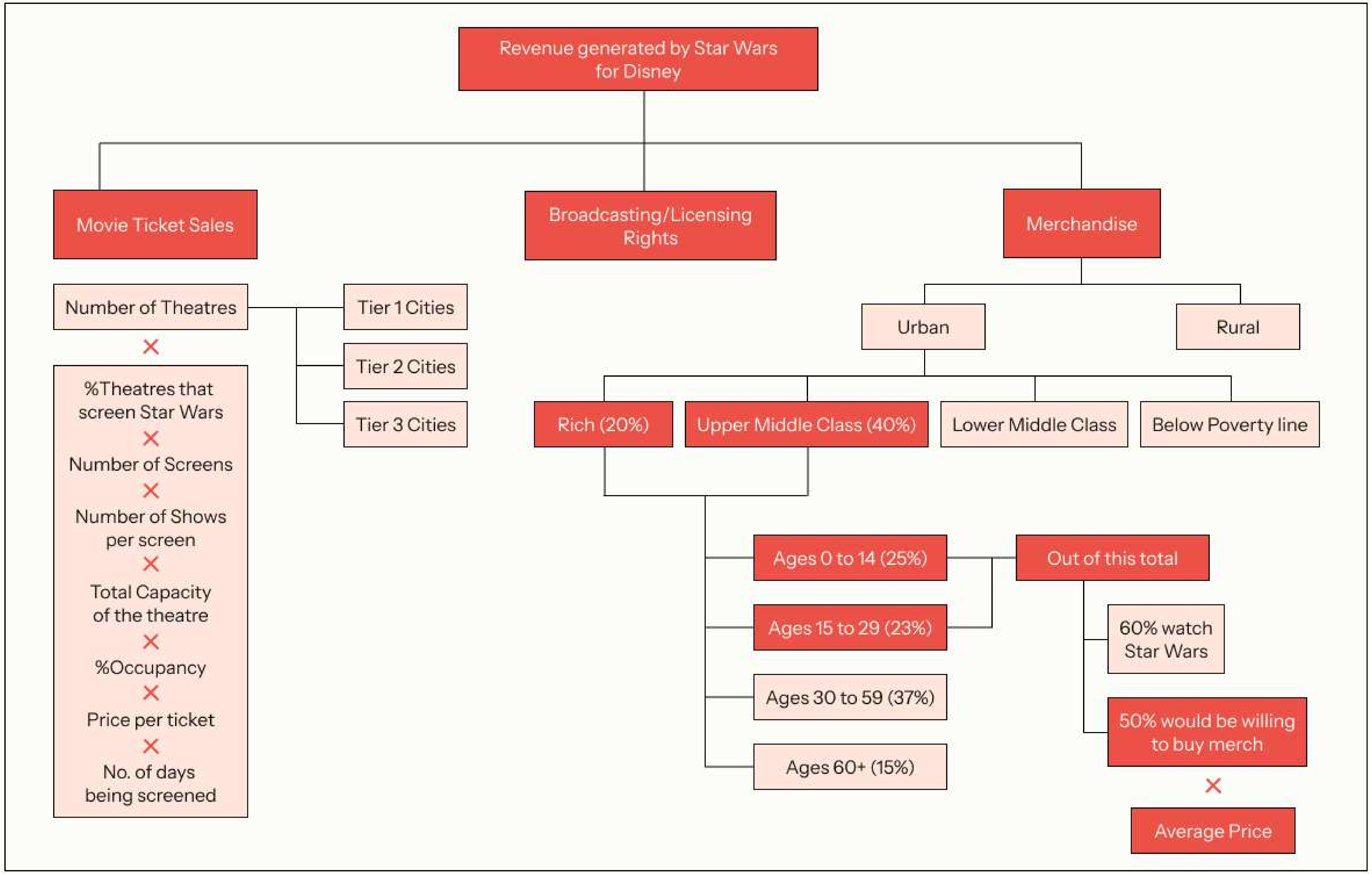
That makes sense, but this method only tells us how many potential customers there are. How can we figure out what different types of merchandise they might buy?

Yes. Since there's a wide range of merchandise, I'd like to calculate an average price that reflects different types, like apparel and toys. Overall, we see that the prices for this merch are generally higher because of the brand value, so I'd consider ₹750 as the average price and proceed with that.

That reasoning seems fair, We can wrap up the case here.

Disney buying Star Wars

Unconventional | BCG



This case evaluates Disney's $6 billion acquisition of Star Wars by analyzing its revenue generation in the Indian market through movie ticket sales and merchandise, focusing on whether the investment has achieved its break-even target.

Case Notes

- Disney bought Star Wars for $6 billion 6 years ago.
- Focus is on evaluating revenues in India from three main sources:
  a. Movie ticket sales
  b. Merchandise
  c. Licensing and Broadcasting rights
- Indian region selected for analysis.
- Estimate involves breaking down the number of theaters, occupancy rates, and average ticket prices.
- Merchandising revenue focused on urban populations, targeting wealthy and upper-middle-class consumers.
- Factors considered for merchandise: affordability, interest, and typical purchase rates.

Recommended Solutions

- The calculation method used to estimate movie ticket revenue based on theater count, occupancy, and ticket price seems reasonable.
- For merchandise, the pricing strategy accounts for brand value, and targeting the right consumer demographic is critical.
- Additional focus can be placed on licensing revenues and streaming services to complete the evaluation comprehensively.
- No immediate concerns raised about Disney failing to break even, but further financial data may be required for conclusive insights.

Land Usage

Your client is the Delhi State Government. The client has a piece of land available, and it wants to make good use of this land in a way that it can use the land for some social good and break even on whatever activity we pursue using the land.

To confirm that I have understood the question, the Delhi government has a piece of land available. We have to put the land to good use and justify the use of the land.

Yes, that's correct.

I would like to begin with a few clarifying questions first to understand the situation better. What do you exactly mean by social good of land?

Using the land in a way that would solve any problem faced by the maximum number of people in the area. It is just one of the things that can be done, and not necessarily the only use.

I see. Where is this piece of land located and what is the area of this land we have?

The area of the land is roughly 60,000 square feet and it is located in an affluent area, containing both residential buildings and office spaces.

Since the area is in the proximity of both office spaces and residential areas which have been built in the past decade, we could aim at looking at the major problems faced by the people to determine the possible uses.

That sounds like a good start to begin with, please go ahead.

The basic needs of any individual can be categorized into: occupation, lifestyle, residence. Since the area is in the office proximity and has residential buildings, we can assume that the land is getting high footfall.

Sounds good, let's begin by analyzing them one by one.

Do we have any information about the lifestyle amenities present in the locality?

The area has convenience stores, salons, schools and other amenities needed for a daily basis at a very convenient distance, with high reachability.

Is there demand for any particular type of amenity in the locality and are the current amenities able to cater to everyone?

Yes, the current facilities are pretty robust and are able to cater everyone in the locality.

In that case, I believe that the problem could lie with either the occupation or the residence part. Since our client is the government dealing with a piece of land in an affluent area, we can assume that due to immense development, there would be a general constraint of space.

Good point! There is indeed a lack of parking space for the people of the area

Most residential complexes have their own parking facilities that people buy at the time of purchasing their homes, especially in affluent areas. As for corporate offices, they usually have a lot of employees and generally not enough parking space for every employee, especially when they have been built in the past decade. Top executives may be able to reserve parking spaces but that is not necessarily the case for other employees.

That's an apt observation. The problem is essentially that the offices do not have enough parking spaces and the office vehicles are causing congestion.

We could consider using the land for parking spaces, given the area of the land. We could then set up a per hour pricing for the parking space, which would eventually lead to an increase in revenue for the government.

Considering that the government builds a multi-storey parking center on this land, what do you think the price of the parking should be? You can assume we have about 600 cars that are causing congestion, out of which all can be accomodated in the parking built.

Do we have any data pertaining how much is the initial investment and by when are we planning to break even?

The initial investment is 50 Crore Rupees and we're looking to break even in 5 years of operations. Assume that the car parking charges are the same for all five years.

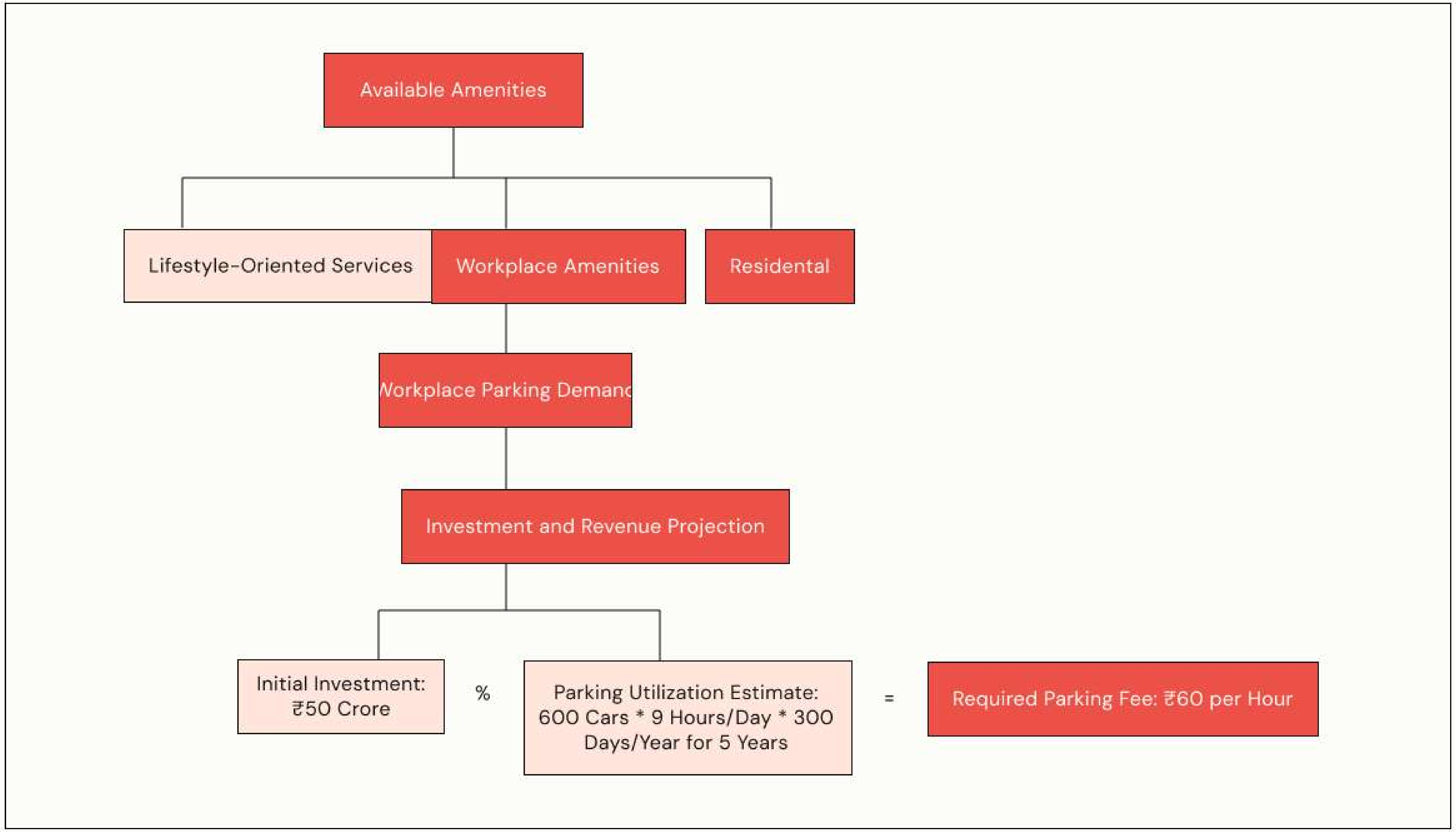
Land Usage

Assuming that every car stays in the parking for 9 hours daily on an average, and most corporate offices work only on weekdays. Thus we have about 300 days of cars being parked in the center. We can assume that due to multiple office shifts, a total of 600 cars visit the center. The pricing per hour = 50 Cr. / (600 * 9 * 300 * 5) which comes out to be approximately 60 Rupees per hour.

That sounds good! We're done with the case. Thank you.

Land Usage

Unconventional | BCG



Your client is the Delhi State Government. The client has a piece of land available, and it wants to make good use of this land in a way that it can use the land for some social good and recover the investment on whatever activity we pursue using the land.

Case Notes

- The government needs to understand the land's location and its potential value.
- The land is around 10,000 square feet, located in an affluent area with access to both residential and office spaces.
- The land's basic value is justified by the surrounding real estate and residential areas, but further use can be driven by existing and potential problems faced by residents and office workers.
- A particular issue in such areas can be parking, which is scarce and may create traffic congestion, making parking a useful potential use of the land.

Recommendation Solution

The best use of the land is to develop a parking facility, considering:

- The land's location and proximity to offices and other essential services.
- The consistent demand for parking in corporate areas.
- Revenue generation potential, with an expected break-even in 5 years.

This solution addresses the issue of congestion and limited parking, while also maximizing the financial return for the state government.

Unconventional | Bain & Co.

Old Winery

You've inherited the "Old Winery," a family-owned vineyard that's been passed down for five generations since the 16th century. Your grandfather, who resisted change, left the management to a young winemaker. Due to its low profile, demand for the winery's wine is currently low. With little experience in winemaking, you don't plan to manage the business directly but are excited about owning it. How would you give the winery a fresh boost while preserving its heritage?

Thank you for the case. Before moving ahead with the overall strategy, I would like to understand the winery, the area of land used for cultivation, and its method of raising.

The winery has 11 hectares of land, with half used for white grapes and the other half for red grapes.They are grown conventionally, i.e. they are not organically farmed and certified. The vine stocks are in good condition in terms of age and care.

Are we selling the whole produce as wine or some produce as grapes as well?

Only ¼ of the harvest is made into wine by the winery; the rest is sold as grapes.

It seems significantly less. Do we know what amount of wine is produced per kg of grapes and the number of grapes cultivated per meter of Vine?

Good question. 1 kg of grapes yields usually between 0.4 and 0.8 l of wine. For a small and semi-professional winery like yours, yields are below average. 1-meter of Vine provides about 3 kg of grapes for wine production.

What is the target size of the wine bottles we will use?

We are targeting the wine bottles at 0.75 l. Why don't you come up with some strategy regarding the core problem?

Sure. Give me a couple of minutes, and I will be back with the overall strategy.

Sure. Take your time.

Thank you. Here is my overall strategy. First, I will look at the potential number of wine bottles that can be made using Vine. Then, I will cover the qualitative factor as the feasibility of establishing the value chain, which includes cultivation, harvesting, vinification, bottling, and sales, and the Quantitative factors, such as pricing, revenue, and cost.

Your structure seems good. Why don't you go ahead?

So, for calculating the total bottles, I will use the formula (Total grapes produced (kg) per hectare×Number of hectares×Wine produced per kg of grapes)/(Volume of each bottle).

Seems fine. Go ahead with your assumptions and calculations.

For that, I would assume Vines per area: approx. 2 m vines per 2 x 2 m2 = 4 m2.

The quantity of grapes per area is 2/4 m/m2 x 3 kg/m = **1.5 kg/m2**. 1 hectare = 10,000 m2. So, the quantity of grapes per hectare will be **15,000 kg/hectare**. Total bottles = (15,000 * 11 * 0.5 L)/0.75 = **1,10,000 / year**

Each vine occupies 4 square meters (2 m × 2 m), yielding **1.5 kg of grapes per square meter.** With 10,000 square meters per hectare, the grape yield is **15,000 kg per hectare.**

For 11 hectares, the total grape yield is **165,000 kg**. Since 1 kg of grapes produces 0.5 liters of wine, the total wine production is **82,500 liters.** Given each bottle holds 0.75 liters, the winery produces: 82,500 L /0.75 L per bottle = **110,000 bottles/year**

Your calculation is correct. Why don't you analyze the Value Chain?

Sure. I will consider the feasibility of establishing the value chain where I will consider the major buckets to be cultivation, harvesting, vinification, storage, bottling, and sales.

Your segmentation seems exhaustive. Go ahead.

Do we have any information on the current processes and their efficiency, which I have mentioned in the value chain?

Unconventional | Bain & Co.

Old Winery

We use simple and rather old equipment for cultivation, harvesting, vinification, and bottling. The capacity of the available barrels suffices only for the currently produced amount of wine, and currently, no direct retail sale at the winery occurs. Why don't you suggest some solutions for this?

Since our methods of preparation are very old, we should have to upgrade ourselves. For that, we should look into the following major changes:
1. Technical upgrades for cultivation and harvesting.
2. Additional wooden barrels to increase the capacity of storing the wine.
3. Technical upgrade for in-house vinification and bottling process.
4. Improving the design and appearance of the winery for sale (e.g. building, office, tasting room)

For that, I would require the numbers on Fixed cost, variable cost and the quantum of profit our Client is targeting.

What costs will you include in fixed and variable buckets?

I will include Insurance, Property tax, and Maintenance in Fixed costs while Labor costs, Packaging materials, Wooden barrels, Taxes, and Marketing in Variable costs.

Good. Consider fixed cost per year to be $190,000 and variable cost per bottle to be $ 7.3. Also, consider the Client is willing to sell their product without any profits. Can you give a rough price for each bottle?

Sure. I will consider the Price of bottle= Fixed cost/bottle + variable cost/bottle + Depreciation. Investments to be written-off over the next 15 years: $ 1,200,000/15 a = $80,000/a
- Fixed costs and depreciation per year: $ 190,000/a + $ 80,000/a = $ 270,000/a
- Fixed costs and depreciation per bottle: $ 270,000/a / $ 110,000 bottles/a = $ 2.50/bottle
- Variable costs, fixed costs, and depreciation per bottle: $ 7.30/bottle + 2.50/bottle = $9.80/bottle

Your calculations seem fine. Consider that the average price in the Market per 0.75 l bottle of wine across all customer segments is below 3 $. What steps would you take to sell your product and increase the profitability?

Sure. For this, I will consider the three key drivers: volume, costs, and price.

Good observation.
How would you achieve this?

So, to increase the profitability, we can increase the volume by increasing the yield by purchasing additional grapes, buying other vines, or using fertilizers.
Further, we can decrease the costs by using less expensive harvesters from low-wage countries, using cheaper packaging materials, or optimizing the overall process.
At last, we can increase the price charged per bottle by addressing the target customer segment who is willing to pay a price of over 10 $ per bottle for a new wine brand like "Generation Y".

Can you tell me why have you mentioned Generation Y?

Sure, "Generation Y" is the first "Digital Natives "generation, i.e., the population raised with the Internet. They are less price-sensitive and more quality-focused and value the origin/ story of the product. Sustainability plays an important role for the "Generation Y".

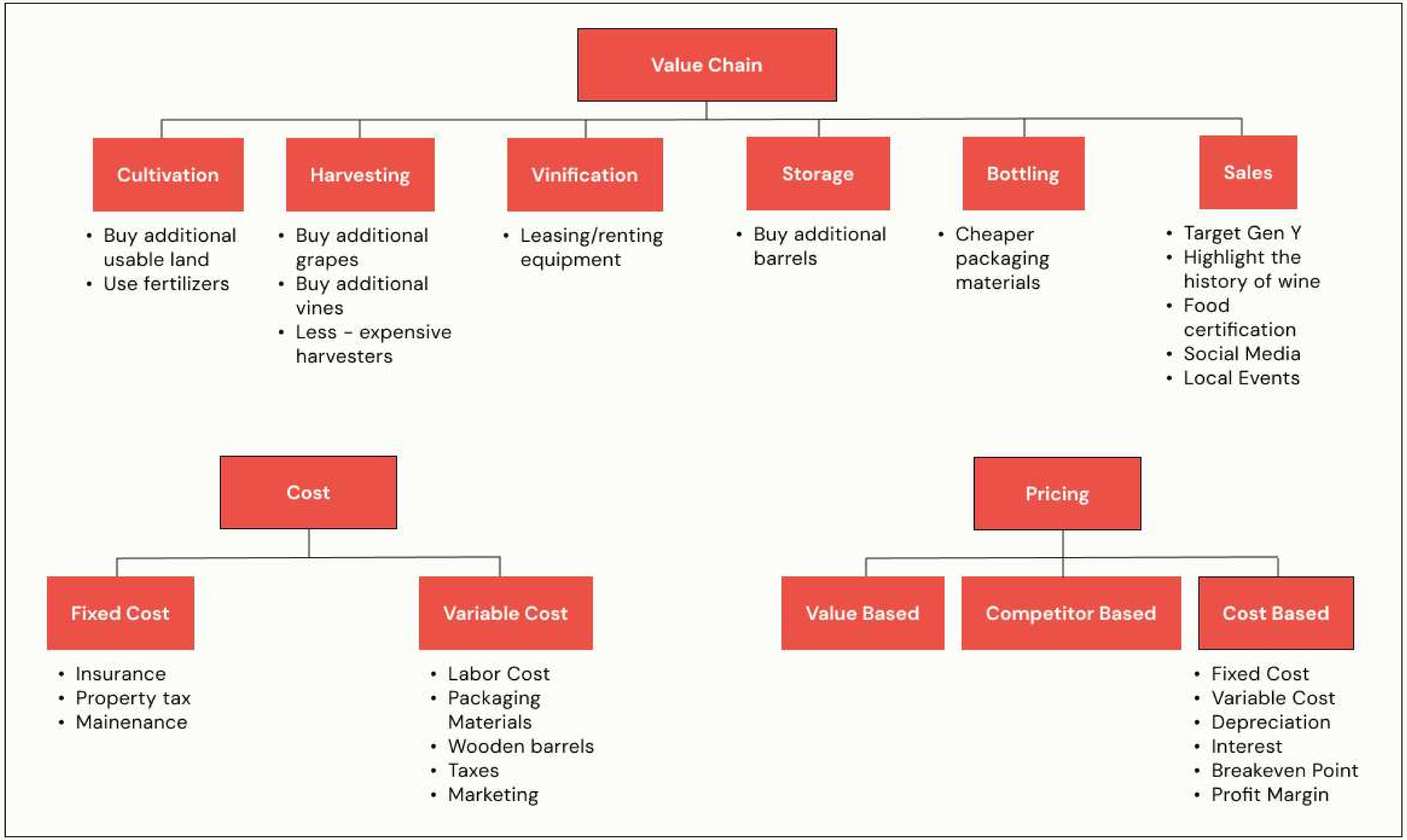
Good observation. How would you place our product in the Market to justify the price? Suggest some marketing strategies.

First, we should develop critical elements and concepts for an image and marketing strategy to address "Generation Y "customers, being the most willing to pay more than 10 € for a bottle of wine. We should look for the needs of this segment, and then we can add possible elements of an image and marketing strategy like:
1. Highlighting the long and personal history of the winery
2. Physical/optical improvement of the "Old Winery"
3. Organic food certification
4. Focus on the quality/appearance of the wines such as new, modern labels/ bottles for the wines, possibly also individualized labels for smaller series upon customer request
5. Use of new/ social media channels
6. Activities in blogs and networks to present the winery online
7. Sale and marketing through existing wine Apps or by developing one's App
8. Organization of local events at the winery
9. Direct sale at the winery

Good recommendations. We can end the case here.

Old Winery

Unconventional | Bain & Co.



You have inherited the "Old Winery" from your grandfather, a winery that has been family-owned for five generations and can be dated back to the 16th century. Your grandfather never wanted to change the winery's image and left the managerial and administrative tasks to a young, energetic wine-maker. Due to the not-so-well-known brand, the demand for the "Old Winery" wine is currently relatively low. Given your limited knowledge of winemaking, you do not intend to run the winery operatively but find owning a winery exciting. You plan to give the winery some fresh impetus

Case Notes

- Client has inherited a winery and currently only 1/4th of the total 11 hectares is used for making vines
- Client is using old and typical method of making the vines
- Initial cost of Investment= $ 120,000 with no interest for 15 years
- Cost of manufacturing each bottle of vine comes out to be $ 9.80
- Average cost of vine in the market is $ 3.00
- Client has to target those customers who are less price sensitive

Recommended Solutions

- Technical upgradation in cultivation, harvesting, vinification and bottling processes
- Increase additional wooden barrel capacity
- Highlight the history of winery
- Organic Food Certification
- Social Media Channel, Blogs
- Direct Sales
- Local Events

Unconventional | BCG

Chip Equity

Interviewer: Our client is an electronics holding called Chip'n'Chip. They want to invest in a Printed Circuit Board (PCB) manufacturer called OnBoard and asked you whether it's going to be a good investment. How would you help them?

Candidate: I want to start with a few clarifying questions. How much is our client willing to invest and how much is OnBoard looking to be paid?

Interviewer: Chip'n'Chip has more than $80 m for investments. It requires a 10% ROI in the first year to invest. OnBoard has a valuation of $320 m. They are looking for a private equity investor to inject $80 m and are looking to give 20% of the shares for investment.

That's very helpful! Where does OnBoard operate and what is the market growth rate for PCBs?

OnBoard is looking to invest the funds into the factories in Vietnam. Also, the market for the 2-layer PCB technology has been declining globally by 4% per year in the last few years and tends to keep falling. The market for the new 3-layer technology had an increase of 10% per year in the last few years (smartphone boom).

So I'm assuming our client is planning to use these investments to expand in the 3-layer PCB technology, is that correct?

Yes that is correct.

What is their target production capacity?

6 m units of the 3-layer PCB technology.

How is the competitive environment in the Asian market?

Japanese manufacturers control more than 50% of the market, but have stagnated as new manufacturers in Asia (specifically China and Southeast Asia) improve their technology with less labor costs.

OnBoard has factories in Germany, China, and Vietnam.

How is the current production of these factories and what capacity utilization does each of these factories have?

The capacity of the factories in Germany/Vietnam is 5m boards per year, whereas the capacity in China is 10m boards per year. The factories are working with the following capacity utilization: Germany at 60%, China at 80%, and Vietnam at 100%.

Just to clarify, these values are only for 2-layer PCBs right?

That is correct. There is no active production of 3-layer PCBs from any of OnBoard's factories.

Great. So what are the costs of each of these factories?

China and Vietnam consume $3.5 per unit and Germany consumes $4 per unit produced.

And what prices are these products sold at?

All of these are sold at $5 per unit.

That means China and Vietnam see $1.5 per unit and Germany sees $1 per unit profit. How will these costs and prices change for 3-layer PCBs?

The unit costs for the new 3-layer boards will be the same as for the old technology. The unit price, however, will be $6.5 per unit.

That means a profit of $3 per unit instead of $1.5 per unit since the investment is only in Vietnam.

Okay, the conclusion seems quite accurate. Proceed further.

Okay since the profits seem very attractive, I will proceed into the synergies. Since our client is an electronics holding company, do they have any other clients that can benefit from OnBoard?

Chip Equity

Good question. Yes, our client owns many manufacturers that need PCBs.

Where do those manufacturers operate?

Those companies are all in the US, apart from one motherboard manufacturer for high-end laptops in India.

How are the current purchases for each of these factories in terms of both volume and price?

The factory based in India currently outsources the production of 10 million units of the 3-layer PCBs. The client's companies in the US buy 20 million 2-layer PCBs per year for a price of $5.

I noticed that the prices of these PCBs are the same for the US-based companies as OnBoard. This means there are no switching costs for those companies but indirectly our client benefits from the switching anyway.

Yes that is a good observation and suggestion.

Since our factories in Germany, China, and Vietnam produce a total of 20 million units already (5 m, 10 m, and 5 m respectively) all of them can be exported to US-based companies. The total revenues will be 5 * 1 m + 10 m * 1.5 + 5 m * 1.5 = $27.5 m. What would be the transportation costs for these units to the US?

You can assume the transportation costs are negligible.

Great. Also, since we are producing 6 m units of 3-layer PCBs from investment, we can provide those to India, whose requirement is 10 m. This will further give our client $3 * 6 m = $18 m and a total revenue of $27.5 m + $18 m = $45.5 m. Since our factories in Germany and China still don't have 100% capacity utilization, we can focus the next investment on improving those with acquired profits.

Yes the calculations seem accurate and the insight is also very useful for future business decisions. Proceed with an ROI sanity check.

Since our client holds 20% of the shares, the ROI will be (45.5/80) * 0.2 * 100% = 11.3% ROI which is more than our client's expected 10% ROI.

Okay, so what is your final solution?

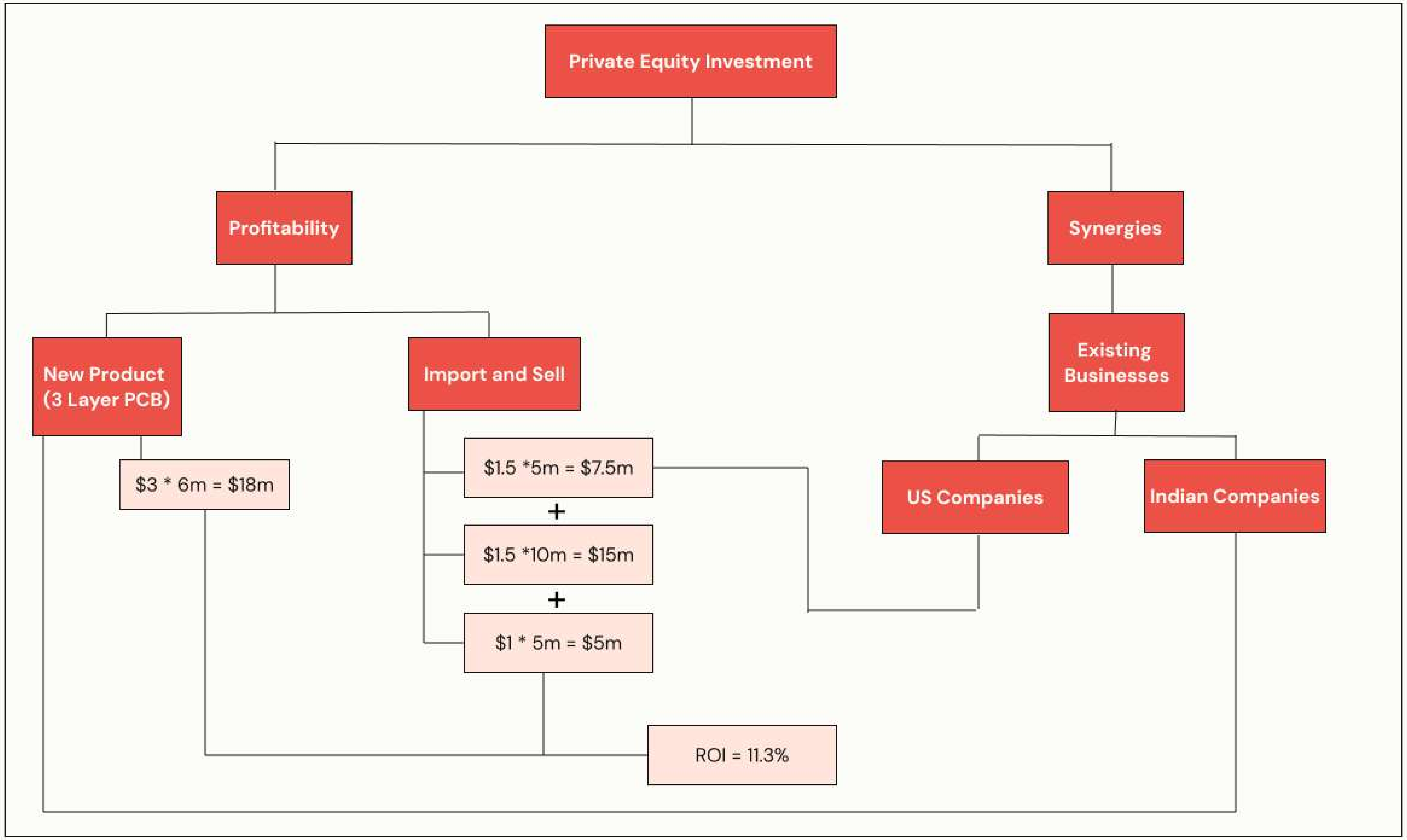
Our client should proceed with the investment because:

- The expansion into the 3-layer PCBs market seems very attractive.
- The profitability for both the 2-layer and 3-layer PCBs is also very attractive.
- The companies' synergies also match as our client's existing companies based in the US and India could be potential customers for OnBoard and when these sales are converted, that gives our client an ROI of 11.3% which exceeds our client's expectations.
- The investment also brings more business opportunities as there is potential to improve capacity utilization of factories in Germany and China which will further increase the sales of OnBoard and profits of our client.

Great that concludes your case.

Chip Equity

Unconventional | BCG



Our client is an electronics holding called Chip'n'Chip.They want to invest in a Printed Circuit Board (PCB) manufacturer called OnBoard, and asked you whether it's going to be a good investment.How would you help them?

Case Notes

• The framework should split into different sets of analyses for both the new product and the existing product.
• The competitive landscape doesn't seem to have a large significance since the market is a emerging market.
• Since client is an electronics holding company, they should own other electronics companies who could be potential customers for OnBoard.

Recommended Solutions

Short Term:

• The expansion into 3-layer PCBs market seems very attractive.
• The profitability for both the 2-layer and 3-layer PCBs are also very attractive.
• The companies' synergies also match as our client's existing companies based in US and India could be potential customers for OnBoard and when these sales are converted, that gives our client an ROI of 11.3% which exceeds our client's expectations.

Long Term:

• The investment also brings more business opportunities as there is potential to improve capacity utilization of factories in Germany and China which will further increase the sales of Onboard and profits of our client.

Observations/Suggestions

• The framework and case structure is very intricate as many connections are made throughout the case to the previous discussions.
• Other synergies could've also been explored to further strengthen the solution of the case.

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Well Being Health care

Your client is Well Being (WB), a private healthcare company in Germany. They operate 10 hospitals in Germany (in comparison to 1,000 public hospitals). They are considering a proposal from the Governmental National Healthcare (NHC) to outsource some of their patients to WB. Do you have any questions before we dive into this?

Yes, just to clarify, what is WB's current position in the market? Are they looking to grow, or is this more about maintaining their position?

WB is looking to grow its market presence and improve profitability. Currently, they hold less than 1% of the market, with revenue at €100 million in 2012 and an operating profit of €0.5 million. Their main competition comes from the NHC.

Understood. What size are WB's hospitals compared to public ones, and what kind of services do they offer?

WB's hospitals are about half the size of public ones, and they don't offer Accident and Emergency (ER) services. Their revenue comes from patients paying through private insurance or by cash.

Got it. So, with NHC wanting to outsource patients to WB, are there any specific patient types or services involved in this offer?

No specific patient types mentioned yet, but the idea is for WB to take on some overflow patients from NHC, which could potentially increase WB's patient base and revenue.

That helps. Now, what can you tell me about the overall characteristics of the healthcare market in Germany? How competitive is it?

The degree of rivalry in the market is high. NHC is the dominant player, and other private hospital groups also add to the competition. This results in low profit margins for smaller players like WB.

I see. So, WB would need to find a way to stand out and differentiate themselves from competitors. They could do it by focusing on their brand, improving quality of service, reducing price, reducing waiting times, and possibly expanding to new locations or targeting new demographics. What about the supplier power? Do they face any challenges there?

The supplier power is medium to high. Top-quality doctors are a scarce resource, so WB needs to focus on attracting and retaining them.

Understood. What about the patients? How much power do they have in this market?

Patients have high buyer power because they can easily choose other hospitals, including public ones. So, WB must differentiate itself to attract and retain these patients.

Makes sense. Are there any substitutes to healthcare services that WB should be concerned about?

The threat of substitutes is low. There aren't any real substitutes for healthcare services, which gives WB some stability in terms of demand.

And in terms of new entrants, are there significant barriers to entry?

The entry barriers are medium. Entering the healthcare market requires significant time, investment, and expertise. However, it's not difficult for international healthcare systems to enter the market.

Considering these factors, I think WB could raise these barriers by building hospitals in attractive locations and offering competitive prices for its services.

Now coming back to the offer, NHC has decided to contract out operations for hip replacements due to long waiting times. What factors should WB consider when deciding whether to accept these new contracts?

That's an interesting opportunity. Could you clarify the scope of these contracts? Are they bulk contracts, and how would they affect WB's existing operations?

Yes, they are bulk contracts. NHC would send a significant number of patients for hip replacements.

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Well Being Health care

I see. Well, one clear advantage of accepting these contracts is that it would increase WB's business volume. Since it's a bulk contract, WB can plan for the increased demand by scheduling resources more efficiently, which could help manage the influx.

That's a good point. Any other benefits?

Another benefit is that NHC patients who experience WB's superior facilities might be encouraged to take out private insurance later on. This could help WB expand its private insurance market, leading to potential long-term growth.

True. But are there any disadvantages WB should be concerned about?

Yes, there are a few. One major concern is that accepting more patients from NHC could increase waiting times at WB, which might undermine one of the key ways WB differentiates itself—by offering shorter waiting times compared to public hospitals.

That's definitely something to consider. Anything else?

Another issue is that private patients might not like being treated alongside public patients. This could reduce the appeal of private healthcare for WB's existing customers, especially if they value exclusivity.

Fair point. Would WB have enough capacity to take on these patients?

That's another potential downside. WB might not have the resources or capacity to handle the increased number of patients, especially if it strains their current infrastructure. Plus, since NHC would be paying less due to the bulk contract nature, WB might struggle to turn a profit from these contracts.

WB has decided to enter the NHC contracts. Now, how would you analyse the capacity of a hospital, particularly regarding outpatients?

Before we dive in, can you clarify what areas of the hospital we should focus on in terms of capacity?

Sure. Each WB hospital has two main areas: the inpatient area for surgeries and overnight stays, and the outpatient area for consultations, operations without overnight stays, physiotherapy, and tests like X-rays and blood tests.

Got it. So, for the outpatient area specifically, I'd start by looking at the key capacity constraints, which I assume would be personnel and equipment. Is that right?

Exactly. What other factors would you consider?

I'd analyse every stage of the patient's journey through the hospital. This would include areas like appointment booking, the reception, the consultations, physiotherapy, and any tests like X-rays or blood work. We shouldn't only focus on doctors and nurses but also look at admin staff, as they're crucial in managing the flow of patients.

Good point. What would happen if demand exceeds capacity?

Since the utilisation of resources in the outpatient area can be quite variable, it's vulnerable to peak demand. If demand exceeds supply, it could lead to queues and a lower quality of service.

That's a concern. How could WB address these capacity challenges?

There are a few options to add capacity. First, WB could increase staff. Hiring more general staff for roles like reception would be relatively easy and inexpensive. However, hiring clinical staff like doctors and nurses would be much more difficult and costly.

Right. Any other solutions?

WB could also acquire more equipment, although that would be expensive. If space is an issue, they could even rent extra space, depending on the location.

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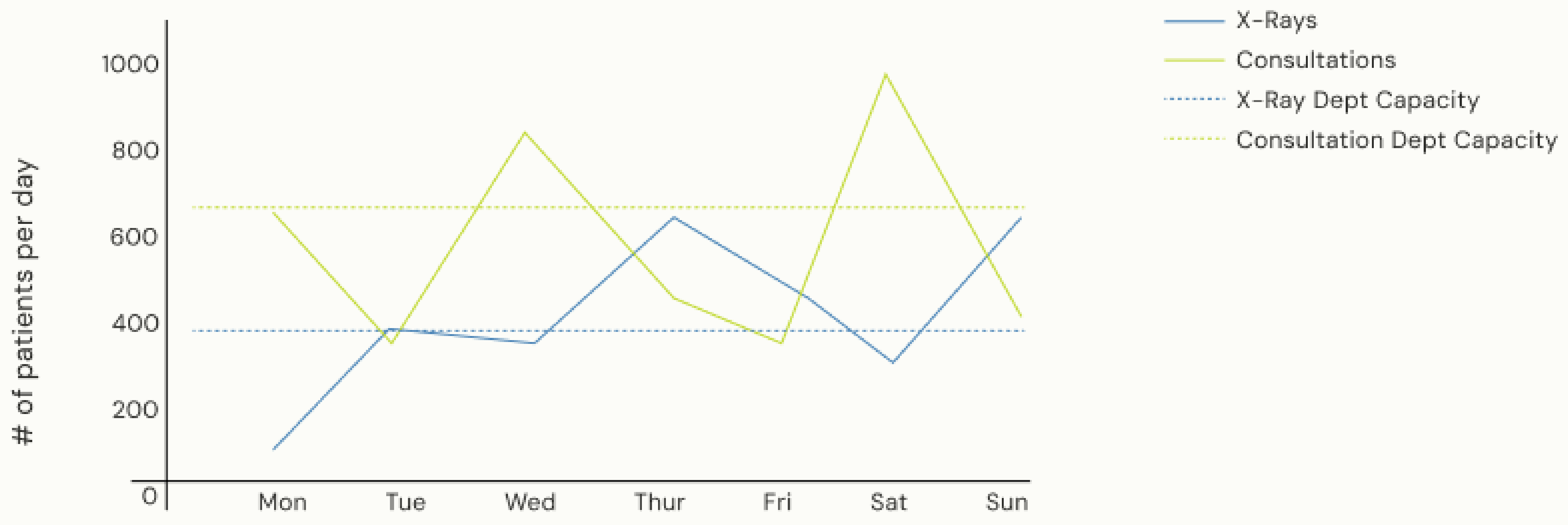
Well Being Health care

And what about bottlenecks? Where do you think the major constraints would be?

The biggest bottleneck would likely be clinical staff—doctors and nurses—since they're hard to substitute and expensive to acquire. Additionally, physical space could become a problem, especially waiting areas. Finally, if the admin staff is overutilised, it could lead to increased process times for patients.

Here's a graph showing the number of patients treated per day in consultations and X-rays. How would you interpret this graph? Do you think consultations lead to X-rays or vice versa?

Patients Treated per day



Before I answer that, just to clarify, the graph shows the capacity and the actual number of patients treated in both the consultation and X-ray departments across a week, correct?

Yes, that's right.

Alright. From what I can see, there's a consistent inverse pattern between consultations and X-rays. On days where consultations exceed their capacity, like Wednesday and Saturday, the X-ray department is relatively less busy. Similarly, when X-rays peak on Thursday and Sunday, consultations are below capacity. So, it seems like these two areas complement each other in terms of patient load.

Good observation. What do you think about the relationship between the two areas? Could there be a lag or lead between consultations and X-rays?

Yes, I do see a potential lag. X-rays seem to lag consultations by one day—for instance, consultations peak on Monday, and X-rays peak the following day, Tuesday. But there isn't a consistent pattern of X-rays leading consultations by one or two days. The lag seems more evident.

That makes sense. And how do you interpret the capacity issue based on this graph?

Both areas appear to exceed their capacities at different times, leading to delays. Consultations go over their capacity on days like Wednesday and Saturday, while X-rays hit their limit on Thursday and Sunday. This could indicate operational bottlenecks during those peak times.

Right. Lastly, do you see any significant difference in the volume of consultations versus X-rays?

Yes, there are more consultations than X-rays overall. This implies that not every consultation leads to an X-ray, but a single consultation might result in multiple follow-up consultations on later days.

Now let's move on to the next part. WB is planning to increase operations by 25%. How many outpatient visits will occur due to this increase?

Just to clarify, for each operation, there are about 6 outpatient visits, correct?

Yes, that's right.

Great. And do we know the current number of operations?

Well Being health care

Yes, the total number of operations will be 1.75 million after the 25% increase.

Got it. So, with 1.75 million operations, and each operation requiring 6 outpatient visits, the total number of outpatient visits would be:
1.75 million operations × 6 outpatient visits = 10.5 million outpatient visits.

Exactly. And what do you conclude from this?

The number of outpatient visits would reach 10.5 million, which could potentially exceed the current maximum capacity of the client. This suggests that in the long run, WB's outpatient capacity will be too small to handle the increased volume, and they may need to expand their capacity to meet demand.

Spot on. Now, based on everything we've discussed, what would be your recommendation to Well Being regarding their strategy?

Just to clarify, is the main issue that the additional NHC contracts will lead to exceeding WB's capacity?

Yes, exactly. The increase in operations due to the NHC contracts would push the capacity beyond its limit.

Understood. My recommendation would be as follows:

1. **Monitor capacity levels closely:** With fluctuating demand, capacity will regularly exceed 100%, which could cause significant issues like delays, lower service quality, and higher costs, ultimately leading to brand damage.
2. **Consider accepting only part of the contracts:** WB could take on half of the NHC contracts instead of all of them. This way, they can manage the additional workload while avoiding major strain on their capacity.
3. **Expand capacity:** Although this would be costly and take time, expanding WB's capacity could allow them to handle the increased demand in the long run without compromising service quality.
4. **Assess financial details:** WB should also analyse the revenue vs. costs related to the NHC contracts. This would help in determining whether it would be economically viable to agree to these contracts in the first place.

That makes sense. So, your main recommendation would be to expand capacity while carefully managing the number of contracts WB accepts?

Exactly, they should strike a balance between taking on new business and maintaining their high standards of service quality.

Lastly, how would you minimise the time for processing health records, given that NHC records need to be processed within 48 hours and private ones within 24 hours?

Just to clarify, are we looking to optimise the process using the current level of resources?

Yes, we're aiming to streamline the process without adding additional resources.

Got it. I'd suggest the following strategies:

1. **Prioritise NHC records on less busy days:** Since NHC records allow for a 48-hour window, they can be processed on quieter days, freeing up time for the more urgent private records which have a 24-hour deadline.
2. **Merge the consultation and X-ray record systems:** These two departments have similar records, so combining them into a single record system would streamline operations and eliminate capacity issues related to separate processing systems.
3. **Implement IT-automated electronic health records:** Transitioning to electronic health records could automate a significant portion of the process, making it more efficient and reducing delays.
4. **Pre-process outpatient health records:** For outpatients, preparing their records in advance can help cut down processing time. However, this may not be applicable for X-ray records, which are only confirmed a day before the appointment.

Sounds efficient. So, the combination of prioritising based on deadlines and introducing automation would help reduce processing times?

Yes, exactly. This would ensure both NHC and private records are processed within their respective time limits without overburdening the current system.

Fysikum

Your client, Fysikum, is an operator of squash centres in Sweden. The squash centres include sauna, spa, pool, gym and of course the squash courts. Due to the extreme success in Sweden the company is considering expanding to other countries of Europe, in particular Germany. Therefore they asked us to evaluate this possible expansion. To start, we have the cost structure of the company

	Fysikum
Total annual cost	€200,000
# of courts	15
Opening hours	8am-6pm
Days of use per week	7
Court use	1 hour per member per week
Usage capacity	70%

What kind of information would you need in order to estimate the outcomes of this expansion?

The best way to solve this is by using a "3C's" or "Porter's Five Forces" analysis. I will use the 3C framework here.

	Good answer	Additional points
Customers	• Market size and growth • Market segmentation (activity level, preferences)	• Cultural factors (will • Germans drive to a squash center, ...)
Competitors	• Number of competitors • Intensity of rivalry • Positioning of competitors	• Legal issues • Maturity level of industry • History of new entrants in the market
Company	• Replication of business model possible? • Possible economies of scale	• Cost of expansion • (affordable?) • Real estate available?

How would you gather the needed information you just mentioned?

It will be a feasible option to purchase marketing analyses / research reports.
Contacting someone in the consulting company who has experience in the market or industry also seems a feasible option.

Now we can start with the more quantitative part of the case. Can you determine the minimum annual membership fee Fysikum has to charge in order to cover the running cost?

Fysikum

Given the cost table, I would like to ask you about the revenues and what is the operational time of the courts, is there some particular time when the court is used in greater frequency?

The profits are equal to the annual costs, and the courts are always used in the operating hours. Also, the usage is 50% single and 50% double matches.

Okay, I will use the abovementioned information for the calculation purposes:

# of players per court & hour (average)

$$=50\% * 2 \frac{\text{players}}{\text{single match}} + 50\% * 4 \frac{\text{players}}{\text{double match}} = 3 \frac{\text{players}}{\text{O match}}$$

Hours played per week & court

$$=7 \frac{\text{days}}{\text{week}} * 10 \frac{\text{hours}}{\text{day}} = 70 \frac{\text{hours}}{\text{week \& court}}$$

Total # of members

$$=147 \frac{\text{members}}{\text{week \& court}} * 15 \text{ courts} = 2{,}205 \text{ members}$$

Cost per member and year

$$= \frac{€200{,}000}{2{,}205} = 90.70 \frac{\text{Euro}}{\text{member \& year}}$$

# of members per court & week

$$=3 \frac{\text{players}}{\text{O match}} * 1 \frac{\text{Amatch}}{\text{hour}} * 70 \frac{\text{hours}}{\text{week \& court}} * 70 \text{ capacity usage}$$

$$=147 \frac{\text{members}}{\text{week \& court}}$$

Are you sure that this is an annual membership fee and not a weekly charge?

As the annual costs are divided by the total number of members this is indeed an annual fee.

The dominant market player for squash centres (60% market share in Germany) offers memberships for €50. Would you recommend entering the market?

There could be other outcomes of the investigation. If the competitor operates across all segments, from low-end to high quality, and has a lower cost base, Fysikum should not enter the market. An entrance would only lead to a price competition that our client cannot win.

In order to make no loss, Fysikum would need to charge more than €90 per member.
The client should only enter the market if there is a possibility to differentiate from the dominant competitor. Other issues, mentioned while doing the 3C analysis should also be considered.

If you have to report to the CEO right now, what would you tell him/her?

In order to make no loss, Fysikum would need to charge more than €90 per member. The client should only enter the market if there is a possibility to differentiate from the dominant competitor.

Thank you, we can conclude the case here.

Unconventional | KPMG

Door-to-Door Newspaper

We are thinking of establishing a door-to-door distribution of an existing online newspaper in Kolkata, India. We haven't spent much time on how the process would work in practice yet. Can you help us evaluate the feasibility of the plan?

What is the age group they currently attract?

Most of their online readership is young—18 to 35 years old. They are tech-savvy and prefer consuming news digitally.

Wouldn't targeting these readers with a physical newspaper be a mismatch? These consumers are unlikely to switch to a print format when they're already accustomed to the convenience of digital news.

What if we target a broader audience, potentially untapped?.

Kolkata's population is around 15 million, assuming the literacy rate to be 80%, around 12 million literate people. If we estimate that around 25-30% of Kolkata's population falls into the older demographic—those 40 and above—then we're looking at a target market of about 3.5 to 4 million people. Even if a small percentage, say 10-20%, would be interested in subscribing to a new physical newspaper, that only gives us around 350,000 to 800,000 potential readers. Are there already established newspapers that dominate this space?

Yes, Kolkata has a number of well-established newspapers with long-standing, loyal readerships. Some have been around for decades and have built strong trust among readers.

Entering a market with entrenched competitors who have loyal customers is very difficult. With their established distribution networks and brand loyalty, convincing people to switch to a new, unknown newspaper would be a tough sell.

The loyalty factor is something we're concerned about.

Considering the large upfront investment for door-to-door delivery infrastructure, do we have an estimate of the cost for launching this operation?

We'd need to invest in local distribution networks, printing facilities, and marketing campaigns to raise awareness. This, combined with potentially lower subscription revenues initially, makes the break-even point a few years away, at best.

How does the client currently perform in the online space in terms of revenue?

The client's online revenues are growing steadily, mainly through digital subscriptions and ad revenue. They've built a strong brand online with consistent traffic and reader engagement.

Given the growth in digital, I would question whether it makes sense to divert resources to an offline venture, especially when the younger, more future-proof audience is engaged online. Wouldn't it be more strategic to invest further in digital expansion, improving content, and increasing online advertising, rather than battling for a small slice of the offline market?

We wanted to explore whether there was a unique offline opportunity that we might be overlooking.

Based on the information provided, I would advise against pursuing the door-to-door offline model. The potential audience is small, the competition is fierce, and the costs are high. Plus, your core strength lies in the digital space where you're already seeing growth. Instead of entering a declining offline market, focusing on digital innovations, expanding online reach, and monetizing that growing audience would be a more sustainable and profitable direction.

Your evaluation is well-reasoned. It seems you've covered the crucial aspects. Thank you for your comprehensive analysis. That concludes our interview.

Road Accidents

Recently, a highway in Bihar was expanded from 4 lanes to 6 lanes to reduce congestion. However, within a few months, we've noticed a spike in accidents in the area where the new road section was constructed. Can you help us identify the causes behind this?

Thank you for the context. Before jumping into the analysis, I'd like to ask a few clarifying questions to better understand the situation. What types of accidents are we seeing? Are they primarily collisions between vehicles, pedestrian-related, or something else?

The accidents are mostly vehicle to vehicle collisions.

Okay, Is there a particular time when these accidents are more frequent, such as during the day or night?

No, There's no specific time pattern that we've identified in the said period.

Understood. Are the accidents concentrated in a specific part of the expanded road, or are they spread evenly across the entire section?

Good question, the spike in accidents are mostly concentrated in the center lanes of the road.

Okay so based on this I'd like to break down the possible causes of these accidents into three broad categories: human error, design flaws, and external factors. Human error would cover issues like speeding, distracted driving, or a lack of familiarity with the new road. Design flaws would involve issues in road layout, signage, and markings. External factors could include weather conditions, poor lighting, or other unforeseen circumstances. Could you let me know which of these areas has been most problematic in recent months?

We've noticed that the issue primarily stems from design flaws.

Thank you for narrowing it down. Now, when we talk about design flaws, we can further break it down into specific areas such as Signage and markings whether the traffic signs and road markings are clear, visible, and properly placed, Road geometry how the road curves, merges, or diverges and Lane structure i.e. whether the lane width, positioning, or number of lanes creates confusion. Could you clarify where the design flaw lies?

The design flaw is specifically in the signage. The issue seems to be with how the traffic signs are positioned and their visibility.

Got it. So, focusing on the signage, the next step is to identify specific issues. Based on experience, the potential causes could include, Faded or worn-out signs where the signage has deteriorated and is difficult for drivers to read, Missing signs where some signs may have been removed or uprooted during the road expansion, Poor placement of signs where the signs may not be positioned effectively, leading to low visibility, especially for the new lanes and Obstructions either natural or man-made that lead to blocking the view of the signs. Which of these factors have you observed?

The main problem is inadequate placement. When the road was expanded, we didn't properly reposition or add new signs to accommodate the new lanes.

That's helpful to know. Just to summarize: The issue arises from inadequate signage placement after the road expansion. The signs that were originally positioned for a 4-lane highway were not adjusted or supplemented to accommodate the additional lanes. As a result, drivers, especially those in the innermost lanes, are not able to see important traffic signs, which is leading to accidents.
For a recommendation, I suggest the following steps:

1. Install overhead signboards above the central divider. This would ensure that all lanes have clear visibility of the traffic signs.
2. Add additional signage closer to the new lane edges, and ensure these are placed at regular intervals to prevent drivers from missing any important signals.
3. Review lighting around the signs to ensure they remain visible at night or during low-visibility conditions.

That is a comprehensive analysis, we can conclude the case here.

Shipping Company

Your client is a local shipping firm in Spain where they handle local shipping of packages delivered by international shipping firms like FedEx, UPS & DHL. These firms deliver packages to the key city hubs and then our client takes it from there. They want to know how many trucks they should lease to support their operations. And also they are aiming to be profitable.

Before moving to solve the case I would like to ask some preliminary questions to the client.

Yes, sure.

So, May I know how many packages need to be delivered per day?

1000 packages.

Oh, that's a good number, so what kind of packages do you deliver like what would be the average dimensions of the packages?

We deliver packages in envelope format with dimensions of 1*1*1 m3.

Well, what is the delivery service duration, i.e no.of working days in a week and working hours?

Our delivery service runs 5 days a week from 09.00 AM to 06.00 PM i.e. 9 hours

Oh, so what is the average duration of delivering the parcel?

It takes on average 10 minutes to deliver each package.

So, Now I got ample amount of knowledge on parcel, so let's delve into the truck's side. How many models of trucks are available for us and their lease costs and their dimensions?

Sure, So the available models are

MODEL:	COST PER DAY($):	DIMENSIONS:
1. A	160	3*4*6
2. B	50	9*2*2
3. C	140	6*8*11

As I have got my questions clarified, let's move into volume calculation.

Great, you can proceed with your calculation.

First let's calculate optimum no. of any type lorries required based on time of delivery and no. of deliveries
There are 1000 packages to be delivered per day, the working hours are 9 hrs and the duration of delivery is 10 min. So no. of deliveries would be made per day = 9*60/10 = 54 deliveries
Hence 1 truck can deliver 54 packages per day, no.of lorries required to deliver 1000 packages = 1000/54 = 18.51 = 19 required wholly

That's a good approach, now could you do a similar type of approach in models?

Sure Calculating optimised option, we need to calculate the total daily costs for each model with 19 trucks.
Model A
(1,000*(1x1x1))/(3x4x6)=14 rounded trucks or a minimum of 19 trucks costing us 19*$160=$3,040 per day.
Model B
(1,000*(1x1x1))/(9x2x2)=28 rounded trucks or a minimum of 28 trucks costing us 28*$50=$1,400 per day.
Model C
(1,000*(1x1x1))/(6x8x11)=2 rounded trucks or a minimum of 19 trucks costing us 19*$140=$2,660 per day.

The cost-effective & optimised solution is to take 28 trucks of Model B which helps us meet our daily load & minimises daily lease costs.

This is a very good analysis and calculation, Now we can close the case.

Campaign Design | Nation with Namo

Increasing Women Voters

Your client is Nation with Namo with a campaign requirement. You are expected to design a campaign to increase participation from women voters.

Before starting, I have some clarifying questions.

Sure, go ahead.

To clarify, are we focusing on a specific election; like the national elections, or are we aiming at a regional election?

We are targeting the General Lok Sabha election, aiming to increase voter turnout specifically for this election.

Understood. Are we concentrating on any particular regions within India?

No, this campaign should have a pan-India reach, targeting women across all states and union territories, as well as across all age groups, socioeconomic backgrounds, and communities.

Alright. I will start with analyzing the root causes that shall resonate with majority of women across India.

Yes, go ahead.

Some of the pressing issues women face today include dowry, personal safety, equal rights, access to education, and fair representation in influential positions. Among these, I believe a strong focus on safety as the central narrative could make the campaign more impactful. Safety has been a top concern for women across regions, especially in light of recent incidents that have heightened awareness and discussions around this topic.

Very well. Safety is indeed a critical issue. Please proceed with outlining the campaign's mediums and approach.

I propose we focus on three major channels for our campaign. First, we will use Print Media, placing posters and banners in areas with high female footfall such as marketplaces, shopping areas, and community centers. These visual cues will serve as reminders of the importance of their vote and empower women to actively participate. Secondly, we will focus on Television Media whew we can run targeted advertisements on popular TV channels, especially during daily soap operas and other programs that are highly viewed by women. Additionally, we could create a series of short public service announcements that emphasize the right to vote and how each vote contributes to addressing their safety and other societal needs. Third, we will leverage social media with a modern approach, utilizing platforms like Instagram, Facebook, and Twitter. The campaign can include a series of posts, reels, and trending hashtags to capture attention, particularly among younger women. Here, we could use relatable influencers and women leaders to share messages on why voting is vital for women's empowerment and societal change.

That seems a well-rounded media plan for advertising. Please elaborate on additional activities that will deepen and enhance the engagement of the campaign.

Yes, to build grassroots engagement, we could include several community-driven activities:

- For rural outreach, we could partner with Naari Sangathans —women's collectives or self-help groups —to reach villages and engage women directly. These groups have established trust within their communities, making them ideal partners to disseminate our message.
- In urban areas, we could organize campaigns within residential societies and conduct street plays that highlight the role of women in shaping the country's future through voting. Street plays can be an effective way to connect with people and leave a lasting impression.
- Additionally, we could collaborate with women leaders from various fields—such as education, healthcare, business, and activism—to conduct seminars and talk shows. These events can emphasize the importance of voting as a means to safeguard their rights, ensure better safety measures, and amplify women's voices in policy decisions.

That seems good. To measure the effectiveness and success of the campaign, provide some KPIs.

Absolutely. To ensure we have clear targets, we could start by dividing India into various geographic and linguistic segments, adapting the messaging for each region. We could set a measurable goal to reach at least 1 crore women voters over six months. Additionally, we can track engagement rates on social media, the distribution and reach of print materials, and the attendance in seminars and community activities.

That's a comprehensive and measurable plan. I believe we can conclude this case here. Thank you.

Unconventional | McKinsey & Co.

Credit Card

Your client is a big bank that issues credit cards with a €100 annual fee. Recently, a supermarket entered the credit card business. The supermarket's credit cards do NOT have an annual fee. Your client wants to know how they should react to this new competitor.

Interesting situation. Before diving into recommendations, I'd like to investigate the similarities and differences between the two credit cards, particularly the features and benefits aside from the fee. Is there any additional information on that?

The only difference between the two cards is the annual fee. All other aspects of the cards are the same.

Understood. I think it's important to assess the primary revenue streams from the client's product to quantify the contribution of the annual fee of €100 in this case. For this, we also need to factor in other revenue sources, such as interchange fees and interest on outstanding balances.

Certainly. Our client charges an interchange fee of 1% of the total amount paid using the credit card. The average interest on credit card balances is 10%.

To better estimate the total spending and interchange fee revenue, could you provide some insight into the typical income level of the client's customers?

The average annual income of our client's customers is about €30,000.

Okay so based on this, we can estimate the revenue from each stream.
Assuming a customer spends 45% of their €30,000 annual income via credit card, they would spend €30,000 * 45% = €13,500 annually. With a 1% interchange fee, this generates:
€13,500 * 1% = €135 in interchange fees per customer. Now for the interest revenue estimation, do we have any information on the average outstanding balance or loan amount per customer?

Negative credit card balances are 20% of the average amount paid via credit card.

So, for the interest on balances, 20% of the amount spent on the card remains as an outstanding balance, which would be €2,700. With a 10% interest rate on this balance, the interest revenue is: €2,700 * 10% = €270 per customer. So, adding the €100 annual fee, the total revenue per customer would be:
€100 (Annual Fee), €135 (Interchange Fees), €270 (Interest). That brings us to a total of €505 in annual revenue per customer for VISO. Since the only difference is the annual fee, Supermarket would generate the same revenue from interchange fees and interest. The average yearly revenue per credit card is €405 for the supermarket. Thus, if VISO removes the €100 annual fee, it would face a 20% reduction in revenue. Am I going in the right direction?

Correct. Can you suggest some recommendations based on your analysis?

I can suggest three potential recommendations:

1. Do Nothing: If VISO's customers are not price-sensitive, they may continue using the card despite the fee. The new competitor may also be targeting a different customer segment, so VISO can retain its existing clients without any major changes.
2. Remove the Annual Fee: This would help match the competitor's offer. However, VISO would need to compensate by increasing other revenue streams such as interchange fees or interest.
3. Introduce Bundling or Incentives: VISO could bundle the credit card with other banking products, such as savings accounts, or offer to waive the fee for customers who meet certain spending thresholds.

Good enough. Let's delve into this further. If VISO chooses to eliminate the annual fee, what strategies could they implement to recover the lost revenue? Additionally, what potential downsides might each approach bring?

VISO could consider several approaches: First approach could be to enhance customer spending and increase revenue. For this, I would recommend that VISO consider implementing rewards programs or expanding its network of retailers that accept the card. While this could boost interchange fee revenue, it would necessitate additional investment in partnerships.
Another strategy could be to increase the interchange fee percentage. Although this could generate more revenue, we need to be cautious, as some retailers might stop accepting VISO cards, which could ultimately reduce usage.
Raising interest rates on outstanding credit card balances is another option. This could lead to higher revenue, but we should consider the potential impact on the bank's reputation and the risk of customers switching to competitors with lower rates.
Finally, promoting higher borrowing could increase interest revenue. However, we must be aware that encouraging larger credit balances comes with the risk of higher defaults due to increased debt levels.

Great. One last question: What challenges do, according to you, a bank like VISO might face when non-banks, such as supermarkets, enter the credit card market?

I think VISO could face several challenges in this scenario. First and foremost, reduced profits could be a significant issue. Non-banks often offer lower fees, which increases competition and may force traditional banks like VISO to lower their prices, ultimately shrinking profit margins. Also, there's the potential loss of customer information. As customers start using supermarket credit cards, VISO may lose access to valuable payment data that banks typically leverage to cross-sell other financial products. Lastly, customer acquisition could become more challenging. Credit cards usually serve as an entry point for banks to build long-term relationships with clients, and the entrance of supermarkets into this space could disrupt that customer journey.

Excellent analysis. We can conclude our discussion here.

Product Critique

Interview Transcripts

Product Critique | Unstop

Unstop

Which app do you think is particularly useful for college students in terms of professional development?

Unstop stands out for students. It goes beyond job searches, helping them grow skills and build networks through various competitions, internships, and learning opportunities.

What are its most helpful features?

Interviewee: Unstop offers a range of competitions, internships, job listings, and skill-building resources, all in one place. It also provides access to expert mentors and personalized recommendations based on a student's interests.

What sets it apart from other platforms?

Interviewee: The variety of competitions, the all-in-one platform experience, expert mentoring, and networking opportunities make it unique. It's also great for businesses looking to host competitions and recruit talent.

Any drawbacks you've noticed?

The competition diversity could improve, especially in fields like social impact or sustainability. The UI can feel cluttered, and mentor access isn't always timely. Also, some competitions lack value, and international opportunities are limited. A better feedback system would also help.

What improvements would you suggest?

Adding a community feature for students to collaborate, gamification for more engagement, and a career tracking tool to help students monitor their progress would be great additions.

How can Unstop stay competitive with larger platforms like LinkedIn?

By focusing on students and fresh graduates, strengthening partnerships with universities, and offering more competitions like hackathons. They can also use data analytics to personalize the user experience and keep students engaged.

If you were a Product Manager at Unstop, what would you focus on?

I'd focus on improving the UI, expanding mentor access, introducing community features and gamification, ensuring competition quality, and expanding international opportunities. These would boost the platform's value for students.

Great, thanks for your insights!

Product Critique

Reddit

Q. Hi, let us start with the case. What is your favourite app?

One of my favourite apps is Reddit

Ok. Why do you like this platform among all the other apps? What features attracted you to it?

So, Reddit offers several compelling features. The diverse range of subreddits enables users to engage in communities focused on virtually any topic, no matter how specialized. Also, Reddit provides users with anonymity, fostering open and honest discussions without concerns about personal identity. The platform's nested comment threads also facilitate in-depth conversations and detailed exploration of various subjects.

Great. So, I noticed Reddit is not as popular as compared to its competitors like Instagram or Facebook. What do you think is the major cause of it?

I personally feel Reddit is lagging behind as compared to its competitors because of a poor mobile app experience. Reddit has a better web experience, but falls short in the mobile app. Majority of the market for the social media industry uses mobiles for using the apps, not desktops or laptops. Reddit ends up missing out on a massive chunk of users due to its mobile app, which it can focus on to achieve its potential.

Right, so what are the issues you think that are holding the Reddit app back?

I think the app's user interface and user experience have significant issues that are limiting its potential.

Okay, tell me a few user interface issues?

The major issue is the outdated app design contributes to a lack of modern aesthetics, while limited thread exploration in posts hampers users' ability to follow discussions.

The monotony of text-heavy posts and comments reduces engagement, and the absence of visual distinction between posts and comments leads to clutter and confusion, along with poor ad integration in posts and comments.

Fine, what about the user experience issues?

So, the app currently suffers from several user experience issues, including poor performance with video posts, which often face buffering and playback problems.

Users also encounter disruptions due to the inbuilt browser redirecting them when clicking on links, which complicates navigation. Also, accessing deleted comments is challenging, impeding meaningful discussions.

Alright, how will you address these issues?

To address these issues, we should focus on the most important issue, which is the outdated app design, which should be completely revamped and brought up to modern standards.

This will be followed by other improvements including optimizing video playback, integrating a more seamless link-handling system, simplifying access to deleted comments, enhancing thread navigation features, improving text formatting for better readability and clearly differentiating posts from comments visually.

That's it for the interview. It is very evident why Reddit is your favorite product

Product Critique

PhonePe

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Product Critique | Advanced

Myntra

Hi, let's begin with the case. What is your favourite product?

Myntra is my favourite product. It is India's largest fashion and lifestyle e-tailer platform, providing a premium shopping experience for millions of fashion-conscious Indians.

Great. Tell me about some appealing features that attract you to this product.

Sure. Some of the key features that I find appealing are:

- It offers the latest fashion designs and products with an excellent user interface.
- It provides size recommendations based on previous purchases, using data to ensure meaningful user interactions.
- More importantly, the platform understands that fashion is more than just clothes; it's a form of identity and expression for its users.

Interesting. What are some of the pain points you've encountered with it, and how would you address them? You can choose any aspect you like.

I think Myntra needs to improve in the following areas:

- Limited options in new domains
- Inconsistent product quality and authenticity

Let's start with the limited options in new domains.

As Myntra expands into other domains like electronics, it currently offers a limited selection, which might drive users to other platforms with more variety. To improve, Myntra could partner with more brands to increase the range of products in these new categories. Additionally, leveraging data analytics to understand which products are in demand can help curate a more targeted selection. Another approach could be introducing a marketplace model where third-party sellers can list their products, rapidly expanding the variety available.

That seems like a reasonable approach. Now, let's address the issue of product quality

Some users have reported receiving products that do not match the quality or authenticity expected based on the product description and images. This inconsistency can lead to a lack of trust in the platform. To address this, Myntra could introduce a virtual try-on feature using augmented reality (AR) to let users see how clothes will look on them in real time using their smartphone cameras. Additionally, an AI-driven fit feedback system that suggests the best size based on the user's body measurements and previous purchases could be implemented. Moreover, adopting a more rigorous quality control process, including more detailed product verification before listing, could enhance authenticity.

Besides these, are there any new features you think Myntra should introduce to gain an edge over its competitors?

Myntra could consider introducing a "Group Feature for Collaborative Shopping." This could include a "Group Wishlist" feature, where users can invite friends to a shared space within the app, allowing them to add items to a collective wishlist. It could be coupled with a voting system where group members can vote on items, making it easier to decide on gifts or group purchases. This feature could definitely give Myntra an edge over its competitors.

Those are well-thought-out points. We can close the case now. You did well.

Product Critique

Snapchat

Hi, let's start with a product critique. What's your favourite product?

I'd say Snapchat is my favourite.

Interesting! Of those several products, what is so great about Snapchat that has drawn you in?

I like Snapchat because it is a multimedia messaging app, and it lets me send disappearing snaps, videos, and chats-not to mention stories. I get to share various types of media with such great speed, and the filtered photos and videos are just so much fun! And SnapStreak is so interactive; it keeps me going to keep up the streaks. Also, Snap Map is really a cool way to share your location in real time with your friends. No other app does that, really.

So, all in all, it sounds like a pretty good experience. What about pain points? Is there anything that you think could be improved upon?

Uh, definitely! I think one of the big issues I've come across is cluttered filters. They're a little disorganised; some may be difficult to find out. And I think people just turn off doing that more than they actually should.

That's a valid criticism. How would you fix it?

I would recommend filters to be in categories. You can have seasonal, trending, or even AR filters for easy location by the users. Probably add the "favourites" section where the user can save their most used filters. This way, each time you don't have to scroll through a never-ending list just looking for your favourite ones.

That totally makes sense. That could really keep people in if things are organised. What else have you noticed that could use some improvement?

Another thing is the Discover page. The algorithm there isn't quite as strong versus other platforms such as Instagram Reels or YouTube Shorts. It tends to show people irrelevant content, which in turn people skip over.

Yeah, recommendations of content are so important. How would you improve that?

I'd say the fining of the algorithm to make content more personalised. Snapchat could analyse user behaviour more closely to offer better recommendations. Giving users the option to select topics they're interested in would also help make the Discover page more engaging and relevant.

Good! Personalization is the name of the game nowadays. Anything else bothers you?

One of those things that comes to mind would be the crop feature. It's super limited, where right now you can only zoom in and out. It doesn't allow you to actually crop it, which makes it pretty frustrating.

I can imagine how that would be a problem. What would you suggest changing?

I'd allow for a bit more flexible cropping feature where users can adjust the aspect ratio, boundaries, and even rotate the image. It would be nice if there was even a preview mode to help users see how their image would look before actually applying the crop.

That is a solid enhancement. These solutions really can enhance the Snapchat experience. Thanks for taking me through that!

Product Critique

UBER

Hi, let's start with a simple question. What's your favourite product?

Sure! My favorite product has to be Uber. It's really convenient and offers such a variety of services. Plus, the way they keep innovating and expanding is something I admire.

Interesting choice! What are some of the features that really make Uber stand out for you?

Well, there are a few things that I really appreciate about Uber. First off, the app is just so easy to use. I've used a lot of different apps, but Uber's simplicity really stands out. Everything—from booking a ride to payment—feels seamless.
Another thing I love is the variety of options. Depending on my needs, I can choose a car, a bike, or even a rental. It's not one-size-fits-all, which is really convenient.
And then, I have to mention their customer support. They're quick to respond and usually quite helpful, which I think is really important for a service that you rely on in real time. Lastly, I've noticed how they're always evolving. For instance, they didn't just stick to ride-sharing—they ventured into food delivery with Uber Eats, which shows they're constantly looking for ways to add more value

Yeah, they've definitely grown into more than just a ride-sharing app. However, I'm sure Uber isn't without its challenges. What are some of the pain points or issues you've encountered with the service, especially in terms of emergency features?

Oh, absolutely. As much as I enjoy using Uber, there are a few challenges that I've experienced over time. For example, sometimes finding a driver can be a real struggle, especially during peak hours or if you're in a less populated area. I've been in situations where I had to wait a lot longer than I expected just because no drivers were available.
Another issue is ride cancellations. I've had drivers accept a ride only to cancel a few minutes later, which can be really frustrating, especially if you're in a hurry. You end up having to rebook, and that only adds more waiting time.
When it comes to emergency features, I think the SOS options could be improved. It's not always clear how to access them quickly, and in an emergency, you don't want to waste precious time figuring out how to call for help. It can leave you feeling a bit unsafe, especially in unfamiliar places or at night.
Then there's communication between riders and drivers, which isn't always smooth. Misunderstandings about pickup locations or timing can create a bit of chaos. And of course, safety is a big concern. I've had rides where I didn't feel entirely safe because of the driver's behavior or the condition of the vehicle.

Those are definitely valid concerns. Do you have any suggestions for how Uber could address these issues?

Yeah, I think there are a few things they could do. For instance, I've noticed that rewarding drivers for consistency could really help reduce cancellations. If they offer bonuses or incentives for drivers who complete a certain number of rides without cancellations, it might encourage more reliable service.
Safety is another area where I believe Uber could step up. Adding features like voice recordings or an option to send an emergency message directly to your contacts could make a big difference. If riders knew they had that extra layer of protection, it would definitely make them feel more secure.
Improving the ride-matching algorithm could also help with cancellations. If they can optimize it to connect riders with drivers who are closer and less likely to cancel, that would cut down on waiting times and frustration.
And I think letting drivers choose high-demand areas would be useful too. If they know they're more likely to get rides in busy places, it could help match supply and demand more effectively, which in turn would improve availability for riders.

That makes sense. Now, let's shift gears a bit. If you were in charge of launching a new SOS feature for Uber, how would you approach the Go-to-Market strategy, especially in a market like India?

For a feature like SOS, I think it's really important to focus on the people who would benefit most from extra security. So, I'd target families, students, and professionals who are often in situations where safety is a concern—like late-night commutes or traveling through unfamiliar areas.
The value proposition here is simple: peace of mind. The SOS feature would give users a fast and reliable way to alert their trusted contacts during emergencies, making them feel more secure while using the service.
As for marketing, I've observed that platforms like Instagram, Facebook, and especially WhatsApp are really powerful in India. So, I'd definitely leverage those, using a mix of local influencers and targeted ads to get the word out. People are much more likely to trust a feature if they see it endorsed by someone they follow or admire.
For distribution, we'd make sure the app update is available on both Google Play and the Apple App Store, but more importantly, we'd need to make the SOS feature super visible within the app. It can't just be buried in settings—it has to be front and center so users know it's there and can access it easily.

Root Cause Analysis | Media.net

Amazon Abandon

Yes, there was a change in Average Revenue Per User (ARPU), we saw a decrease of about 5% there.

Were there any changes in Amazon's revenue or the average revenue generated per user?

Percentage of abandoned orders at Amazon increased by 25% in December 2022. Find out why this has happened and suggest possible solutions.

Before proposing specific solutions, I would like to ask a few preliminary questions to better understand the context. You mentioned the word abandonment here, what exactly does this mean here and what are the metrics for an order being put in the abandoned category?

Abandoned orders here means the orders that were left in the cart and were not checked out. The metric used here in the PS is that if a order stays for more than 12 hours in the cart.

Okay noted. Was this problem seen globally or was the problem specific to the Indian market?

The problem was specific to the Indian market.

Was the problem applicable in particular regions of the country or as a whole? Also did our competitors face the same issue?

The problem was prevalent in all the regions of the country and we do not have data on whether our competitors were facing the same problem.

Also December is a time where there is a festive season in the country. To maximise this time, E-commerce platforms come out with a lots of discounts and offers. So was there a different pattern for discounts that year or were the discounts reduced?

There was no such change in discount and its percentages. You can avoid seasonality for this particular problem.

Okay that's it for the preliminary questions. I will now reframe the problem statement. We have a 25% increase in the orders left in cart for more than 12 hours in December 2022 pan India, with no difference in app or website usage. Moreover, Amazon has not been able to assert if their competitors are facing the same issue. There is no seasonality in this problem and the decrease in average revenue per user is only 5%, given a 25% decrease in cart checkout rate. I hope this covers the scope of the problem.

Yes that exhaustively covers the scope of the problem. You can now proceed with your approach towards the solution.

Okay so I will divide my approach to the problem into three major categories, the external causes, internal causes and the user journey and will approach them respectively. Is this fine or I should go with some other approach?

This looks good. For this case you can take the external causes afterwards and directly move to the internal reasons and then evaluate the user journey.

I will then delve into internal analysis. Firstly, I would like to ask if there have been some organisational changes, layoffs or other changes?

No, there have not been any organisational changes, this factor can be ignored.

Have their been any changes in the features on the app, maybe some changes in the user interface that might have diverted the user's experience from Amazon's core values?

No, there have not been any feature changes as well.

Any marketing changes in particular, or any changes in the celebrities representing Amazon ?

No, there have not been any marketing changes as such.

Root Cause Analysis | Media.net

Amazon Abandon

Have there been any changes in the value chain, issues in availability of certain products in certain areas or any external factors that could have affected the supply side ?

No, you can ignore the value chain aspects and look at other factors.

Okay noted. That's it for the internal causes, I will now look at the external causes that might have had an effect on the orders.

Yeah sure, you can proceed with the analysis.

I will follow PESTEL framework for this analysis. Firstly going with the Political factors, were there any election scenarios, change in Governmental schemes due to opposition from the other parties or some other socio-political factors?

No there were not any major socio-political factors that could have affected the company's scenario.

Any economical changes that I should take care of, some significant decrease in the per capita income of the lower-middle class some depression that the country experienced at that time?

No, there were no such economic factors that had an impact, you can move ahead.

Considering the advent of other e-commerce platforms like Myntra, Ajio and Big Basket, was December a time when these companies were booming and might have affected Amazon's sales?

No, there have not been any changes in Amazon's market share, it has rather remained the top e-commerce platform throughout.

Some technologiocal changes? Changes in the algorithm Amazon follows?

Yes there were some technological changes, mostly external, like there were external policy changes, financial and cybersecurity regulations by the Government and other stuff, which we can look at later in the case.

I cannot think of any legal or environmental factors that could have had an effect on the situation. I would like to dive deep into the external technological factors and analyse the root cause in this domain.

Okay fair enough. What I would like you to do is analyse the user flow, then maybe we can find the area of concern for the user and then come back to the technological changes that I mentioned.

Okay, so I will now analyse the user journey. Firstly, when I open the app, there are product and icons displayed. Has there been any change on the landing page of Amazon app?

As mentioned earlier, there has been no change in the design flow of the app.

If there are no changes in the design flow of the app, shall I move to the part where a customer searches for his/her desired product and adds it to their cart?

Yeah sure.

Okay so whenever a user searches for a product and he/she finds the one desired, he/she looks for discounts and offers that might be applicable there. Were there any changes in this regard?

No, as mentioned earlier, the average order value has remained the same.

The next thing the user looks after is whether the product is deliverable to his/her location. I assume there were no logistical issues in the deliveries?

Yes, there were no logistical issues. Infact, we increased our Pincode coverage during this period.

Root Cause Analysis | Media.net

Amazon Abandon

After sorting the location and delivery, user moves on to payment. So coming to the payment interface, since nowadays UPI is widely used, were there any glitches in these payment methods?

There was no glitch in UPI. We saw an increase in cash on delivery order by 10% though.

Okay noted. Coming to third mode of payment, card. Were there any any changes in the card payment algorithm?

Since you mentioned cards in general, there was a tokenization by RBI, the users had to reverify their cards saved on e commerce platforms and save the card again. Users who didn't do this in November had their cards revoked by Amazon and had to enter their card details again.

Okay, so there was a friction when the users wished to make payments thorough their cards. Earlier they only had to enter their CVV, but after this tokenization they had to enter the card details all at once, hence this seems to be the reason that could have caused a lot of abandonment in the orders. Tokenization is the issue in our case.

Yeah, this is the correct root cause of the problem. Since you have identified the problem, can you suggest possible solutions for the problem?

Since both UPI and card are linked to your bank account, they more or less have the same effect. One solution to this problem could be to promote the usage of UPI, we could have UPI codes near the add to cart button, so that the customer can directly go the the UPI interface for payments. Or we can simply have an added button of payment switch in the interface where the user has to enter the card details, so that the user can switch to COD or any other payment method

Those were some pretty good recommendations, we can close the case now.

Root Cause Analysis | Orders Decline | Meesho

Meesho

Hey! Let's say that you are a PM at Meesho and you have noticed that the orders are declining. Your task is to identify the root cause for the same.

Before beginning, I'd like to clarify a few things first.

Sure, go ahead.

No, we're looking at this from a broad perspective, so consider all product categories.

Are there any specific product categories or types of orders that are experiencing greater decline, like electronics, clothing, or groceries?

Are we considering the decline in orders placed through our website, app or both?

Take the decline in the orders placed through both our app and website.

Is there a decline in the number of customers visiting our app/website or is there a decline in just the number of orders placed?

It can be said that there is a decline in both the number of customers and the number of orders placed.

Has the decline in orders been a gradual trend over time, or did it happen suddenly?

This trend started to become noticeable about two months ago.

Is this decline across the entire country, or is it localised to specific regions?

It is happening nationwide.

Which would be the best model according to you for this case?

Is this an industry wide phenomenon or only restricted to Meesho?

This is restricted to Meesho.

Alright. Is there any change in the market competitiveness as in, has the competition increased and are there any new players in the market?

No, the competition level is the same as it was before and there has been no new market entry as such.

Ok in that case have the existing competitors changed or have we changed in any way?

We haven't undergone any changes in our daily operations or supply chain. I don't know about our competitors

Alright then it seems that our competitors are doing something to mobilise the public which could be a possible reason for declining orders.
Let's delve into the value chain of Meesho and consider the following:

- Inbound Logistics
- Operations
- Outbound Logistics
- Marketing and Sales
- Service

Would you like me to take all these points one by one or is there a particular aspect that you want me to target specifically?

We have fallen short in marketing and services than our competitors. I would like you to analyze these aspects more.

Alright then, since you have mentioned the cause, lack of marketing and poor service could have contributed to this. Since the public is seeing the advertisements of our competitors more often and experiencing their better delivery services, our orders are declining. Is there a particular reason why we were lagging in this?

Meesho

The company was looking for mergers in other domains, but could not find much success. Can you now give me some solutions to this problem.

Sure, to have a bullish hand in the market we could:

- Regularly check the news updates of the industry and competitors.
- Meet the marketing standards of our competitors and deliver quality customer support
- Introduce new features in our app/website to enhance our user interface. We could use our competitors website periodically to keep track of new advancements and features.

Implementing these plans can help boost our orders in a few months.

Alright. We can close the case now.

RCA | media.net

Myntra

Your client is Myntra, currently experiencing a 20% decline in orders. As a Product Manager, the client has requested a root cause analysis.

To thoroughly understand this decline, I would like to begin by asking a few clarifying questions. Is this decline exclusive to our client?

Yes, the decline is specific to our client.

Could you please provide some insights into the duration of this issue? Specifically, how long has the client been experiencing this decline?

The decline has been progressively increasing over the past few years.

Has this decline been observed across both the website and the app channels?

Yes, the decline in orders is evident on both the website and the app.

Have there been any recent modifications or updates to the app and website that could potentially impact the user experience?

No, there have not been any changes to either platform that could affect the user experience.

Have there been any recent adjustments or strategic shifts in our client's marketing efforts? Furthermore, have there been any noticeable effects or variations in market performance following these changes?

No significant changes have been made to the client's marketing strategy. On the contrary, the client has recently introduced new offers to attract customers.

Are there any new market entrants that could potentially influence our client's order volume?

No, there has been no new entry into the market that could impact our client's orders.

Have there been any significant changes in our competitive environment that can possibly lead to decline in orders?

No, our competitors have not brought about any significant changes to impact our orders.

Have there been any recent challenges or disruptions in the logistics operations that might be impacting order fulfillment?

Yes, there have been a few logistical challenges recently, particularly with some delays in order processing and delivery times.

To explore this further, has there been any observation or feedback indicating issues with the product inspection processes during these logistics operations?

Yes, there have been some inconsistencies in product inspection processes.

Given these inconsistencies, are there any underlying issues from the supply side that can impact the products before they reach the inspection stage?

Yes, it has been observed that a majority of our suppliers are not able to meet the demand. Can you analyse this further in depth?

Have our suppliers been recently subjected to any financial crisis?

No, our suppliers have not faced any financial crisis.

How are our suppliers distributed? What percentage of our suppliers are locally based?

RCA | media.net

Myntra

Although most of our suppliers are based locally, they do rely on imports to manufacture clothes and other products sold on Myntra.

If I recall correctly, with the introduction and implementation of Make in India Policy, the government has adjusted customs duties or tariffs on certain imports to protect and encourage local industries. Has this impacted our suppliers in any ways?

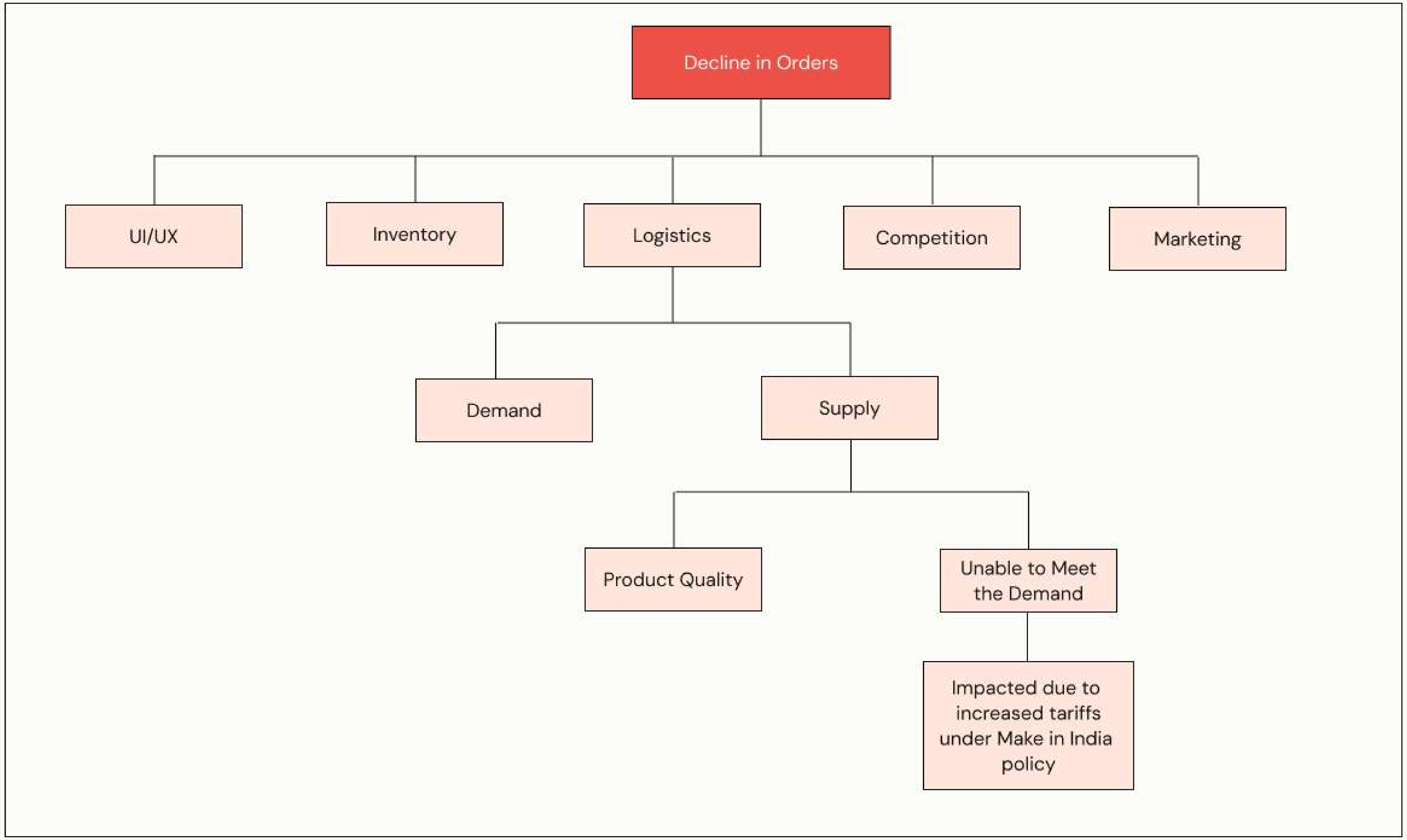
That is a very good point. Yes, a major chunk of our suppliers have been impacted by this over a gradual course of time.

In the light of given information, this could be the possible root cause of the decline. And a possible solution could be to invest in local manufacturers.

Thank you. The discussion concludes here.

Myntra

RCA | media.net



Your client is Myntra, currently experiencing a 20% decline in orders. As a Product Manager, the client has requested a root cause analysis.

Case Notes

- Myntra is facing a decline of 20% in orders since the past few years.
- The decline is evident on both application and website. There are no modification that can impact the user experience.
- The client has introduced new offers to attract customers.
- Competitors have not shown any sign of threats to the client.

Observations/Suggestions

- Recent delays in order processing, delivery, and inconsistencies in product inspections have impacted order fulfillment.
- Many suppliers, reliant on imports, are struggling due to government-imposed tariffs under the Make in India policy, affecting their ability to meet demand.
- To mitigate the decline, investing in local manufacturers could help reduce dependency on imports and stabilize supply.

Growth | BCG

Declining Orders at Zomato

Hello, the case we need to discuss is that Zomato has been experiencing a decline in food delivery orders. I need your help to analyze the situation and determine the possible root cause.

To clarify, are you referring specifically to food delivery orders, or does this include dine-in and table booking services as well?

I'm referring specifically to food delivery orders.

How long has Zomato been facing this issue?

The decline has been ongoing for the past three months.

Is this problem unique to Zomato, or is it an industry-wide issue?

It's an industry-wide problem.

Is the decline affecting specific types of food, such as pizzas, burgers, or Chinese cuisine, or is it across the board?

The decline is uniform across all types of food.

Is this issue widespread across India, or is it concentrated in a particular region?

The decline is specifically happening in the Delhi-NCR region.

Has the decrease in orders been more significant on the app or the website, or is it consistent across both platforms?

The decrease in orders is consistent across both platforms—there's no particular difference.

When considering orders, they can come from either new customers or returning ones. Has the rate of new customer acquisitions decreased, or is the issue more related to retaining existing customers?

There has been a decrease in both new customer acquisitions and retention rates.

New customer acquisition often depends on factors like brand visibility, ease of use of the app or website, and the simplicity of the user journey. Has there been any recent change in the app or website that might have affected user experience? Additionally, has there been any decline in brand visibility?

Yes, the app has undergone a modification recently. However, there hasn't been any issue with brand visibility—our marketing team is continuing its efforts as usual.

This suggests that new customers may be finding the app more difficult to use after the modification. As for retention rates, they can be influenced by service quality and competition. Has there been any change in customer satisfaction scores?

The Customer Satisfaction (CSAT) score for service remains good, but there has been some dissatisfaction with the pricing from a few major restaurants.

I'd start by reviewing the ML models to understand why they're missing trends and make necessary adjustments. Additionally, I'd suggest optimizing inventory management for faster response times. Does that make sense? Have there been any recent changes in the delivery pricing?

Yes, some restaurants have recently negotiated for higher delivery prices with us.

Have these restaurants made any changes to their operations?

Yes, they have started offering their own food delivery services.

Based on this information, I believe the root cause of the decline has been identified. Firstly, the major restaurants, which are key sources of orders, have begun offering their own delivery services at lower prices, leading to a loss of customers for Zomato. Additionally, the recent modification of the app seems to have negatively impacted user experience, contributing to customer dissatisfaction and further decline in orders.

Thank you. We can conclude the case with that analysis.

RCA | Meesho

Declining Sales At Amazon by 20%

Thanks for joining. We're seeing a 20% drop in sales at Amazon. We need to find the root cause.

Thanks for having me. To start, could you tell me when this decline began? Is it affecting specific regions or products?

It started about three months ago and is affecting multiple regions and product categories. Any initial thoughts?

Is the decline specific to either the website or the mobile app?

No, it's consistent across both platforms.

Are certain products more affected than others, or is it uniform across all items?

The decline is uniform across all products.

Is this an industry-wide issue, or is Amazon uniquely impacted?

Only Amazon is experiencing this decline.

I'd consider both external and internal factors. Have there been any significant changes with competitors or in the market recently?

No, there haven't been any major external changes.

So, the drop in sales seems to be tied to a decrease in orders. Has there been any recent change to the app, website, or user experience?

No, there have been no changes on that front.

How about your supply chain—has anything changed in manufacturing, procurement, storage, or delivery processes?

The only change is that we've started using a new machine learning model to manage item storage in our local warehouses.

Could you explain how this new ML model works?

Sure. The model predicts which items will be in demand locally and stocks them in the nearest warehouses accordingly.

If the model's predictions are off, it could lead to the wrong items being stocked, causing delays in delivery. Have you noticed any issues with the model's accuracy?

Yes, some products aren't selling as predicted, and others are going out of stock more frequently. What do you think?

Candidate: It sounds like the model isn't adapting well to market trends, which is leading to slower delivery times. This would naturally impact customer satisfaction and, consequently, sales. Does that align with the feedback you've been receiving?

These indeed align with the feedback that we are receiving, go ahead.

Candidate: I'd start by reviewing the ML models to understand why they're missing trends and make necessary adjustments. Additionally, I'd suggest optimizing inventory management for faster response times. Does that make sense?

That makes sense. How would you prevent this from happening in the future?

I'd set up a feedback loop to regularly update the models and integrate real-time data sources. Plus, I'd ensure the supply chain is flexible enough to quickly adapt to any changes. Does that address the issue?

Interviewer: It does. Thank you for your insights.

Root Cause Analysis| HI Labs

HI LABS Plans

HiLabs' primary customers are Health Plans, and we often depend on them for patient data. However, some data points are extremely sensitive and cannot be shared by Health Plans. As a Product Manager at HiLabs, how would you substitute for this data alternatively while ensuring we maintain our high standards of data accuracy?

Before I proceed, I'd like to ask a few clarifying questions to understand the context and objectives better. First, could you tell me more about HiLabs' core business? I understand that we work with Health Plans and patient data, but I'd like to know specifically what role HiLabs plays in this ecosystem.

Sure. HiLabs is a provider of AI-based technology designed to detect human errors in Electronic Health Records (EHR) data, facilitating the generation of accurate reports. Our technology is crucial in ensuring that the data used by Health Plans is accurate and error-free.

That's helpful. Could you also explain what exactly Health Plans do, and why they are such a key part of HiLab business model?

Health Plans are essentially organizations that provide health insurance to individuals. They manage the financial risk of health-related expenses for their members by collecting premiums and covering the costs of healthcare services. They rely heavily on accurate patient data to manage claims, determine coverage, and assess overall healthcare quality. This makes accurate and error-free data essential for their operations.

Thank you for clarifying. Given HiLabs' focus on error detection in EHR data, are we primarily dealing with the accuracy and integrity of these records in our product offerings?

Yes, our goal is to ensure that despite limitations in data access, we continue to provide accurate and reliable reports by effectively detecting and correcting errors in the EHR data.

Understood. What kind of regulations exist in India regarding the sharing of patient data, especially considering Health Plans is an Indian company? Also, could you clarify what types of data are considered sensitive under these regulations?

Sensitive data typically includes information like medical records, biometric data, health conditions, and any data that can identify an individual's health status. The upcoming Personal Data Protection Bill (PDPB) aims to further strengthen the protection of such sensitive health data.

Lastly, what is the current state of our relationship with the Health Plans? Are they open to exploring alternative data-sharing methods, or do they have strict compliance requirements that we need to adhere to?

The Health Plans are very cautious due to the strict regulatory environment but are open to suggestions if we can demonstrate a secure and compliant approach.

Great, that gives me a clear picture. I'll now outline my approach to tackling this problem.
To ensure that HiLabs can continue to deliver accurate reports while respecting data privacy, I have some recommendations:
Federated Learning: By employing federated learning, we could train our AI models directly within the Health Plans' environments, ensuring that sensitive data never leaves their secure systems.
Data Anonymization: We can apply advanced anonymization techniques to strip out Personal Identifiable Information (PII) from the data while retaining the information necessary for error detection in EHRs.
Synthetic Data Generation: We could generate synthetic EHR data that mimics the statistical properties of the original data.

That's an interesting approach. How would you ensure the synthetic data generated is sufficiently accurate?

Certainly. Synthetic data generation involves using machine learning techniques to create data that mirrors the statistical distribution of real-world EHR data. The key is to iteratively refine the synthetic data generation process until it consistently replicates the conditions under which real errors occur.

How would you measure the success of these strategies in maintaining the accuracy of our reports while complying with data privacy requirements?

Success would be measured by several key metrics:
Accuracy of Error Detection: We would compare the accuracy of our models using synthetic or anonymized data against benchmarks set with full data access.
Compliance: We would ensure that our approaches fully comply with HIPAA and other relevant regulations, regularly auditing our processes.
Partner Satisfaction: We would gauge the satisfaction of our Health Plan partners through feedback and their willingness to continue data collaborations.

That sounds comprehensive. This concludes our case.

Root Cause Analysis | HI Labs

Healthcare

You are a product manager at Hi Labs and your work is to secure healthcare data from your client.

Before proposing specific solutions, I would like to ask a few preliminary questions to better understand the context.

Sure go ahead.

I'd like to understand the current state of your healthcare data security. Could you clarify if you're dealing with data stored on-premises, in the cloud, or both?

We primarily store data in the cloud, but there is also some legacy data on-premises.

That's helpful to know. Moving forward, I would focus on three main areas: data confidentiality, integrity, and availability. How sensitive is the data in question, and are there any specific regulatory requirements?

Yes, we must comply with HIPAA regulations, and the data includes both PHI (Protected Health Information) and PII (Personally Identifiable Information).

Understanding the regulatory requirements is crucial. I would start by ensuring data encryption both at rest and in transit. Can you confirm if encryption is already implemented, and if so, which encryption standards are you using?

We currently use AES-256 for data at rest and TLS for data in transit.

That's a good start. In addition to encryption, I would recommend implementing access controls and regular audits. Are you currently using role-based access control (RBAC), and how often are audits conducted on access logs?

We use RBAC, but audits are conducted semi-annually.

Given the sensitivity of healthcare data, I'd suggest increasing the frequency of audits to at least quarterly. It's also important to monitor for anomalies continuously. Do you have any incident response plans in place in case of a data breach?

Yes, we have an incident response plan, but it hasn't been updated in over a year.

Regular updates to the incident response plan are critical. I'd recommend revisiting and updating the plan regularly, especially after any system changes or after a breach in the industry that could offer insights. How do you handle data backups, and are they encrypted and stored in a separate location?

We perform daily backups, which are encrypted, and they're stored in a different region in the cloud.

That's a strong approach. Another consideration would be implementing data masking for non-essential access or during development and testing phases. Is data masking currently part of your security measures?

We haven't implemented data masking yet.

Implementing data masking can significantly reduce the risk of exposing sensitive information. Lastly, I'd suggest conducting regular penetration testing to identify potential vulnerabilities. Is that something you currently practice?

We conduct penetration testing annually.

Increasing the frequency to bi-annually or even quarterly, depending on the resources available, could further enhance your security posture. I also recommend continuous training and awareness programs for employees to mitigate the risk of phishing and social engineering attacks.

Those are some insightful recommendations.

Product Improvement | Advanced

Netflix's Advent

Thank you for joining me today. Let's explore Netflix's future potential. What do you think could be the next big thing for Netflix, and how would you develop a go-to-market strategy for it?

Thank you for having me! I believe Netflix can successfully expand into the gaming sector, particularly by focusing on streaming gaming content and interactive gaming experiences.

Interesting! How would you go about developing a go-to-market strategy for this gaming initiative?

I would start by conducting thorough market research to identify trends in the gaming industry, particularly in streaming and interactive content. Understanding the demographics of gamers and their viewing habits would be crucial.

That makes sense. Once you've identified your target audience, what would be your next step?

The next step would be to define the content strategy. Netflix could create exclusive gaming events, live esports tournaments, and interactive streams where viewers can participate, such as voting on game outcomes or engaging with gameplay in real-time.

How would you position this new gaming content in the market?

Positioning would involve emphasizing Netflix's strengths in storytelling and engagement. Highlighting the unique aspect of interactive gaming streams—where viewers can influence the game or interact with their favorite characters—would differentiate Netflix from other platforms.

That's a solid approach! What kind of partnerships would you consider to enhance this strategy?

Collaborating with game developers, esports organizations, and popular gaming influencers would be key. Partnerships with platforms that specialize in live streaming could also help optimize the viewer experience and expand reach.

How do you plan to engage potential viewers for this new gaming content?

A comprehensive marketing strategy would be essential. Netflix could utilize social media, gaming platforms, and influencer marketing to build excitement. Hosting preview events or beta tests for select games could create buzz and attract viewers.

And what monetization strategies do you foresee for this gaming initiative?

Monetization could include premium subscription tiers for exclusive access to live gaming events or in-depth interactive experiences. Additionally, offering in-game purchases or exclusive content related to popular shows could generate additional revenue streams.

Do you anticipate any challenges in implementing this strategy?

Yes, technical challenges like ensuring low latency and high-quality streams for gaming content could arise. Moreover, transitioning traditional Netflix viewers to a gaming format might take time and effort. Continuous testing and feedback loops would be essential to refine the offering.

Finally, how would you measure the success of this go-to-market strategy?

Success metrics could include viewer engagement levels during live streams, subscriber growth, and retention rates. Analyzing viewer feedback and participation in interactive elements would provide valuable insights for future content development.

Great ,that concludes the case .

GTM | media.net

Spotify Kids

Spotify, the largest provider of music streaming services is planning to launch Spotify for Kids. Given that YouTube Kids would be its largest competitor, devise a go-to-market (GTM) strategy for this product.

To be able to deliver an appropriate GTM strategy, I would like to begin by asking clarifying questions. What age bracket are we considering for kids?

The age group that will cover kids will span from four or younger to twelve years.

With the launch of Spotify for Kids, are we looking to explore and dive into a new market or for profitability?

Given Spotify's well-established position in its existing market, Spotify for Kids aims for a new-market exploration. We do not expect immediate profits, however, it can be achieved gradually.

Is the launch of Spotify Kids globally or in India?

As an initial plan, Spotify Kids will be launched in India and in due course of time, the market can be expanded to other countries.

Can you please take me through the working of the application? What are the USPs of the application?

Parents can sign up via an existing or new Spotify account, creating profiles for each child which will be age-specific. All content is curated for age-appropriateness and the content is ad-free. Parental controls, including content filters and time limits, are set up during this process. The app offers personalized playlists, easy navigation through music, audiobooks, and educational content, and a voice search feature for young users. The app's interactive features includes sing-along mode, interactive stories, and educational quizzes that reward children with badges and points. The app also uses gamification, offering badges and new content alerts to keep kids engaged.

Given this information, I would like to put forth my strategy. The strategy is broken into four buckets; pre-launch, launch, post-launch, and retention. Firstly, I would like to discuss the pre-launch phase.

Sure. Go ahead.

Pre-launch phase will be centric to tier-1 cities, primarily to offer early access to families with premium accounts and educators for beta testing, hence gathering feedback to refine the product before the full launch. Secondly, collaborate with local educational institutions and popular children's brand to build credibility and gain early attraction for the product. Further, launching teasers on social media can keep the audience engaged. Lastly, collaborating with influencers and advertising can keep the audience excited for the product launch.

Sounds good. Can you move to the launch phase?

Sure. During the launch phase, hosting launch events and gradually rolling out the app in selected tier-2 cities where there are higher chances of product success. Showcase the app's features and benefits through live demos, child-friendly activities, and hands-on experiences for families. Collaborate with well-known children's brands and retail chains to feature Spotify Kids in-store and online, offering promotional deals such as free trials with purchases of specific products

During this phase, what will be your marketing strategies for the product?

Yes, as far as marketing is concerned, we can launch a social media campaign targeting parents on platforms like Facebook, Instagram, and YouTube, using playful and engaging content such as videos, contests, and giveaways. We can even consider running targeted ads on YouTube Kids to reach children directly, highlighting the fun and interactive features of Spotify Kids. Furthermore, engage with popular parenting and children's influencers who can review and promote the app through their channels, sharing authentic and relatable content.

It seems good. Please move to post-launch strategy.

Yes. During the post-launch phase, accommodating the user feedback to improve on the application, and focusing on marketing will be the key components. Further, updating the content regularly and also aligning it with ongoing trends will keep the audience engaged. For that matter, content can be regional as well to enhance the experience. Additionally, the market can be expanded to cover the rest of the country and eventually global expansion of the market. Lastly, introducing games and rewards to increase the frequency of app usage.

GTM | media.net

Spotify Kids

Alright. How will you make sure that the app has high retention rate?

Coming to the retention part, use AI and machine learning algorithms to personalize content recommendations based on the child's age, interests, and listening habits. Enhance the gamification features by introducing progressive badges, levels, and rewards. Children could unlock new content, features, or customizations as they engage more with the app. For parents, offer robust parental controls that allow parents to monitor their child's usage, set limits, and receive regular updates on their child's engagement as parents who feel in control are more likely to continue using the app for their children. Also, we can develop automated email and notification campaigns that remind users of new content, special offers, or upcoming features. Lastly, we need to ensure that the app runs smoothly, with minimal bugs, fast load times, and an intuitive interface.

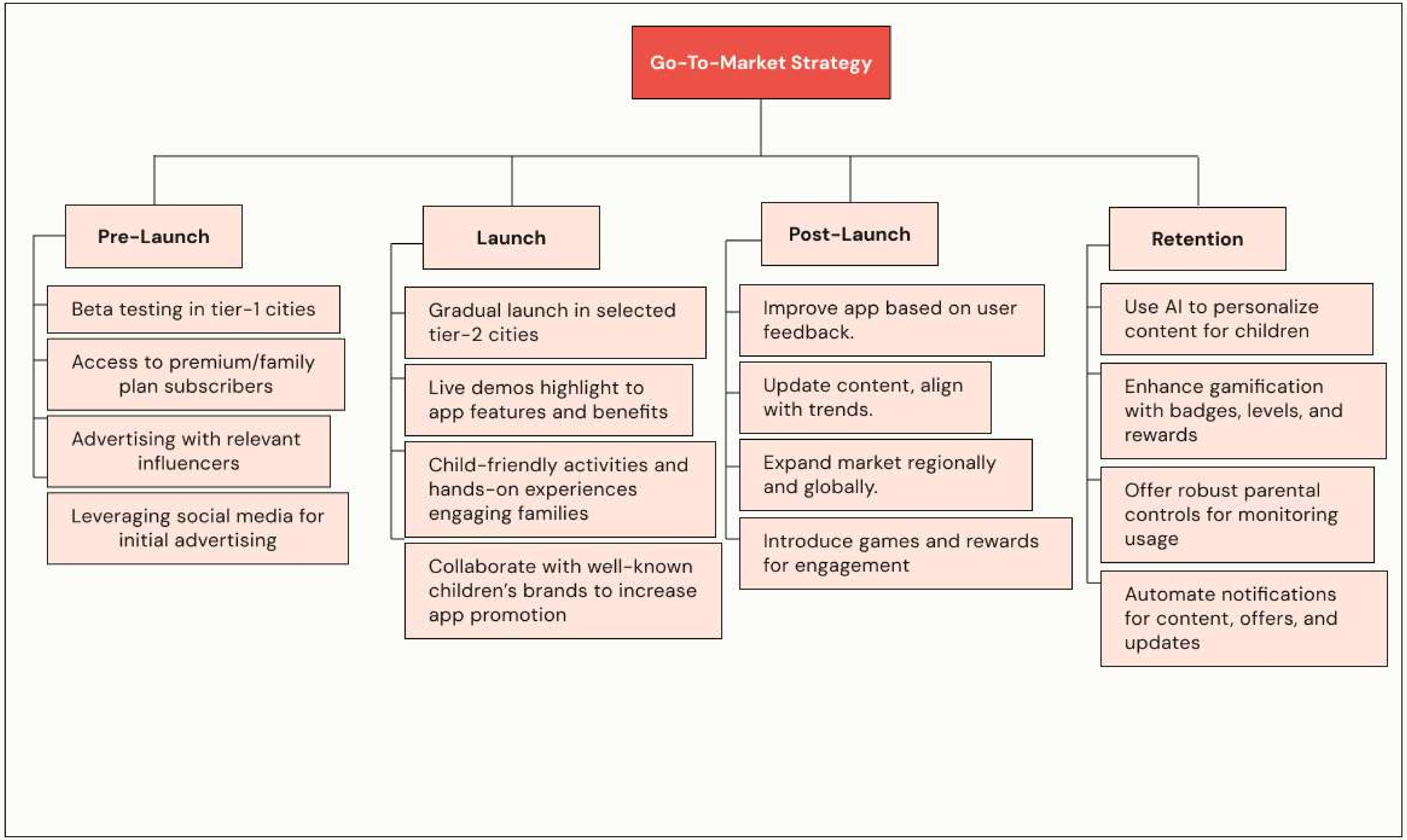
Can you briefly describe the pricing strategy of the app?

As a part of the beta testing, the app can be rolled out under Premium, or Spotify's Family Plan. While moving ahead with launch in other cities, the app can be made available on a free trial basis for a period with limited content. Further, a standalone subscription for Spotify Kids at a competitive price point, targeting parents who might not already be Spotify subscribers but are looking for a dedicated children's app can be introduced.

This shall conclude the discussion, thank you.

Spotify Kids

GTM | media.net



Spotify plans to launch Spotify Kids, a music and content streaming app for children aged 4 to 12, starting in India. The product focuses on new-market exploration rather than immediate profitability, with content tailored for age-appropriateness, including ad-free music, audiobooks, educational content, and interactive features.

Case Notes

- The Spotify Kids app will cater to children aged 4 to 12 years.
- The app aims for new-market exploration rather than immediate profitability, with an initial launch in India.
- The app includes parental controls, ad-free content, personalized playlists, voice search, and interactive features like sing-along mode, educational quizzes, and gamification.

Recommended Strategies

- Focus on tier-1 cities for early access beta testing with families and educators.
- Collaborate with local educational institutions and popular children's brands to build credibility.
- Host launch events in tier-2 cities with live demos and child-friendly activities. Partner with well-known children's brands and retail chains for in-store and online promotions. Continuously update the app based on user feedback and add new, regional, and trend-aligned content.
- Implement AI-driven personalization, enhanced gamification, and robust parental controls.

Observations/Suggestions

- There could be more emphasis on differentiating Spotify Kids from competitors like YouTube Kids.
- Including a brief risk assessment and mitigation strategies to demonstrate a thorough understanding of potential obstacles and how to overcome them.
- Could have recommended conducting user research or surveys before launch to gather insights directly from parents and children, ensuring that the app's features and content are aligned with user expectations and preferences.

GTM Strategy | Advanced

ClearAsthma New Medicine

Hello, we've been approached by a company named ClearAsthma, which manufactures medicines to treat asthma. They've recently launched a new medicine and need a Go-To-Market (GTM) strategy for it. How would you approach this?

First, I'd like to know the specific audience ClearAsthma is targeting with this product.

The target audience is the entire Indian market, which includes both hospitals and regular pharmacies.

Understood. Can you give me a bit more background on the company? How long has ClearAsthma been in the market, and what's its reputation like regarding other medicines?

ClearAsthma has been around for 10 years, and they have an excellent reputation in Indian market.

That's great to hear. Is this new medicine a completely novel product, or is it an updated version of an existing one?

It's a completely new medicine

How is the company's distribution network set up in India?

They have an extensive distribution network, with strong partnerships in major hospitals and good relationships with pharmacy owners across the country.

What's the competitive landscape like for this new medicine? Does ClearAsthma hold the patent for it, or are there other companies with similar products?

ClearAsthma is one of the top two medicine producers in India and will be the first to introduce this chemical in the country. The medicine is a brand-name product.

Are there any substitutes or generic versions of this medicine available in the market, or are we expecting competition soon?

There are no direct substitutes or generic versions yet, but we do anticipate that other companies may develop similar formulas in the future.

How is ClearAsthma's online presence? Are their products available on major e-commerce platforms, or do they primarily rely on their own website?

Their products are available on major online platforms like 1mg and PharmEasy, and they also sell through their own website.

That's good to know. Now, how large is the asthma patient market in India, and how much of it are we targeting?

India has approximately 35 million asthma patients. We're aiming to reach the entire market and hope to get as many people as possible to at least try our new medicine once.

Out of this target audience, what percentage of asthma patients are already familiar with ClearAsthma's existing products?

Around 60% of asthma patients are already aware of ClearAsthma's products, which is a good starting point for the new medicine.

That's definitely a strong foundation. Has a specific budget been set aside for marketing and promotional activities?

Yes, a substantial marketing budget has been allocated to support a nationwide campaign.

What are the main objectives for this GTM strategy? Are we prioritizing market penetration, brand awareness,or customer retention?

The primary focus is market penetration, particularly in regions where the company's products aren't well-known yet. Building strong brand awareness for this new medicine is also a key goal

Are there any endorsements or partnerships with medical associations or key doctors that could support this launch?

Yes, ClearAsthma has partnerships with several leading pulmonologists and respiratory associations in India who are endorsing the medicine.

That's excellent. Based on this information, here's how I'd approach the GTM strategy:
Firstly, I'd recommend focusing on both urban and semi-urban areas initially, especially where awareness of asthma treatments is higher. Since ClearAsthma already has a strong presence in hospitals and pharmacies, we can ensure the product is available across these channels, while also leveraging online platforms to reach patients who prefer digital purchases

GTM Strategy | Advanced

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What about distribution? How would you ensure the product is widely available?

I'd use ClearAsthma's existing distribution network to make sure the medicine is easily available in all major hospitals and pharmacies. At the same time, we should also focus on expanding the company's presence on online platforms like 1mg and PharmEasy. Given the rise of e-commerce in healthcare, offering subscription models for chronic patients could encourage long-term usage and drive consistent sales.

How would you raise awareness for the new product?

For awareness, I'd recommend a multi-channel marketing campaign. We can start with digital marketing—using Google Ads, social media platforms like Facebook and Instagram, and healthcare forums to reach a tech-savvy, younger audience. This would be complemented by traditional marketing through TV, radio, and print ads, especially in regional languages to penetrate rural areas. Additionally, organizing health camps in partnership with hospitals and offering free diagnostic checkups for asthma patients could help promote the medicine directly to the target audience. We could also offer first-time discounts to encourage trial usage.

That sounds like a comprehensive approach. What about pricing?

I'd suggest introducing competitive pricing, positioning the medicine slightly below rival brands to attract new customers while still maintaining profitability. Offering bulk discounts to pharmacies and hospitals, along with special subscription packages through online platforms, could drive repeat purchases and ensure customer retention.

How would you gather feedback and adjust the strategy over time?

I'd set up a feedback loop by collecting insights from doctors, pharmacists, and patients regarding the medicine's efficacy and patient satisfaction. This would allow us to refine our messaging and marketing tactics as needed. Additionally, we should closely monitor competitor activity and be prepared to adjust pricing, promotional efforts, and distribution strategies as the market evolves.

Finally, do we have any plans for international expansion, or are we focusing solely on India for now?

At this point, I'd recommend focusing on establishing a strong foothold in India. Once we've gained significant market share and have refined our strategies, we can consider expanding into international markets.

That sounds like a solid plan. With this strategy, ClearAsthma should be well-positioned to capture a significant portion of the Indian market and ensure the successful launch of their new medicine.

GTM for E-rickshaw

Great having you here! Let's get straight to it. ABC company is planning to launch E-rickshaw services at IIT Guwahati. How would you approach creating a GTM strategy for them?

Sure, let me start by understanding the client a bit better. What does this ABC stand for in terms of a transport company? and where are they currently operating?

They are small-scale E-rickshaw drivers with 10-15 vehicles operating within the city limits. Now, they want to establish this new service within the campus of IIT Guwahati.

Interesting. Why have they chosen IIT Guwahati? Any particular reason for this?

They've noticed there's a consistent demand for short-distance travel across campus, where students and faculty frequently traverse between hostels, academic blocks, and various other locations. They recognized this as a promising opportunity.

That makes sense. They do fill in a reliable need for transport. How do they get informed of what transport options are currently available at the campus?

Well, to be frank, not much. They have more or less monitored the usage of cycles and believe that their E-rickshaws will offer quicker, comfier travel for students who are in a hurry.

That's useful context. Who are they primarily targeting with this service? Just students, or are they considering faculty and staff as well?

Mainly students for now, particularly those going to classes and labs. But they do see potential in targeting faculty and staff down the line.

Focusing on the students seems like a reasonable starting point. They will have to be mindful of the costs, particularly in the initial start-up phase. Have they considered the logistical elements, such as permits, branding and campus approvals?

They've considered it, but don't yet have the details. They'd appreciate guidance on navigating these areas and making their service more official and accessible on campus.

That's an important area to cover. Are they planning to offer fixed routes, or are they thinking about an on-demand service where students can call for a ride?

They're planning to start with fixed routes during peak hours, but they're also interested in exploring an on-demand service later on.

That could be a smart approach, especially with their limited resources. Let's break down the GTM strategy into key areas, starting with User Acquisition.

Sure, let's start there.

For User Acquisition, they should begin with a small launch, maybe 5-8 E-rickshaws on the busiest routes. Offering free or discounted rides for the first week can attract initial attention and encourage students to try the service.
Leveraging word of mouth on campus will be key. They should engage with student ambassadors and clubs, and even consider offering free rides during campus events to create buzz. Visibility will also be crucial, so their E-rickshaws should be well-branded and recognizable, with posters and flyers around campus.

That sounds like a good plan to start with. What about pricing?

Coming to the Pricing, the important thing is to make it simple and as cheap as possible. Something like ₹ 10-₹ 20 for the most common routes would be appropriate since students need it at very cheap rates.
Later on, they could introduce a subscription model where the pass for a week or a month has unlimited rides. This would definitely draw regular commuters who look for convenience and predictability in their travel expenses.

It makes sense to keep things straightforward. What comes next?

Let us proceed to Operations and Infrastructure. First, they must concentrate on fixed routes during peak hours, linking hostels, lecture halls, academic building routes, New Sac and the library. This method is not only going to establish reliability but also a means to gain trust among the students. Once these routes get going smoothly, they can shift to a demand-oriented service. This they can easily do with the help of WhatsApp or any simple app. Not only that, but this will further enable them to scale up without having to keep the E-rickshaws on the run.

GTM for E-rickshaw

That approach seems practical. What about partnerships?

Partnerships are crucial, so let's turn to that topic next. Working with campus administration or student clubs will bring in official backing, and that will help the service embed itself within campus culture. If they can get the support of placing the service within a campus framework—the One Stop app or campus communications—that gives it much more legitimacy.
They may even consider partnering with vendors on campus. For instance, giving student discounts for rides if they have purchased something from certain stores would create a mutual benefit system and more rides would be taken.

That's a good idea. How should they handle feedback?

Finally, the Feedback Loop is very important. Feedback from students will help the business know what works and what doesn't. They can provide discounts or incentives for feedback to make them do so.
This response should be used to fine-tune and make the service even better. If there is a need for new routes or more services, they can consider expansion, but first comes consistency, then growth.

This is incredibly helpful! We hadn't previously considered some of these aspects. The step-by-step breakdown certainly makes everything much clearer.

I'm glad to hear that. By focusing on these areas, they can create a strong foundation for the service and gradually build it into an essential part of campus life.

Design | Advanced

Bicycle Resale Application

Hi, Let's start the case. You are tasked with building an application for resale of cycles. What key product features would you incorporate to market this app more interactive?

To start things off, I would like to ask a few clarifying questions.

Yes, go ahead.

Are we acting as a reseller, where we purchase cycles from sellers, refurbish them, and then sell them to customers?
Or are we functioning as a broker, simply connecting sellers with buyers?

Assume that we are functioning as a broker. Our role is to facilitate the connection between sellers and buyers.

Got it. Moving on, could you explain how cycles are currently being used and what the demand for them is like?

Cycles are primarily used for commuting within the college campus. Students use them to travel between classes and
hostels, while faculty members also rely on them to commute from their homes to their workplaces. Given the size of
the college area, cycling is a popular way to reduce travel time.

Are we aiming to provide the service to the whole college community or just the students?

Our target audience includes all students, faculty members, and staff within the college.

I see. How are people currently selling their cycles?

Currently, if someone wants to sell their cycle, they either send out an email to inform others or, more commonly, they sell it to a reseller around the college campus for a lower price to get quick cash.

Considering all of your instructions, I think these are the features that I would like to have in the application to include a Bidding System where sellers set a price, and buyers can bid. The highest bid that meets the seller's needs wins.

How would you ensure trust within the community?

User profiles would be linked to college or staff IDs, making it exclusive to the campus community and more secure and sellers can can upload detailed Listings with descriptions, images, and cycle condition.

Comparing products is often crucial for buyers. Do you have anything in mind for that?

Yes, the app would allow Product Comparisons, so buyers can compare multiple cycles side-by-side. It'll help them make more informed decisions by looking at specifications, price, and condition
I'd include a Product Condition and Quality Verification system. Cycles would be categorized based on their original purchase price and age

How would you prioritise the needs of buyers vs sellers?

Buyers: Their main priority is getting the best value for their money.
Sellers: Their top priority is to sell their cycle quickly, especially before leaving the college. After that, they aim to secure the best possible deal for their product.

Your approach is well-structured and comprehensive. We can conclude this case study here.

Dashboard Design for the state

Great, thanks for coming today. Let's start the first question: How would you collect such data to create such a dashboard?

Thank you for inviting me. To make this dashboard, I would actually approach the data sources using multiple data sources in order to ensure they are fully covered.
To enhance the performance of the agricultural task we employ various combined efforts and therefore, we connect many different data sources. From the Ministry of Agriculture and Assam's Department of Agriculture, we are interested in government reports that have relevant information on policy and crop production. Through remote sensing, satellite data is also used to provide continuous updates on land use, crop health, and soil health status. There are many environmental factors that have to be evaluated including the weather data, which helps monitor rainfall, temperature, and other weather conditions that influence crop growing.
Also, we collect agricultural surveys obtained from governmental bodies and NGOs to obtain information on crop performance, land distribution and how many people farm in order to comprehend the developmental context. Finally, the most important part is market data - our product contains market prices, demand calculation, export information and other data and helps farmers to take profit maximizing decisions based on the obtained data. If farmers have all the above information and analysis, it becomes easy for them to improve both productivity and profits.
One other unconventional way to collect data is to keep mandatory surveys at the government stores and godowns which provide grains, seeds and fertilizers at a lower cost. Almost 79 % percent of the farmers in Assam avail the government subsidies and hence they visit the government owned stores an godowns on a regular basis this way we can collect authentic data and that too from the inaccessible regions.

Good approach! What information constituents would you like to include in such a dashboard?

There would be several key constituents that would give a comprehensive view of agriculture in Assam, such as:
My product offers a comprehensive solution for agricultural management. It starts with an Overview Dashboard, which highlights key KPIs like total agricultural output and major crop production. We also provide Regional Insights that cover geographic productivity, soil types, and the number of farmers in each area. Through Crop Health Monitoring, satellite imagery tracks crop conditions, along with a crop calendar for optimal planting and harvesting times.For environmental factors, we use Weather Impact Analysis to show current weather conditions and historical data on how weather influences agricultural productivity. Our Market Trends feature monitors real-time prices and analyzes supply-demand dynamics for major crops. Additionally, we gather data on Fertilizer and Chemical Use Patterns, tracking the amount of natural or chemical substances applied during the crop cycle. Finally, we deliver Actionable Insights with notifications on pest outbreaks and tailored best practices, helping farmers make informed decisions based on real-time data.

Other than the product will also include informational dashboards regarding comparisions between th type of crop grown, the region in it frown and thee cost of the crop grown among other such distinctions.

Sounds really comprehensive. Could you give me a general outline of the dashboard, then tell me how you would present the key information?

The product interface of our solution is developed with the user in mind, as well as the need for provision of prompt information on aspects that matter the most. It contains a Navigation Bar through which users may navigate to Overview, Regional Insights, Market Trends etc. The information within the Main Overview Panel includes key KPIs such as total yield and market prices that are displayed in large and bold numbers. For instance, where important metrics are presented, purposively different colors have been used in order to simplify how much of inputs needed.

An Interactive Map further increases interactivity on the interface allowing a user to selected on any region and obtain more information on agricultural productivity, its regions and other information. In the effort to bring out clearer trends, we have also provided Graphs and Charts apart from data tables. Crop production trends as well as trends that have caused impact on weather, these new graphical representations are specially boxed to emphasize changes within the areas for easy reference.

Lastly, in the upper part of the interface, there is a Alerts Section which is placed in such an amount of banners with the aim of informing users on critical matters like change of weather or even pest occurrences at that time. Such notification is sufficient in itself since users know they should act as soon as possible whenever conditions warrant it.

We're developing the Chief Minister dashboard for the state of Assam. What can we

Dashboard Design for the state

If this dashboard is to be used responsibly with the proper user friendliness by the Chief Minister, then ensure that the dashboard is simple and clear. Here's how to do it:
The user interface of our product makes it simple to utilize information and gain insights into agriculture. It begins with a Navigation Bar which lets the users quickly move to major sections such as Overview, Regional Insights, and Market Trends and so on. A set of critical KPIs such as total amount of agricultural production and the prices in the market are quantitated in the Main Overview Panel with big bold figures as well as contrasting colors that are meant for users to help them recall basic figures multipicture beyond.
There's an Interactive Map which is placed at the middle of the interface and allows the user to click a particular region and get information pertaining to the agricultural productivity, soils and farmers in that region. In addition to this, we've included Graphs and Charts showing the modern agronomic variations and the climatic variation patterns. Such severe changes will be presented to the chart users in an effort to make them know of the tools that are definitely indicated in the charts upon noticing the changes.
After that, we have also put on the page a top Alerts Section that informs users about critical situations that need their immediate attention, such as an outbreak of pests, or extreme weather conditions. This guarantees that the people in question are always in touch with the issues that have or may arise and take appropriate actions whenever the need arises.

That makes a lot of sense! Last, can you say a little bit about the landing page?

Yeah! The landing page would be a gateway into the dashboard. It would have:
The landing page for our product will be offered in a manner that allows the user to gain direct insights in smooth navigation flows. First, there will be a Welcome Message to introduce the reader to the dashboard and its importance in supporting the decision-making process. Positive user experience is built and connected from the very beginning.
We then have Quick Stats, a preview of the major metrics-total agricultural output and current market prices. They feature up front to give users immediate context. We made things easier for users by including Navigation Shortcuts that take frequent users directly to the Overview, Weather, and Alerts sections.
Another section of the website is about Recent Updates, informing users about the latest reports and changes in the data so they can always be updated with the new news. Last, but not least, we added a Feedback Button, enabling users to give their feedback or ask questions in order to encourage further dialogue. The landing page is designed to offer surface-level insights without compromising easy access to more detailed sections.

Thanks for your insights! That's very clear.

Thank you! It's great to discuss this project with me and it's wonderful that I'm being given this chance to speak about the project outcome as well and somehow related to its impact on agricultural governance in Assam.

Product Design

Packing Optimization

Hi! Let's start with the case. How would you design packaging for an e-commerce company that minimizes environmental impact while ensuring product safety and brand visibility?

Are there any time or resource constraints I should be aware of?

No particular constraints as such.

Is the packaging intended for premium products or regular products?

The packaging is needed for both premium and regular products.

Great. Let's start by identifying the main pain points.

- Consumer Perspective: The risk of damaged products during delivery.
- Company Perspective: Ensuring sustainable packaging doesn't make the product seem cheap, while also maintaining strong brand visibility.

To address these, the first step I'd take is optimizing the different layers of packaging.

Can you explain how you would handle the packaging layers?

Sure. The key here is balancing sustainability with protection. Here's how we can do it:
Using eco-friendly materials like biodegradable plastics or cornstarch-based packaging helps reduce environmental impact.
Keep the packaging compact and lightweight, using structural design to minimize movement during transit. This reduces material use while ensuring product safety.
Instead of traditional bubble wrap, we can explore eco-friendly alternatives like biodegradable packing peanuts or paper-based protective wraps.
For consumer shipping, I'd recommend using single-layer packaging that's ready to ship without requiring additional layers. For instance, well-designed cardboard boxes can provide the needed protection while reducing waste.

Reducing layers sounds good, but how do you ensure protection?

I recommend using corrugated cardboard packaging. It's strong, customizable, and made from recycled materials. It also offers excellent protection and can be tailored to fit various product sizes.
Additionally, single-step cardboard packaging can be used to prevent product movement within the box, reducing damage risks during transit.

How do you ensure that the packaging reflects the brand?

Custom branding is crucial for establishing a strong identity. Here's how we can ensure visibility:
Bold Logos and Branding: Use bold and prominent logos on the packaging to ensure brand recognition.
Social Media Integration: Add elements like hashtags, QR codes, or creative designs that encourage customers to share their unboxing experiences on social media.
Premium Unboxing Experience: Even for eco-friendly packaging, details like inserts or textured finishes can create a premium feel, especially for higher-end products.

Now talk about the main pain point
How do you address the challenge of ensuring that sustainable packaging doesn't make the product seem cheap?

That's a great question.
It's important to change the narrative around sustainable packaging. While some consumers might associate eco-friendly packaging with lower quality, we can counteract this by emphasizing the packaging's reusability and the brand's commitment to sustainability.
While fully eliminating plastic may not be practical, reducing single-use plastics and incorporating more sustainable alternatives is a crucial strategy.

Those are some solid recommendations. I think we can close the case.

Success Metrics | media.net

Zerodha

Your client is Zerodha, a stock broker and financial services company. It offers online platform to invest in stocks, derivatives, mutual funds, ETFs, bonds, and more. As a product manager, evaluate the success metrics for your client.

Sure. Can I begin with a few clarifying questions?

Yes, please go ahead.

Who are the primary users? Are they mostly retail investors, institutional investors, or both?

Primarily, we focus on retail investors, including beginners and experienced traders. We aim to cater to a diverse user base with varying levels of investment knowledge.

Understood. Can you briefly explain the main objectives of Zerodha for the next year?

Our primary goals are to increase user acquisition, enhance customer engagement, and improve retention rates. We also want to expand our product offerings and improve the user experience on our platform.

Noted. Are there specific financial goals or growth targets you are aiming to achieve this year?

Yes, we aim for a 20% increase in active users and a 15% increase in transaction volume year-over-year.

That's helpful. As of now, what metrics is Zerodha using to evaluate its success?

Currently, we focus on active user growth, transaction volume, churn rate, and customer satisfaction metrics, such as our Net Promoter Score (NPS). These give us a good overview of platform health and user engagement.

Got it. Lastly, are there any specific challenges you're facing that metrics could help address?

One of our biggest challenges is keeping users engaged during periods of market volatility. We also need to improve our onboarding process to reduce drop-off rates.

Have there been any significant changes in our competitive environment that can possibly lead to decline in orders?

No particular changes that we are aware of in particular, this factor can be ignored for this particular scenario.

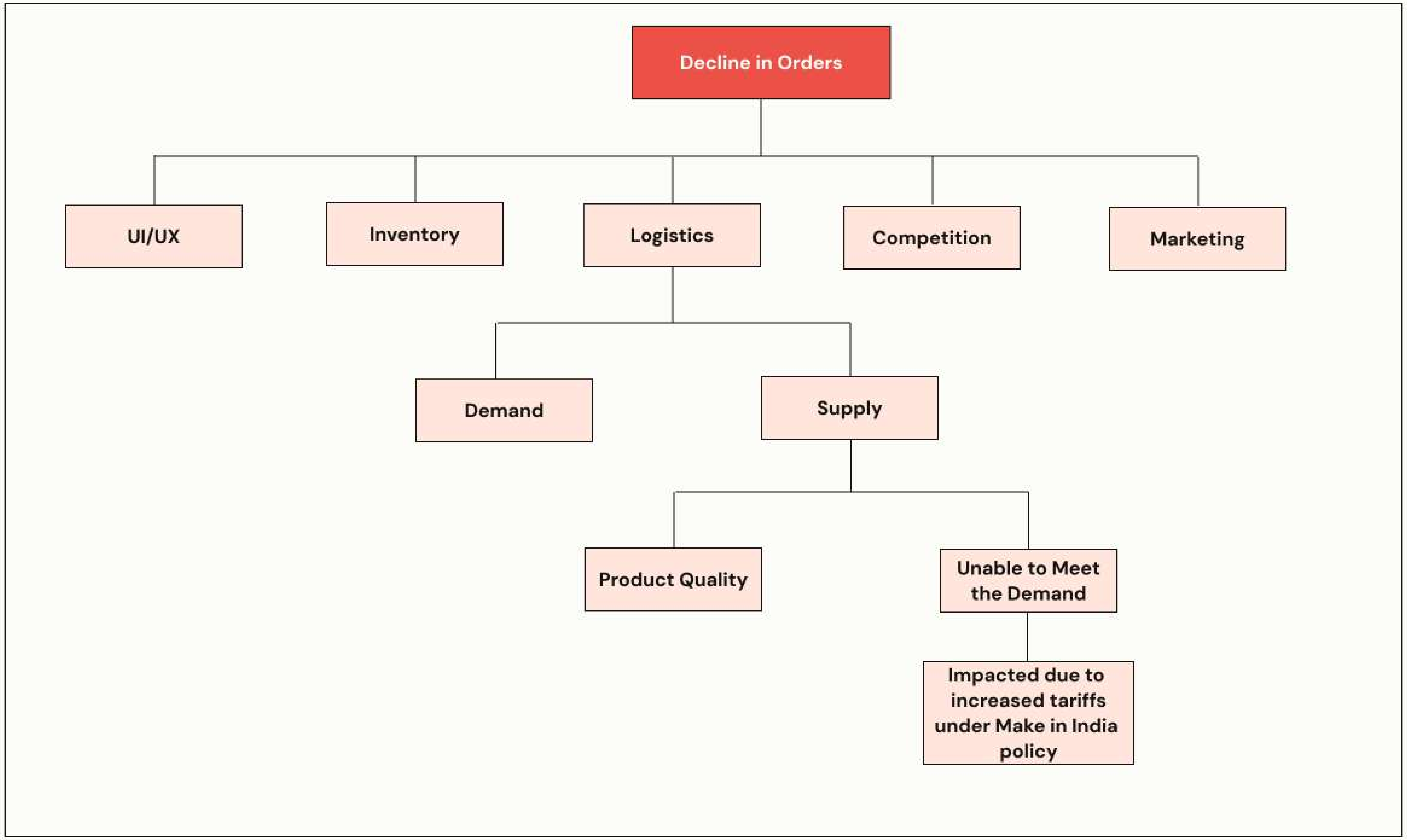
Very well. Based on this, I would like to recommend the following metrics to evaluate Zerodha's success:

1. Active Users (DAU/MAU): Monitor daily and monthly active users to gauge user engagement and platform stickiness.
2. Churn Rate: Measure how many users stop using Zerodha's platform over a specific period to evaluate retention efforts.
3. Transaction Volume: Track the total value of trades executed on the platform, providing insight into market activity and platform growth.
4. Net Promoter Score (NPS): Continue using NPS to assess customer satisfaction and gauge the likelihood of users recommending Zerodha to others.

I think that concludes the case. Thank you.

Zerodha

Success Metrics | media.net



Your client is Myntra, currently experiencing a 20% decline in orders. As a Product Manager, the client has requested a root cause analysis.

Case Notes

- Myntra is facing a decline of 20% in orders since the past few years.
- The decline is evident on both application and website. There are no modification that can impact the user experience.
- The client has introduced new offers to attract customers.
- Competitors have not shown any sign of threats to the client.

Observations/Suggestions

- Recent delays in order processing, delivery, and inconsistencies in product inspections have impacted order fulfillment.
- Many suppliers, reliant on imports, are struggling due to government-imposed tariffs under the Make in India policy, affecting their ability to meet demand.
- To mitigate the decline, investing in local manufacturers could help reduce dependency on imports and stabilize supply.

Blinkit

What Metrics will you use to measure the success of Blinkit's services?

Well, Blinkit is a quick commerce platform that concentrates on delivering groceries and essentials within a short time typically ranging from about 10 to 20 minutes. It aims to be faster than others and more convenient for consumers. Is it fine if I take the main objectives in quick delivery, boosting order frequency, and maximizing order value?

Yes, that works. Please continue.

Great! Therefore we have two big interest groups involved: clients and the deliverer. The customer checks through the app and places an order while the delivery agent picks it up and then delivers it within that particular time frame.
However, breaking this down, I think we could look at it in terms of different phases of the customer journey. Let me guide you through each step before discussing any measurements.

Sounds good.

Ok then. So, the first phase is awareness. This means spreading news of Blinkit's existence through adverts, app store rankings or word of mouth. For instance, we might want to look at new application downloads and also perhaps how effective our referral programs are like…how many people are signing up because their friends referred them to Blinkit?

Sure, I understand awareness. What comes after it?

The next step is Engagement. This is the point at which users are actively engaged with the app; they are viewing products, searching for items they are interested in and possibly adding things to a shopping list. At this stage, we would be concerned with metrics such as Daily Active Users (DAU), Monthly Active Users (MAU) and onscreen time per user. The intention is to measure the level of involvement of users on the system.

Absolutely, engagement matters most. Then what?

Conversion follows closely behind Engagement. This is the point where users purchase from us or enter their order details into our web pages for buying groceries and essentials etc. We need to check out how many people who come to our website or app actually make a purchase? (conversion rate from browsing to purchasing) Besides, we might also have a look at average order value (AOV) and cart abandonment rates too. How many people start but fail to complete the ordering process? This point is vital if we want to know why customers do not buy our product even when they show interest in doing so!

I see, and what about delivery?

Yeah, Blinkit's got a name that it has built around Delivery Efficiency. At this point the key concern is meeting the promise of superfast delivery. We would be looking at average time for delivery as well as on-time deliveries rates alongside delivery complaints per 1000 orders among other things to see if we are meeting our customers' needs.

Delivery is definitely a major issue. What is the last step?

In the end, we have Customer Satisfaction & Retention which means to check if customers are enjoying our services and keep coming back. The Net Promoter Score (NPS) will help us gauge how many clients are likely to recommend Blinkit to others. We would also examine the customer retention rate as well as churn rate and Customer Lifetime Value (CLTV). This will tell us whether users are still hanging around and what their worth is over an extended period.

That's all very logical. You've covered quite a bit of ground.

Thank you! Through following these parameters along with the customer journey, one can get better insights on how Blinkit performs as well as identify areas that can be improved in its performance.

Pricing Model
Jio

Jio wants to launch a pricing model for its existing platforms in India. You are hired to build its Pricing Model.

I would like to ask a few clarifying questions before I begin. Would you like me to consider any particular Jio service?

For now consider jio cinema.

Okay, so looks like we are catering to the entertainment platforms of jio.
Do all these platforms provide absolute free services as of now?

Yes, all these platforms are absolutely free uptill now. And from now we are planning to launch a pricing model.

Is there any particular model you would like me to go ahead with,
For eg.
- Competitor based pricing
- Value based pricing.
- Cost based pricing

Which would be the best model according to you for this case?

According to me, a cost based model will not be useful in this case.
So I would like to proceed with the remaining two.
Firstly, I would like to go with competitor based analysis, if this sounds good.

That sounds reasonable, you may proceed with the Competitor Based model.

The major competitors for Jio Cinema are Netflix, Disney+ Hotstar, and Amazon Prime. Each of these platforms has established pricing that reflects their content offerings and target markets. Specifically, Netflix charges ₹199 per month, Disney+ Hotstar has a plan at ₹99 per month, and Amazon Prime is priced at ₹299 per month.
Are the pricings considerable?

Given these competitor prices, how would you determine an appropriate base price for Jio Cinema?

To set a competitive base price for Jio Cinema, I will consider a few key factors. Firstly, the content library—Jio Cinema has a broad range of content, though it may not match the extensive libraries of Netflix or Amazon Prime. However, Jio Cinema's inclusion of regional and potentially exclusive content adds unique value. Next, I will look at the target audience. Jio typically appeals to a price-sensitive segment, which suggests that the price should be lower than that of Netflix and Amazon Prime, but possibly equal to Disney + Hotstar, depending on the perceived value.

Makes sense! Go ahead.

Finally, I will consider market positioning. Jio often adopts aggressive pricing to capture market share, so we want to set a price that's competitive but still reflects the platform's value.

Based on these considerations, what would you suggest as the base price for Jio Cinema?

Generation Y, being the first "Digital Native" generation raised with the Internet, is less sensitive to price and more focused on quality. They value the story and origin behind a product, with sustainability playing a significant role in their purchasing decisions. Considering these factors, I would recommend a base price of Rs 59 per month for Jio Cinema. This price strikes a good balance, offering affordability while maintaining competitiveness with other streaming services.

Yes this makes sense.

Now I would like to proceed with a value-based approach.

Sure go ahead.

The IPL created substantial hype for Jio Cinema, which we can capitalize on by introducing a separate subscription plan for specific events like IPL, other sports events, and even high-profile movie releases. These events have a distinct value to users who are willing to pay a premium for access to live sports or exclusive content.

Jio - Interview Transcript

That sounds interesting. Could you elaborate on how you would structure this event-based subscription?

Certainly. The event-based subscription would be designed to cater to users who are primarily interested in specific high-demand content. For instance:

- Sports Package: This could include access to live streaming of IPL, other cricket tournaments, football leagues, and more.
- Blockbuster Package: This would focus on high-profile movie releases, offering early access or exclusive streaming.
- Cultural Events Package: For users interested in cultural content, like live concerts, theater productions, or regional festivals.

Each of these packages would be available as add-ons to the standard Jio Cinema subscription, allowing users to customize their viewing experience based on their interests.

How do you plan to price these event-based packages?

Pricing for these packages would reflect the high perceived value of the content. For example:

- Sports Package: Given the massive popularity of IPL, we could price this package at around ₹149 to ₹199 per month during the IPL season, with other sports events bundled in.
- Blockbuster Package: This could be priced at ₹99 to ₹119 per month, depending on the exclusivity and timing of the movie releases.
- Cultural Events Package: This might be offered at ₹79 to ₹89 per month, catering to a niche but passionate audience.

These prices are designed to be attractive yet reflect the premium nature of the content.

That sounds good. Go on.

We can also introduce a family-based subscription. It would aim at households where different members have diverse entertainment preferences. This plan would include:

- Multiple Profiles: Up to 4-5 profiles with personalized recommendations.
- Content Bundles: Access to a wide range of content, including sports, Bollywood movies, cultural events, kids' programming, and more.

Flexible Viewing: Allowing simultaneous streaming on multiple devices, so family members can watch different content at the same time.

What pricing do you envision for this family-based subscription?Your calculations seem fine. Consider that the average price in the Market per 0.75 l bottle of wine across all customer segments is below 3 $. What steps would you take to sell your product and increase the profitability?

The family-based subscription would be priced to reflect its broader appeal and value. Given the variety of content and the number of profiles, I would suggest a monthly price of ₹199 to ₹249. This price point is competitive, offering significant value compared to individual subscriptions, while encouraging more families to choose Jio Cinema as their primary entertainment provider.

How do you think these pricing models will be received by users?

I believe users will appreciate the flexibility and value offered by these new subscription options. The event-based packages cater to specific interests, allowing users to pay only for the content they value most. The family-based subscription, on the other hand, offers convenience and cost savings for households with diverse entertainment needs. By focusing on what users truly value, these pricing models should drive both customer satisfaction and revenue growth for Jio Cinema.

You've presented a comprehensive approach by combining both competitor-based and value-based pricing models. How would you summarize your recommendations.

I recommend a multi-tiered pricing strategy for Jio Cinema. The base price should be set at ₹59 per month to ensure accessibility and competitiveness. For specific content, we can offer event-based packages: Sports Package at ₹149 to ₹199 per month, Blockbuster Package at ₹99 to ₹119 per month, and Cultural Events Package at ₹79 to ₹89 per month. Additionally, a Family-Based Subscription at ₹199 to ₹249 per month would cater to households with diverse needs.
This strategy balances affordability with value, appealing to a broad audience and maximizing revenue from both premium and family-oriented content.

That's a well-thought-out plan. We can close the discussion here.

Thank you.

Good recommendations. We can end the case here.

Pricing Model | Tata 1mg

Samsung New Pricing

Let's begin with the case. You are a product manager at Samsung, and seeing the dominance of Apple mobile phones in the market, you are tasked with building a pricing model for Samsung mobile phones to reduce Apple's monopoly.

Okay, sure. I would like to ask a few clarifying questions before I begin.

Go ahead.

What market are we catering to, the Indian or the Global market?

Consider the Indian market.

Any particular mobile phone series that I should consider, or in general?

Go with the S series.

Should we consider new models or tne previous ones as well?

All models existing in the market can be considered.

Referring to the information uptill now, we can consider these three paths for pricing.

- Competitor based pricing
- Value based pricing.
- Cost based pricing

Which path according to you should we go with?

We will begin with cost-based pricing. We can set a bottom line for our products, which could be Rs. 24–28K for the S24 FE, Rs. 30-35K for the S24, and Rs. 55-60K for the S24 Ultra.
Am I correct with these assumptions?

What are the basis of these assumptions?

Considering Samsung as an efficient player in the market, I am assuming a gross profit margin of 60-70% per piece on each model.

Okay, go ahead

So, comparing the current pricing of the models, which is approximately Rs. 1.5L for the S24 Ultra, Rs. 80K for the S24, and Rs. 70K for the S24 FE. Am I going in the right direction?

Yes, sure.

So, we can come up with the base price for all the models. Now, I will consider value-based pricing. Can I proceed?

Sure.

Considering the features provided by Samsung which are its USP's are

- 100x camera zoom
- battery percentage
- Storage capacity which is also expandable
- ecosystem
- integration with AI leading to real time AI assistants

Shall I proceed further?

OK, go ahead!

Considering the vast Indian market and the growing content creation on social media platforms like Instagram and YouTube, we can see that demand for good camera features is increasing, and customers are willing to pay more for this particular feature. Similarly, for all the listed features, a certain value is added to the products.

Seems good!

The pricing of S-series models should be approximately Rs. 1.6L for the Ultra, Rs. 85-90K for the regular model, and Rs. 75-80K for the FE model. Does that seem fair?

Pricing Model | Tata 1mg

Samsung New Pricing

Yes, go ahead.

Considering the dominance of Apple, I want to proceed with the competitor based model.

Go ahead!

As a reference I will consider the recent series.

Sure.

The pricing of the new Apple models is as follows:
There are 4 models:

- iPhone 15 Pro Max: Rs. 1.5 lakh
- iPhone 15 Pro: Rs. 1.2 lakh
- iPhone 15 Plus: Rs. 90K
- iPhone 15: Rs. 80K

Am I right with the data?

Yes, it's accurate.

Now, considering the 3 models of the Samsung S series, these are:

- Samsung S24 Ultra: Rs. 1.5 lakh
- Samsung S24: Rs. 80K
- Samsung S24 FE: Rs. 70K

Is this data valid?

Sure, it seems correct, go ahead!

As we can see from the comparison:

- Our S24 Ultra model competes with the iPhone 15 Pro Max model.
- Our S24 model competes with the iPhone 15 Plus model.
- Our S24 FE model can be compared to the iPhone 15 model.

Sure.

According to my knowledge, comparing the features of the new models also goes hand in hand with this comparison.
Am I correct?

Yes, we can assume that.

A common human behavior is to spend a little extra to buy a top model, which can be observed in the sales of iPhone Pro Max and Pro models. My first suggestion would be to launch a model between the Samsung S24 and S24 Ultra, with slightly fewer features and pricing compared to the iPhone Pro.

.Sure! It can be done.

Also, we can see that Apple has more brand value in the market, giving it an advantage to be priced higher. So, in my opinion, since the S24 Ultra and iPhone Pro Max have similar features, Samsung's pricing should be reduced slightly to increase sales.
We can set the pricing of the S24 Ultra in the range of Rs. 1.35L to 1.4L.
Am I going in the right direction?

Yeah, sure, go ahead!

Similarly, we can set the pricing of S24 at Rs. 75-80K and S24 FE at 60-65K to have a pricing advantage.

Sounds Good.

I also suggest dropping the prices of older models a little more during the launch of new models to boost their sales. I would recommend pricing the S23 Ultra at approximately Rs. 80K, the S23 at Rs. 60K, and the S23 FE at Rs. 50K.

Ok, great! That were quite good suggestions. We shall conclude now. Thankyou!

Industry Reports

Airline
Industry

Inbound Logistics →
Aircraft lease
Fuel
Route selection
Facilities planning
Yield Management
Flight/Crew Scheduling
Aircraft Acquisition

Operations →
Ticket Counter
Aircraft operations
In-flight services
Baggage and cargo handling
Onboard Services
Ticket Offices

Outbound Logistics →
Baggage and cargo connection
Flight connection
Rental Car & Hotel Reservation System

Marketing →
Travel agents
Coupons, discounts
Electronic tickets
Frequent flyer
Advertising
Group Sales

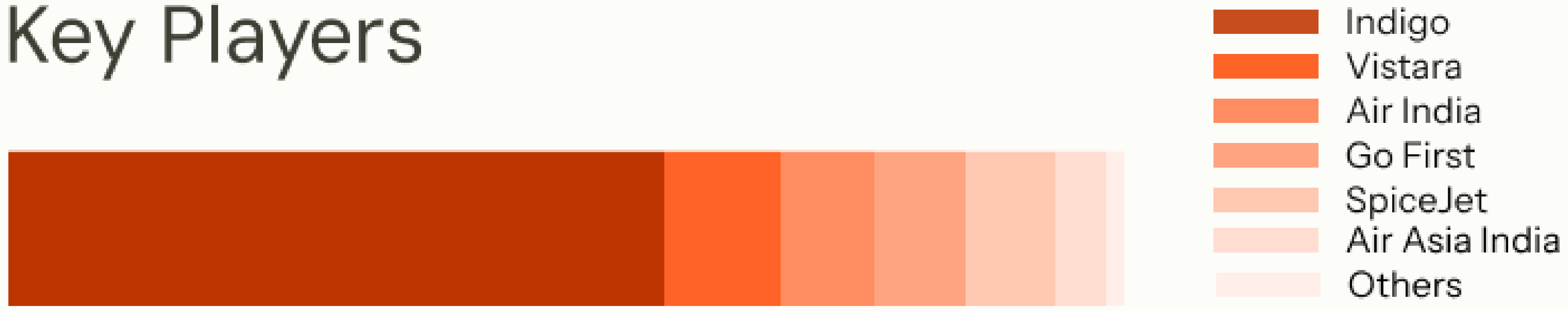
Services
E-ticketing
Support Centre
Lost Baggage Service
Complaint Follow up

Key drivers

Revenue segments
1. Baggage Services
2. Inflight services
3. Ticket Price

Cost segments
1. Fuel
2. Aircraft Lease
3. Hangar and warehouse charges
4. Employee Salary

Key Players



Industry Challenges

- Rising fuel prices: Fuel costs constitute 40% of operational expenses, posing a significant challenge.
- Government regulations: Policies and interventions aimed at capping ticket prices restrict revenue potential.
- Increased climate change awareness: Growing environmental concerns are reducing demand for air travel.
- Post-COVID travel concerns: A segment of society remains hesitant to resume normal travel patterns following the pandemic.
- High capital and operational expenditures: The industry is characterized by substantial capital and operating costs, making financing a critical challenge.

PESTEL analysis

Political	UDAN scheme (Ude Desh ka Aam Naagrik) aims to connect small towns and remote areas with air travel. Announcement of a new safety audit program for airlines in 2002 adding to the costs of compliance.
Economic	Growth of middle class contributes to the growth of aviation industry.
Social	Growing demand for international travel, as Indians are becoming more interested in exploring the world.
Technological	Self-flying drones and electric aircraft, will make air travel more affordable and accessible. $1 billion investment by government in the development of new aviation technologies.
Environmental	Governments plan to reduce carbon emission by 50% by 2030.
Legal	Mandatory for all airlines to have a safety management system in place.

Porter five forces

Bargaining power of suppliers
High, due to the fact that there are a limited number of suppliers of aircraft, engines, and other aviation equipment.

Bargaining power of buyer
High, due to low switching costs owing to customers viewing air travel as standardized service.

Bargaining power of buyer
High, due to low switching costs owing to customers viewing air travel as standardized service.

Threat of substitues
Low, as there are no close substitutes for air travel. Establishment of expressways linking adjacent cities may result in decreased reliance on air travel for inter-city commuting.

Competitive rivalry
High, as rivalry is due to limited product differentiation and significant exit barriers.

Automobile
Industry

Supply Chain Intake
Essential resource acquisition.
Management of storage facilities.

→

Production
Framework Modelling.
Design, machining and welding.
Quality control.

→

Outbound logistics
Warehousing.
Distribution.
Dealer franchise management.

→

Marketing & Sales
Campaigns according to trends.
Offer unique schemes.
Remarketing strategy.

→

Service
Repair and Maintenance
Innovation and Testing
Rebuilding and Reconditioning
Collision service ,Warranty

Key drivers

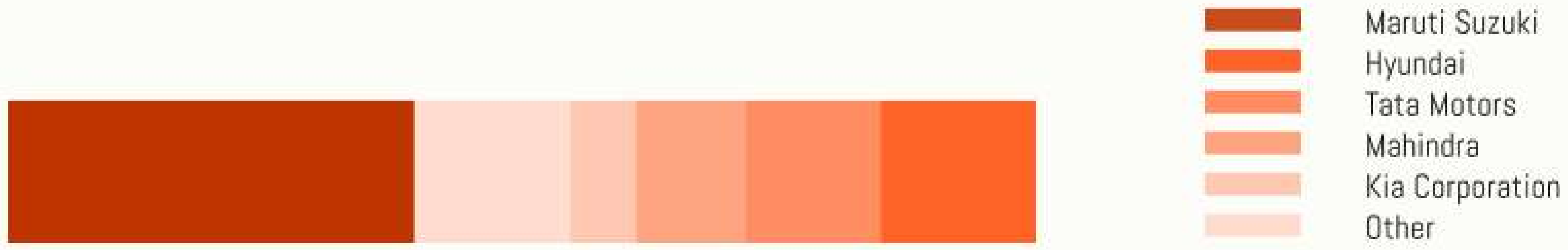
Revenue segments

1. Automobiles Sales
2. After sale services
3. Financial services

Cost segments

1. Raw material consumed
2. Labour
3. Advertising

Market Share



Industry Challenges

- Rising commodity prices are driving up production costs and affecting utilization levels.
- The semiconductor shortage and limited domestic supply are slowing the pace of production.
- There is a heavy reliance on the domestic market for sales, closely tied to the Indian economic cycle, with a declining share of exports.
- A persistent trade deficit exists in the auto parts industry.

Pestel analysis

Political	Regulations regarding the production of automobile parts to ensure the safety and restrict the ample usage of fossil fuels to avoid pollution.
Economic	Countries have imposed taxes on luxury items which have increased their price, and hence a specific section of buyers may not choose to buy one.
Social	Cars are not only vehicles but are also considered as fashion statements.
Technological	The automobile industry is hugely dependent on innovative technology to ensure the safety of the people.
Environmental	Emission from vehicles being a concern for the environmentalists, the governments are promoting electric vehicle segment.
Legal	Strict laws to decrease the number of vehicles on the street. During the forensic test of an accident, if it is proved that there was any problem with the faulty parts or airbags, the company may have to face legal proceedings.

Porter five forces

Bargaining power of suppliers
Low as there is a Large number of suppliers, fragmented supply. Long Lasting Stainless steel parts also decreases bargaining power of suppliers

Bargaining power of buyer
Low, as there is a large number of options available in automobile sector.

Threat of new entrants
Low, as high entry barriers keep small players away. Foreign company intrusion with strong technology and capital is affecting domestic market players.

Threat of substitues
Moderate as there is low risk, but increasing gradually due to development of public mobility option. Increasing gasoline prices and traffic should also be kept in mind.

Competitive rivalry
High, as there is high competition from established players and upcoming new EV players. Oligopoly market (sellers are so few that the actions of any one of them will materially affect price) which helps to minimize the effects of price-based competition

Banking
Industry

Inbound Logistics

- Customer Acquisition through promotion and advertising
- Data collection of customers, finance, and others for risk assessment

Outbound Logistics

- Delivering financial products and services physically or online.
- Distributing statements, documents, and information to customers.

Compliance and Governance

- Ensuring compliance with banking regulations and financial laws.
- Managing risk, security, and data protection to maintain customer trust.

Business Development

- Product Promotion to promote banking products and services.
- Cross-Selling to existing customers based on their needs and preferences.

Products & Services

- Providing loans, securitization of assets, facilitating online transactions.
- Investment services such as mutual funds and bonds
- Assistance services like portfolio management and account info.

Key drivers

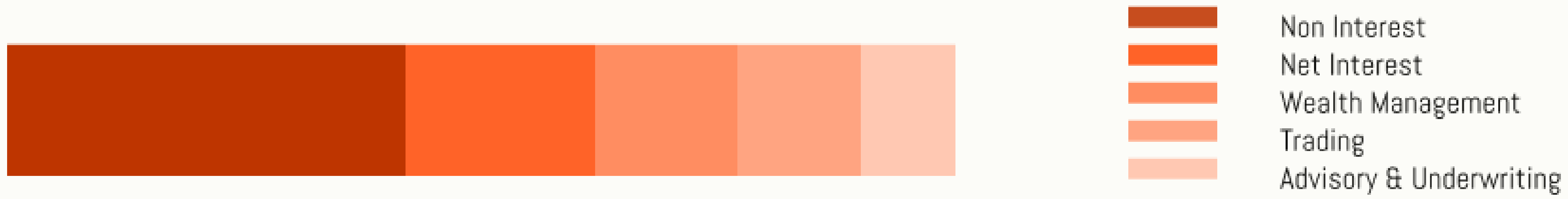
Revenue segments

1. Asset Management and Wealth Services
2. Investment and Trading Income
3. Interest Income
4. Non-Interest Income

Cost segments

1. Customer Acquisition and Management
2. Technology and Compliance,
3. Operational Costs
4. Financial and Risk Management

Market Segmentation



Industry Challenges

- Digitization: The rise of Banking-as-a-Service platforms and open banking is driving a growing need for stronger data protection and enhanced IT infrastructure.
- Consolidation: Significant consolidation in public sector banks aims to boost capital efficiency and maintain profitability.
- NPAs & Credit Extension: A rise in stressed assets and bad loans has led to a slowdown in lending activities.
- Post-COVID Impact: Recovery has been challenging and slow, with increased adoption of digital channels and a rise in cyber fraud incidents.

PESTEL Analysis

Political Political stability,favorable laws and conditions.Government supervision over banks makes investments less risky.

Economic Economic downturns, inflation and recession, dampen consumer spending. fluctuations in currency conversion rates driven by these conditions can deter foreign investors, compounding the impact on banks' operations. Loans to the small business and small-scale industries leads to creation of jobs.

Social Trend of cashless transactions among youngsters, Rate of financial literacy.

Technological Use advanced technology to have a secured system and maintain privacy, developed mobile banking services to avoid brick-and-mortar banking, tools like the internet and SMS to keep the customers aware of the transactions.

Environmental Indirect effects: Cashless transactions have led to reduced paper use, solar ATMs with rechargeable lithium-polymer batteries.

Legal Laws ensuring the safety of money, and bans on non-compliance.

Porter's Five Forces

Bargaining power of suppliers

Low, as the money is supplied and regulated under RBI control, so it is fixed.

Bargaining power of buyer

Low to Moderate, as there are high efforts and costs of switching.

Threat of new entrants

Low, as there are a lot of factors like license issuance, high regulation, and high expenses.

Threat of substitutes

Moderate, as the companies can face competition from other financial intermediaries (like NBFCs).

Competitive rivalry

High, as there are many established players and customers usually have accounts in multiple banks.

E-Commerce
Industry

Inbound Logistics
Goods and raw materials need to be stored, inventoried, packaged and moved. Software and apps can benefit inventory control, transportation and tracking

→

Operations
Technology automation, communication and interconnection
Robots Integration

→

Outbound logistics
Distribution and delivery order fulfillment, distribution, product tracking, and delivery, improved by several kinds of technologies such as GPS, robotics (through drones), communications (smartphone apps), and security.

→

Marketing And Sales
Customer Targeting and segmentation through social media.
Personalized Pay-Options and Gift Vouchers

→

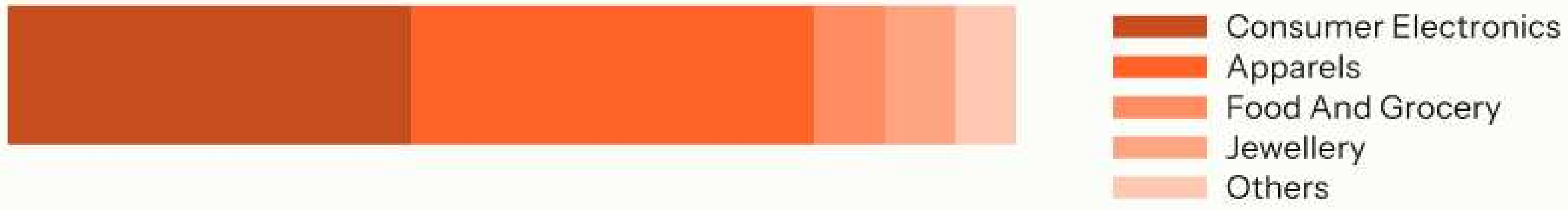
Services And Feedback
Virtual Customer Assistance to improve customer satisfaction. Customer Feedback collection, return options with refunds, surveys and polls via emails and social media.

Key drivers

Revenue segments
1. Customer Centricity
2. Radical Transparency
3. Mobile And Internet expansion
4. Commission model
5. Delivery And Subscription

Cost segments
1. Digital Advertising
2. Logistics: Shipping And Warehousing

Key Players



Industry Challenges

- Intensified Competition: Growing competition is putting pressure on businesses to deliver faster than ever.
- Regulatory Challenges: Data protection regulations and consumer protection rules for sellers and marketplaces require careful compliance.
- Customer Loyalty: Retaining customers is difficult due to low switching costs and high competition.
- User Behavior: There is a high volume of browsing users, but a low conversion rate into paying customers.

PESTEL analysis

Political	Trade policies , high taxation on imported products , ban on certain products.
Economic	GDP Per Capita (Buying Power), High Inflation meaning less demand, and low interest rates could lead to more investments.
Social	High Internet Penetration can increase industry reach. Younger audience would prefer buying online.
Technological	Algorithms to improve consumer recommendation which can increase sales. UPI Adoption has increased convenience.
Environmental	World Risk Indicator: High WRI may lead to natural disasters causing transportation issues
Legal	Data Privacy And Cybersecurity can prevent data breach, enhancing industry reputation. Intellectual property laws can prevent intellectual theft

Porter five forces

Bargaining power of suppliers
Low as there are many e-commerce platforms and offline stores to list their products

Bargaining power of buyer
High, as there are multiple options available

Threat of Substitutes
High as there are multiple offline and online players in the market and there are low switching costs

+

Threat of entry
High as the entry costs required to set up a company are very low

Intensity of Rivalry
High as there multiple players in the market with minimal difference between them

—

FMCG
Industry

Inbound logistics →
Raw material
Quality Control
Documentation
Warehouse

Operations →
Manufacturing and Production
Packaging
Quality Check
Storage

Outbound Logistics →
Maintain Quality
Delivery
Route Optimization
Distribution

Sales and Marketing →
Merchandising
Branding and Marketing
Sale offers
Customer Satisfaction
Seasonal Planning

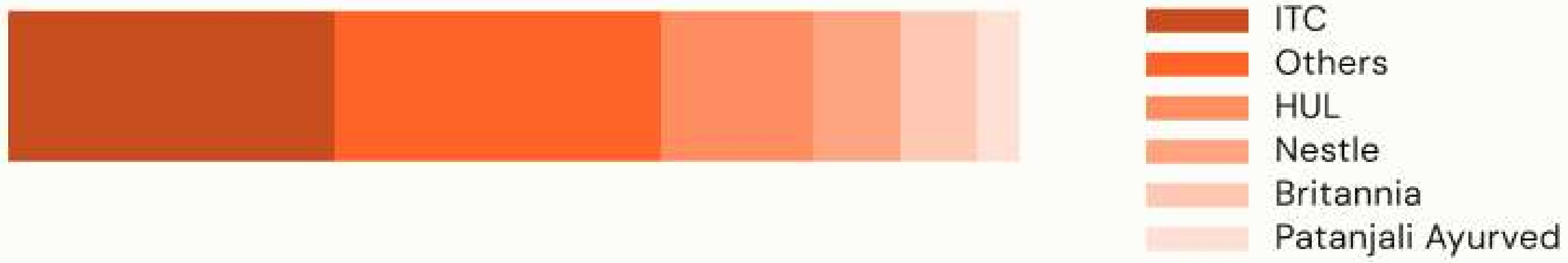
Services
Cyber Shopping
Warranty and Guarantee
Feedback Policies
Exchange Offer
Product Information

Key drivers

Revenue segments
Product Sales
Advertising
Distribution Channel

Cost segments
Manufacturing and Packaging Cost
Distribution and Logistics
Trade incentives and promotions

Key Players



Industry Challenges

- Regional Competitors: Region-specific players with strong value chains pose a significant threat to large FMCG companies.
- Supply Chain Vulnerability: Even minor disruptions in the supply chain can lead to substantial delays.
- Infrastructure Gaps: Inadequate transportation and storage facilities, particularly for items with short shelf lives, create operational challenges.

PESTEL analysis

Political	Government regulations and policies , Trade policies and tariffs , Political stability
Economic	Exchange rates , Economy growth , Income levels , Inflation rates
Social	Consumer behaviour and preferences , Health and wellness trends, Demographics
Technological	Automation and digitization , E-commerce and digital marketing , Innovation
Environmental	Sustainability and eco-friendliness , Regulatory pressures , Resource Scarcity , Waste management , Cradle-to-Cradle Design
Legal	Health and safety regulations , Intellectual property protection laws , Competition laws , Advertising and Marketing Regulations

Porter five forces

Bargaining power of suppliers
Majorly fragment and small scale buyers

Threat of new entrants
Industry requires large capital Investment, warehousing facilities and extensive distribution channels

Bargaining power of buyers
Readily available substitutes and ease of switching between brands

Threat of substitutes
Readily available raw materials and less differentiation of products

Competitive Rivalry
Competition from established corporates and upcoming D2C brands

Healthcare
Industry

Research & Development
Discovering diseases and cures
Clinical trials

→

Consulting and diagnosis
Taking appointments
Doctor visit
Lab tests
Radiology

→

Admission
Beds, monitors, drip, etc
ICU
Nurses
Ambulance

→

Treatment
IPD(surgery)
Medicines, vaccines, etc
Therapy treatments
Surgery equipment
Health insurance

→

Maintenance
Sterilization of hospital, tools ,etc
Repairing diagnostic machines
Ensuring quality of doctors and nurses
Admin and maintenance of patient data

Key drivers

Revenue segments
1. Doctor consultation
2. Lab tests
3. Medicines, treatments and therapies
4. Vaccinations
5. Healthcare Insurance

Cost segments
1. Infrastructure
2. Sanitation and maintenance
3. Employee salary
4. Medicines and medical equipment
5. Transportation
6. R&D

Market Segmentation

Industry Challenges

- Insufficient Infrastructure: A shortage of well-equipped medical institutes and hospitals hampers healthcare delivery.
- Skilled Manpower Deficit: There is a lack of qualified professionals, including doctors, nurses, paramedics, and primary healthcare workers.
- High Out-of-Pocket Expenses: Over two-thirds of healthcare costs are borne directly by patients, leading to financial strain.

PESTEL analysis

Political	Tax policies: exemption from certain taxes, laws enabling telemedicine and radiology. Import taxes on medical goods; Employment regulations(such as employee overtime policies, procedures for hiring doctors and nurses); Healthcare insurance policies.
Economic	Unemployment and income affect purchasing power of patient's; Inflation and interest rates will affect the price of treatments.
Social	Lifestyle disorders; Shifting trend towards Ayurvedic treatments and increased health consciousness; Mindset of population after Covid-19
Technological	Increasing market size for telemedicine; Development of computational tools and equipment in treatment; AI
Environmental	Responsible waste disposal; Natural disasters like pandemic,affect demand of the industry.
Legal	Laws and regulations regarding sales/storage of drugs and safe medication, etc; schemes and trade regulations are introduced by the government; laws regarding clinical trials

Porter five forces

Threat of Entrants
Low as few players are dominating, high initial investment, professional licensing and regulation factors along high costs for expertise and R & D.

Bargaining power of buyer
Low, as Healthcare is an essential service and customers are willing to even pay high prices to get good quality treatment.

Bargaining power of suppliers
Strong bargaining power due to continuous demand for the industry and not many established suppliers.

Threat of substitues
Moderate as there is a rise in symptom based self-diagnosis and procurement of medication from retail stores at cheaper costs. High standard government hospitals can be a major threat. Other forms of treatment like Ayurveda and wellness centres may also be substituents.

Competitive rivalry
Moderate to low. Presence of major competitors that dominate the market, significance of brand loyalty and reluctance of customers to switch, intensity is reduced. However, a high exit barrier fuels the intensity.

Hospitality
Industry

Inbound Logistic
Food and beverages
Quality Control
Storage and inventory management

→

Operations
Accommodation services
Event planning
Housekeeping

→

Outbound Logistic
Maintain Quality
Meals service
Room bookings

→

Sales And Marketing
Advertisement
Offers , promotions & discount
Booking platforms

→

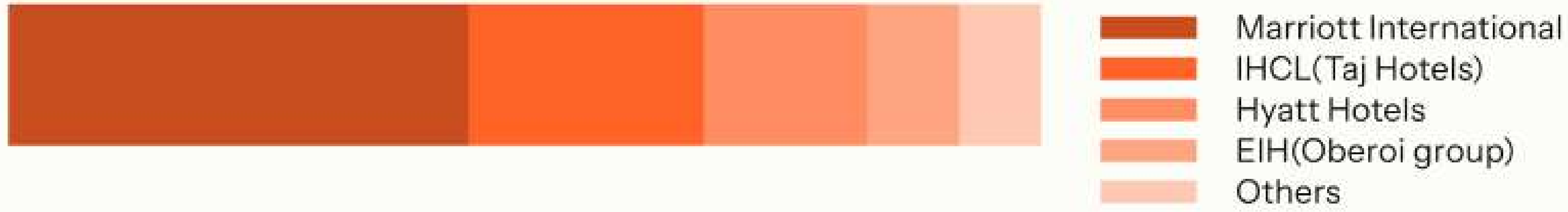
Services
Doctor on call
Feedback policies
Car rental services

Key drivers

Revenue segments
1. Room tariffs
2. Meals
3. Meetings/Parties

Cost segments
1. Consumables
2. Employee salaries
3. Bills

Key Players



Industry Challenges

- Reduced Business Travel: The shift to remote work has led to a decline in business travel.
- Skilled Labor Shortage: There is a scarcity of skilled employees in the industry.
- High Workforce Turnover: Retaining a quality workforce has become challenging due to high turnover rates.
- Profitability Pressure: Maintaining profitability is difficult as guest expectations for offerings and service quality continue to rise.

PESTEL analysis

Political	Tax policies, Government regulations affecting tourism, safety and health.
Economic	Economic growth driving travel and hospitality demand, monetary policy , employment rate.
Social	Travelers are from different classes and large groups, millennials prefer to compare the price of hotels and the amenities before checking into a hotel.
Technological	Online booking platforms, Data security and privacy concerns, Integration of IoT, mobile apps, and intelligent room features.
Environmental	Environment policies, waste disposal, climate change, Impact of climate change on travel plans and infrastructure.
Legal	Employment laws affecting workforce management, copyright & patent laws, safety laws.

Porter five forces

Bargaining power of suppliers(+)
Bulk purchases and large number of suppliers providing similar products can lead to competition and drive prices down.

Threat of Entry
High capital requirements, brand presence, and infrastructure create barriers.

Threat of substitues(-)
Airbnb and other short-term rental platforms provide alternative accommodations

Bargaining power of buyer(-)
Rise of online booking platforms and comparison websites have increased price transparency and options

Competitive rivalry(-)
Intense competition driven by pricing, quality, and marketing efforts due to high fixed costs and perishable inventory.

Insurance
Industry

Product
Customer and market insights
Cover risks in the market
Personalized and usage-based.
Sustainable policies.

→

Marketing
Advancements in digital engagement capabilities.
Updating and aligning market functions considering messages, campaigns, mediums, capacity, and talent.

→

Underwriting
Careful customer selection.
Exploration of risk profiles and pricing models for usage-based products
Analyzing risk profiles and premium pricing models.

→

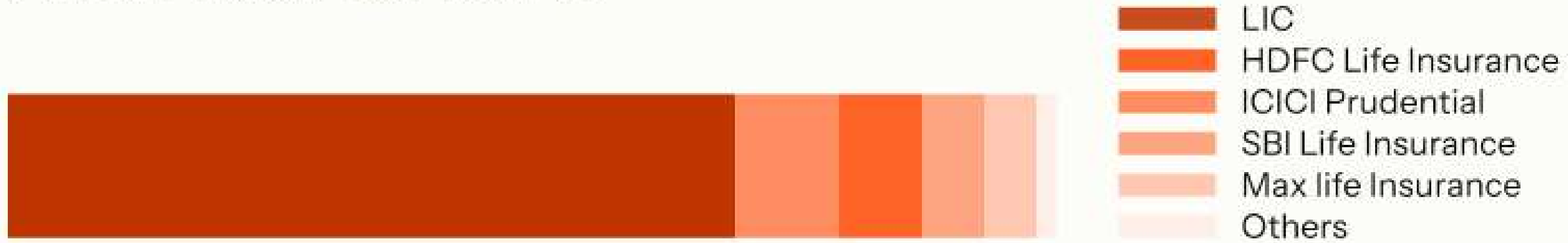
Claims Management
Advice and services provided by the industry respective of claims.
Processing of insurance claims and handling it efficiently, accurately, and mutual protection.

Key drivers

Revenue segments
1. Investment Income
2. Underwriting Profits
3. Service Charge

Cost segments
1. Administrative and operational cost
2. Customer service cost
3. Distribution and sales cost

Market Share



Industry Challenges

- Data Organization Challenges: The absence of organized data complicates the underwriting process, potentially resulting in incorrect pricing.
- Low Insurance Penetration: Insurance penetration remains low in tier 2 and tier 3 cities.
- Distribution Issues: Insurance is a push product that relies heavily on direct selling; digital methods of educating customers are often ineffective in tier 2 and tier 3 cities.

PESTEL analysis

Political	Regulatory Environment , Political Stability
Economic	Economic Growth , Interest Rates , Inflation Rates
Social	Demographic Trends , Changing Lifestyles , Awareness and Perception
Technological	Technological Innovation , Digital Disruption
Environmental	Climate Change , Sustainability Concerns
Legal	Legal and Regulatory Changes , Litigation and Liability

Porter five forces

Bargaining power of suppliers
Low, as there are a limited number of re-insurance companies is moderated by the availability of alternative suppliers.

Threat of new entrants
Moderate, as new insurance companies can enter but companies struggle to gain market value.

Threat of substitues
High, as customers have various alternative options for investment.

Bargaining power of buyer
High, as buyers can demand lower prices or higher product quality from industry providers

Competitive rivalry
High, as the competition is among establish companies rather than newer companies.

IT & ITeS
Industry

IT Services
- ADM
- Infrastructure outsourcing
- Integration
- Software Testing
- OSPD
- IT Strategy & consulting

→

BPM

Customer support
Transaction processing
Knowledge
Legal services
Data management
Analytics

→

Engineering R&D

CAD/CAM, Embedded design, Design and R&D, Product engineering

→

Software products
- Enterprise solutions
- Platforms
- Apps
- SAAS
- B2C products

→

Internet & E-Commerce
- eCommerce platforms
- Online marketing
- Social media
- Technology and solutions
- Content and search

Key drivers

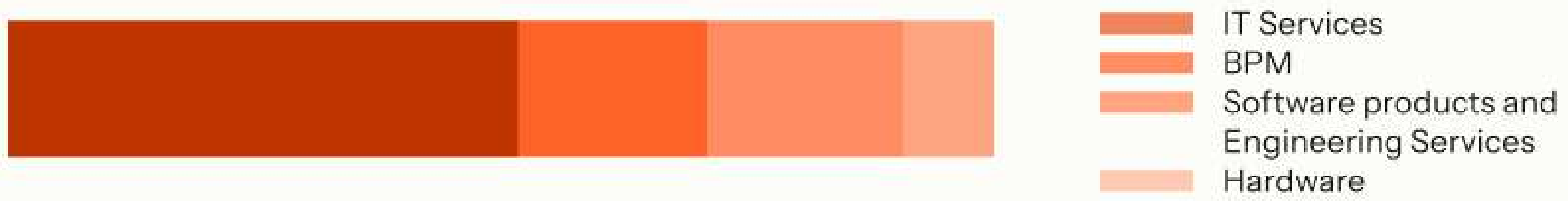
Revenue segments

SaaS
Maintenance charges
Foreign exchange rates
Increasing internet penetration

Cost segments

Maintenance
Legal charges
Marketing
Salaries
Hardware & software costs

Market Segmentation



Industry Challenges

- Cost of Revenue: These expenses are incurred by the company in delivering its core revenue, such as salaries and travel costs.
- Selling, General, and Administrative Expenses: These costs go beyond the cost of revenue and include items like marketing expenses and facility costs.

PESTEL analysis

Political	Tax policies , international relations , labour law , trade restriction
Economic	Economy growth, monetary policy , employment rate , supply and demand
Social	Media views , consumer attitude & opinion
Technological	Automation and research , technological awareness , level of innovation
Environmental	Environment policies , waste disposal ,climate change , pressure from NGOs
Legal	Equal opportunities , consumer protection law ,employee protection law, copyright & patent laws, safety laws

Porter five forces

Bargaining power of suppliers

High, as dominant license suppliers and major public cloud providers possess substantial negotiation leverage, while infrastructure has been commoditized.

Bargaining power of buyer

High, as in the current landscape, services are becoming more modular, allowing buyers to curate a collection of services from various vendors and even switch them out as needed.

Threat of new entrants

Low, as the experience-driven learning effects significantly influence the quality enhancement and cost reduction of projects involving commoditized services.

Threat of substitues

High, as China, Philippines and Malaysia are emerging as a viable outsourcing alternative to India, while the rise of automation also leads to the obsolescence of specific support services.

Competitive rivalry

High, as in this sector, significant competition among major companies is defined by slight product distinctions, primarily driving them to compete based on pricing.

Iron & Steel
Industry

Raw Material
Extraction of iron ores such as Iron pyrites and Magnetites.
Manufacturing the coke from coal for fuel

→

Iron Preparation
Blast Furnaces: Iron ores, coke, and limestones blasted with superheated air forms molten iron.

→

Steel Preparation
Oxygen Furnaces: Scrap steel, molten iron, and pure oxygen are used to form steel.

→

Fabrication/Manufacturing
Demand
Service & Delivery
Outbound Logistics

→

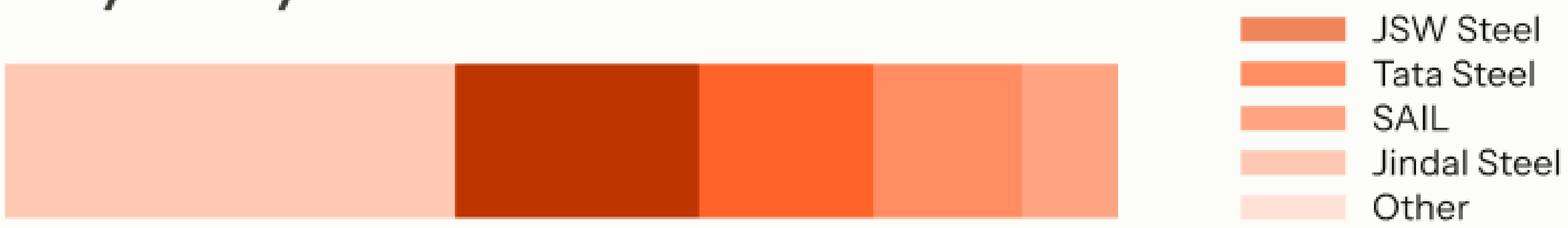
Sales
Pricing
Customer service
Team management
Support tools

Key drivers

Revenue segments
1. Steel for Construction
2. Steel for Railways
3. Steel for Utensils
4. Sale of by-products and semis

Cost segments
1. Raw Materials (45%)
2. Power & Fuel (10%)
3. Salaries & Wages (5%)

Key Players



Industry Challenges

- Financing Challenges: The sector is highly capital-intensive, facing high financing costs alongside cyclical demand fluctuations.
- Logistics Issues: The bulky nature of primary raw materials, such as iron and coal, presents significant logistical challenges and increases costs.
- Raw Material Availability: While there are abundant iron reserves, the limited availability of coking coal necessary for blast furnaces poses a constraint.

PESTEL analysis

Political	National Steel Policy from the government to increase production, close the gap between supply and demand, and other special incentives.
Economic	There is a huge gap in supply and demand in the steel industry. There is also lots of Foreign Direct Investment coming into the industry from various market players.
Social	The steel industry works toward giving permanent employment to the people but also creates a division between the rural and urban sector as the plants only contribute to its vicinity's growth.
Technological	Few innovations are there in the industry, mostly traditional equipment. SAIL (Steel Authority of India Limited) is planning to introduce new technologies.
Environmental	Like many of the manufacturing industries, Steel is also very harmful to the environment. But companies like Tata Steel are encouraging Ultra-Low Carbon steel reducing CO2 emissions.
Legal	Rules and regulations such as rigorous health policies for employees are imposed on the companies.

Porter five forces

Bargaining power of suppliers
Moderate as the raw material availability and cost are comparatively low but there are only few suppliers.

Bargaining power of buyers
Moderate as there are only a few direct buyers but they have high brand loyalty. Also the switching costs are very less.

Threat Of Entry
Low as the exit costs are very high and there are market dominators leading to high entry barriers.

Threat of substitues
Moderate as there are a lot of substitutes such as plastic, wood, synthetic materials, other metals, etc.) but aren't as reliable and established as steel.

Competitive rivalry
High due to low product differentiation (manufacturing process is similar), high exit barriers (manufacturing plants, distribution channels, machineries) and few market dominators.

NBFC
Industry

Inbound Logistics
Acquisition of funds through various sources like deposits, borrowings, and securitization.

Operations
Providing loans, credit, and other financial services to individuals and businesses.

Outbound logistics
Disbursement of loans and other financial services to customers as well as effective customer communication.

Marketing and sales
Building brand reputation and awareness in the market and establishing relationships with potential customers.

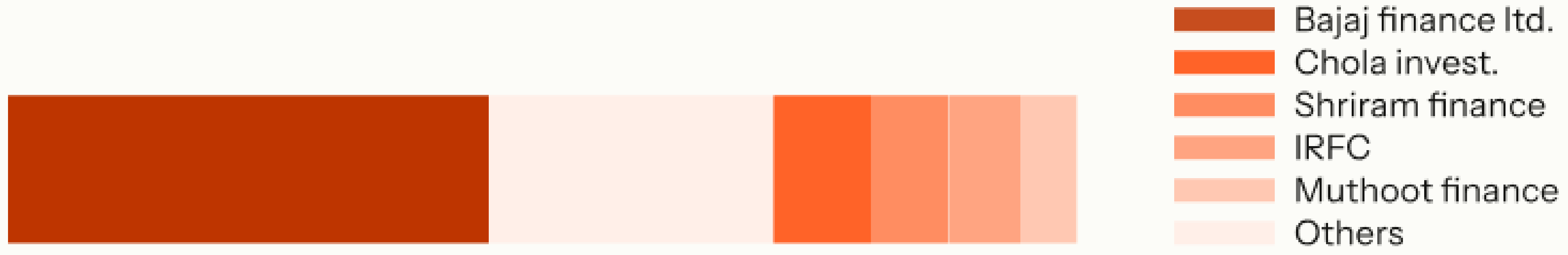
Services
Facilitating easy repayment options and handling customer inquiries.Facilitating easy repayment options and handling customer inquiries.

Key drivers

Revenue segments
- Interest Rate Environment
- Credit Growth
- Product Portfolio

Cost segments
- Borrowing Costs
- Technology Investment
- Regulatory Compliance

Key Players



Industry Challenges

- Infrastructure Maintenance: Ensuring consistent communication and IT infrastructure is a key operational challenge.
- Implementation of Market Schemes: Effectively rolling out and managing market schemes can be difficult across multiple branches.
- Partnership Management: Maintaining and strengthening partnerships is crucial but challenging for sustained growth.
- Employee Costs: Managing salary and employee benefits while maintaining profitability adds financial strain.

PESTEL analysis

Political	The NBFC industry in India is heavily regulated by the Reserve Bank of India (RBI) and other government bodies. Changes in regulations and licensing requirements can significantly impact NBFC operations.
Economic	Fluctuations in interest rates can impact borrowing costs and lending rates for NBFCs, influencing their profitability and demand for financial products.
Social	Changing consumer preferences and attitudes toward financial products and services can impact the demand for specific types of loans, investments, and other financial offerings.
Technological	Using technology and digital platforms also raises concerns about data security and privacy, which NBFCs must address to maintain customer trust.
Environmental	Increasing awareness of environmental issues might drive demand for sustainable financing options and investments. NBFCs could explore opportunities in environmentally responsible lending.
Legal	NBFCs need to adhere to consumer protection laws to ensure fair treatment of customers and handle grievances effectively.

Porter's five forces

Threat of substitutes
Moderate, as the NBFCs were introduced as a substitute to the banks by the government of India which makes banks a very viable option for customers.

Bargaining power of buyer
High, as the products in the NBFC sector are largely undifferentiated and thus buyers have an easy option to switch to substitutes and bargain.

Bargaining power of suppliers
High, since the providers of funds are more demanding as quality of services provided within minimum time matters a lot.

Threat of new entrants
Low, as the industry is hugely dependant on the customers' trust in the organisation and old players in the industry enjoy much higher levels of credibility and customer trust.

Competitive rivalry
High, as the switching costs in this industry are low, competitive rivalry is high and competition from external sector is more volatile as related industries compete with NBFC sector in areas including leases, loans, etc.

Oil & Gas
Industry

Exploration
Site identification
Prepare an FDP

→

Production
Create Infrastructure
Platform at sea (splits oil, gas & water)

→

Transportation
Oil: Crude through tankers
Gas: Liquified and transferred

→

Storage
Oil: Stored in large tanks at ports
Gas: In reservoirs

→

Refining & Marketing
Oil: Refining oil into petrol, diesel & LPG
Gas: Distill & convert by BP

Key drivers

Revenue segments
1. Crude oil
2. Natural gas
3. Artificial gas
4. Others

Cost segments
1. Raw material consumed
2. Transport costs
3. Employee expenses

Market Segment

Industry Challenges

- Oil Demand at Risk: A significant portion of oil demand, particularly in the transportation sector (currently contributing 47%), is threatened by the growing adoption of electric vehicles.
- Plateauing Global Demand: Global crude oil demand is expected to level off over the next five years due to increasing fuel efficiency.
- Price Volatility and Standards: Crude oil prices remain highly volatile, with stricter global regulations adding pressure.
- Supply Disruptions: Geopolitical factors continue to pose challenges to the steady supply of crude oil.

PESTEL analysis

Political	Political conflicts and turmoil cause a spike in oil prices and a disruption in supply of oil. Regulations and taxes influence oil production and pricing processes.
Economic	High demand and essentialness of fuel (as consumption for industry and households) creates economic prosperity. High prices and inflation affects consumption which further affects the prices.
Social	High population growth creates high demand for fuel along with urbanization and industrialization. People behavior and social factors like travel affect demand and prices too.
Technological	Technologies like Artificial Intelligence has provided optimization in drilling. Furthermore, automation is to be linked with upstream processes to enhance production.
Environmental	Oil spills harm marine life and cause high penalties for the firms. Oil and gas factories cause high pollution, but remedial actions are being taken by companies to reduce waste production and greenhouse gases.
Legal	Licensing requirements for companies to carry out the production and sales. Safety laws are in place to ensure employee safety. Government has the authority to restrict exploration.

Porter five forces

Bargaining power of suppliers
Moderate, Government has influence on the price. Further delays in governments has a considerable impact

Bargaining power of buyer
Low, as majority are retail customers and they are price takers

Bargaining power of suppliers
Low, as the industry is capital intensive and presence of ecommerce of scale leads to low threat level.

Threat of substitues
High as there are alternative fuels gaining traction like nuclear energy, coal hydrogen and renewable sources of energy

Competitive rivalry
High, as there are very few players in each segment and profit margins are difficult to maintain

Pharma
Industry

Research and Development

Research along with government institutions.
Invention of Drug.
Formulating the drug and apply for testing.
Look for fatal side-effects and making according adjustments.

→

Raw Materials

Getting approval from government authorities
Setting up factories and materials for various chemical processes

→

Manufacturing

Setting up supply chains for different materials.
Building warehouses and managing the inventory

→

Distribution

Distributing to wholesalers, drug stores hospitals and online pharmacies.

→

Marketing

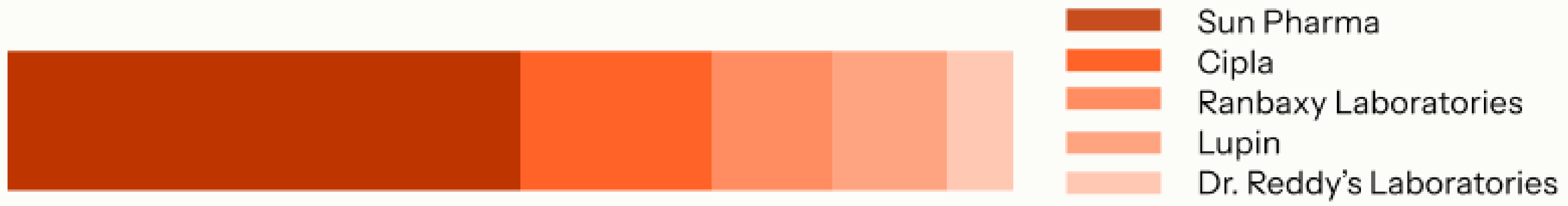
Doctor referrals
Raising awareness through advertisements
Sending samples to physicians
Detailing through sales representatives

Key drivers

Revenue segments
1. Insurance premium
2. Sale of medication
3. Sale of vaccines
4. Patent licensing

Cost Segments
1. Research for formulating the drug.
2. Acquiring raw materials for production.
3. Distribution and advertising.

Key Players



Industry Challenges

- Generic Market Challenges: The focus on the generic segment, which is stagnating in the US due to rising competition, poses growth limitations.
- Heavy Reliance on Imports: Despite being a leading exporter of formulated drugs, India remains highly dependent on bulk drug imports, accounting for around 25% of the domestic pharma market.
- Industry Consolidation: The pharmaceutical sector requires consolidation to secure funding and enhance research capabilities for future growth.

PESTEL Analysis

Political	Heavily regulated government policies for new drugs, testing, human trials - application
Economic	Economic Climate, downturns, Prescription drugs and spending
Social	Social attitude, natural/herbal remedies, dominance of traditional pharmaceutical companies
Technological	Evolving, new technologies, Increased competition, Technologies to reduce drug intake itself
Environmental	Environmental Impact, Carbon footprint, necessary sustainable practices, dumping waste chemicals, government pressure
Legal	Mandatory Clinical trials, varying laws across different countries

Porter's Five Forces

Bargaining power of suppliers

High, as the pharmaceutical industry is reliant on a small number of suppliers for key raw materials, such as active pharmaceutical ingredients (APIs).

Bargaining power of buyer

High, as the pharmaceutical industry is also reliant on a small number of buyers, such as hospitals, clinics, and pharmacies.

Threat of new entrants

Low, The pharma sector's high R&D expenses create a capital-intensive environment, hindering new entrants' competition.

Threat of substitutes

There are a number of substitute products available for many prescription drugs, such as over-the-counter medications and generic drugs. This limits the pricing power of pharmaceutical companies.

Competitive rivalry

High, with a number of well-established players. This rivalry drives down prices and limits profitability.

Real Estate
Industry

Ownership
Builders/Owners
Developers
Investors

→

Finance
Self
Investors
Banks
Mortgages

→

Construction
Contracts
Procurements/Supply chain
Construction firms

→

Transaction
Brokers
Construction Firms

→

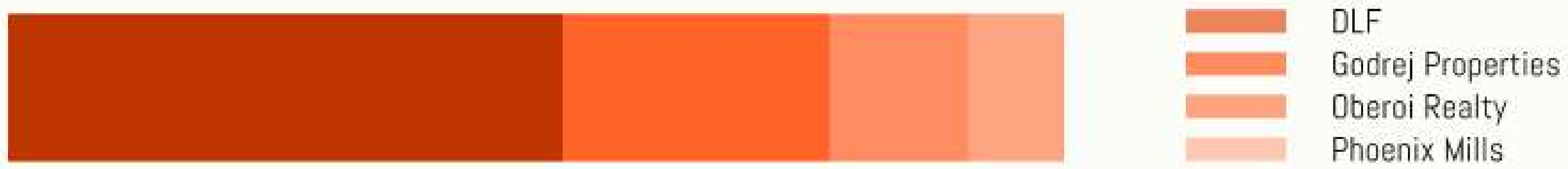
Use
Usage Category

Key drivers

Revenue segments
Rents
Management
Security Contracts

Cost segments
Maintenance
Legal charges

Market Share (in Billion INR)



Industry Challenges

- Market Volatility: Fluctuations in demand and prices can create uncertainty and affect stability.
- Regulatory Hurdles: Complex regulations and zoning laws can delay projects and increase costs.
- Access to Financing: Securing funding for projects can be difficult, especially with changing interest rates.
- Supply Chain Disruptions: Delays in construction materials and labor shortages can hinder timelines and increase expenses.
- Changing Consumer Preferences: Shifts in buyer demands require developers to adapt quickly to remain competitive.

PESTEL analysis

Political	Smart City Project, Make in India, Easier regulations for real estate investment trusts
Economic	New investments for the Smart India Project, Investment friendly tax reforms, ease of availability of financiers
Social	Demographics, Education, Health, Employment
Technological	Using the Internet for booking, renting and buying properties online, change in construction patterns like 3D printing, earthquake-resistant buildings, studio apartments, etc
Environmental	Ban on new commercial activity in the eco-sensitive zone
Legal	Depreciation, Consolidated Financial Statement, Restrictions on non-cash transactions, loans and investments by companies

Porter five forces

Bargaining power of suppliers
High, as supplier dynamics, input dependencies, financial institutions' lending terms, property owners' pricing control, construction sector factors, and investor sentiment influence the industry's profitability.

Bargaining power of buyer
High, as this industry heavily relies on the retail and service-oriented business industry. This industry suffers when consumers aren't spending, and new businesses aren't opening.

Threat of new entrants
Low, due to difficulty in obtaining capital, retail and service industry bankruptcies combined with slow sales, little to no commercial construction, and intense rivalry among existing industry competitors.

Threat of substitues
Low, as buyers in this industry predominantly opt for leasing property due to management advantages, cost considerations, and suitability for specialty retailers, with joint ventures offering an alternative ownership option.

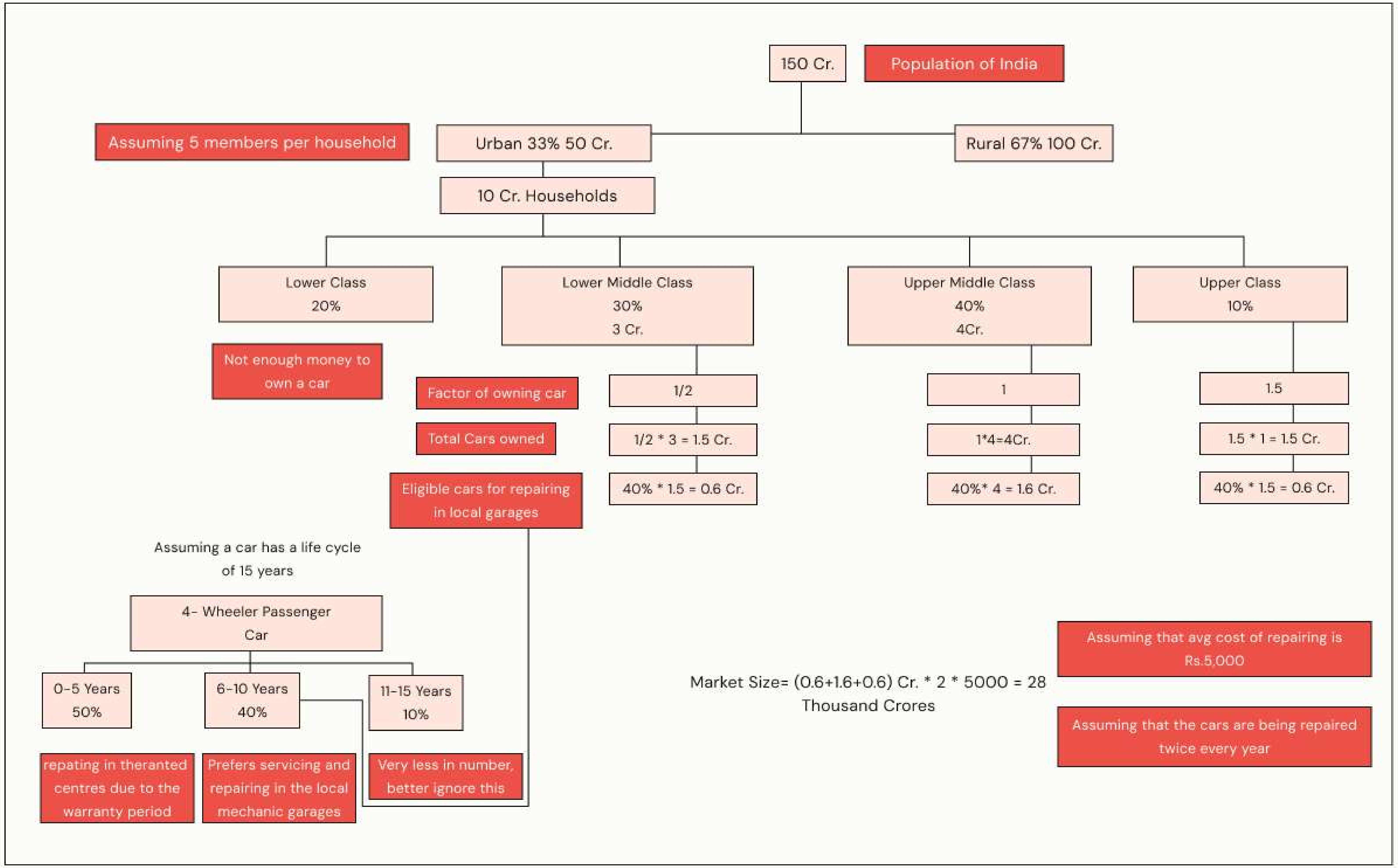
Competitive rivalry
High, as amid an economic downturn, the real estate operations industry, segmented by capital size, faces potential mergers, intense competition, and reliance on services instead of tangible products, with survival favouring well-capitalized firms due to reduced profitability.

Market Sizing

Automobile Industry | BCG

Automobile Spare Parts

Estimate of the market size for spare parts catering to four-wheeler passenger cars within India's local mechanic garage sector, denominated in Thousand Crores INR.



Formula

Market Size= #Different Cars repaired in local garages in one year * #Times repaired per year *Cost of repairing each time

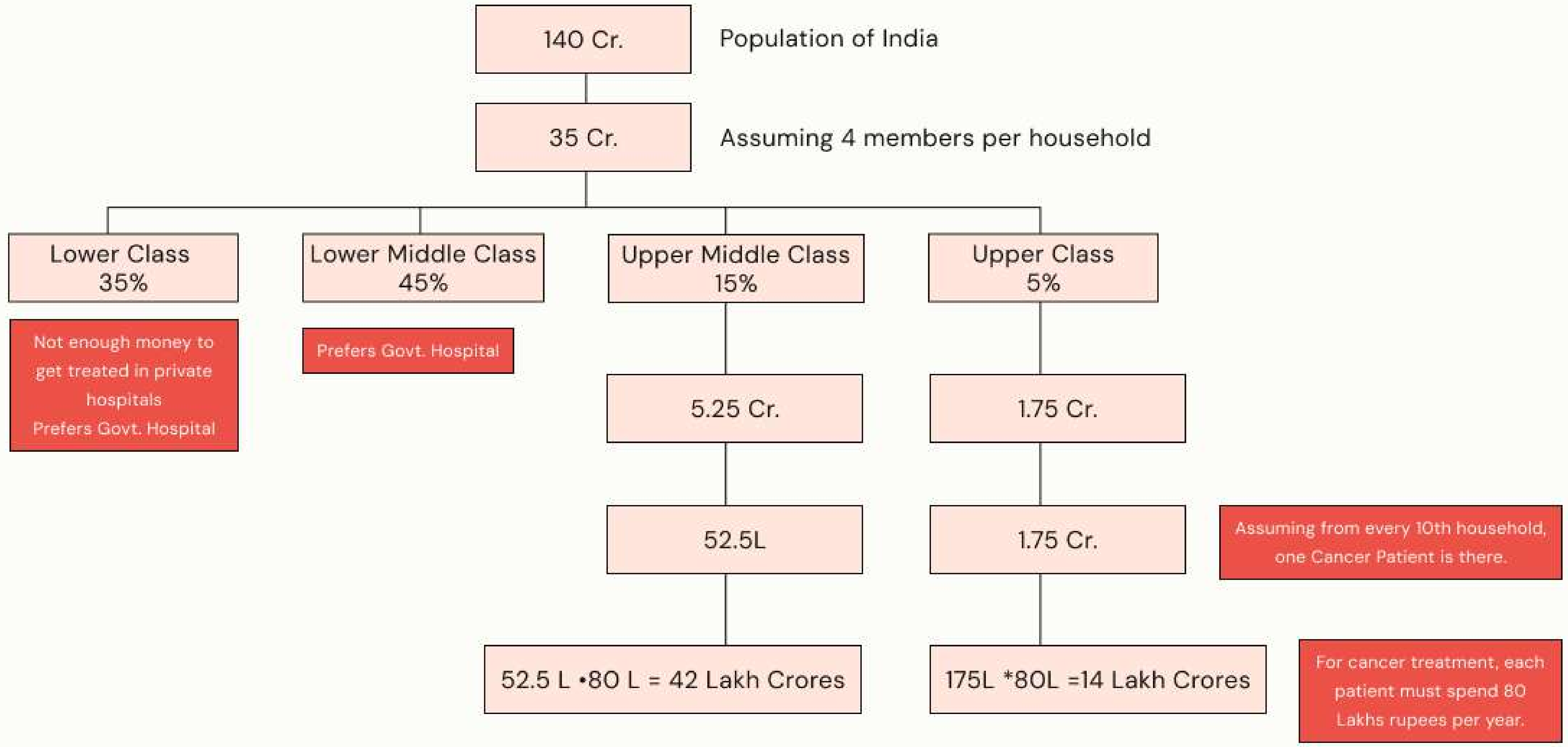
Points for Interviewee:

- Rural households have not been taken, however it should be confirmed from the interviewer before proceeding
- Private cabs can be taken into consideration
- A big chunk of households belong to the upper class can opt for premium services even after expiry of warranty period
- Cost of repairing has been taken same for each income class, but it can vary from class to class

Healthcare Industry | BCG

Private Cancer Hospitals

Estimate the market capital of Private Cancer Hospitals in India



Total Capital = 42 Lakh Crores + 14 Lakh Crores = 56 Lakh Crores

Formula

Market Capital= #Cancer Patients * Cost of treatment per year per patient

Points for Interviewee:

- Actual Market of Cancer is 2 Lakh Crores in India

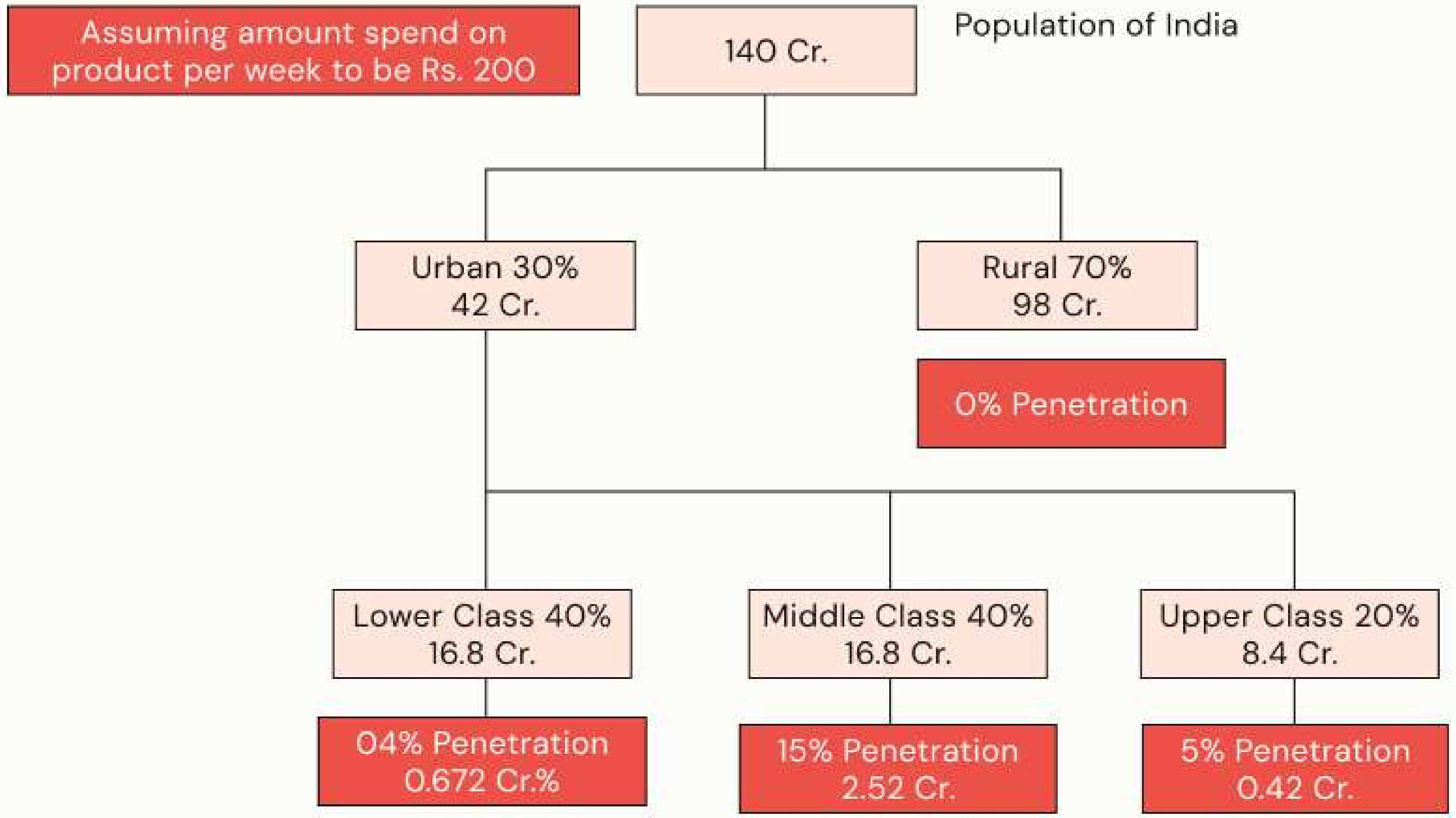
Probable reasons of miscalculation:

- Interviewee has estimated very large number of patients per household, it should be taken 1 patient per 100 households in India
- For different stages of cancer treatment, cost of treatment differs

Food Processing Industry | BCG

Vegan Meat

A new vegan meat substitute is being introduced in India. Can you estimate the size of the potential market for this product?



Penetration In Upper Class is because the price of product is lesser in comparison to premium vegan products bought

Market Size= # Customers * Cost of Product = (0.672+2.52+0.42)*200*50 = Rs. 36,120 Cr.

Formula

Market Size= # Customers * Cost of Product

Assumptions:

- Consider that rural India is not the target market in current situation
- Penetration of the product in Upper Class of Urban India is low because the price of the product is lesser in comparison to premium vegan products.
- Consider amount spend per person per week on vegan meat to be ₹ 200.
- Consider 50 weeks in one year.

Market Sizing | EY-Parthenon

MRI Scanner Manufacturer

Equinite is a manufacturer of horse MRI machines in the UK. Equinite provides MRI-qualified veterinary clinics with a horse MRI machine for use in the diagnosis of lameness without the additional complexities of general anaesthesia. Their main source of revenue is fee per scan, but they also offer maintenance services. A private equity firm is interested in acquiring the business and has engaged you to assess the size of the market in which Equinite operates.

Horse Population 1,000,000

% Addressability	Competition (20% = 200,000)		Leisure (80% = 800,000)		
% Incidence of lameness	20%		5%		
% Referral to MRI	10%		1%		
# Scans/year	400		400		
	x		x		
Fee	$400		$400		
Total fee from scans	$1,60,000	+	$1,60,000	≃	$1.8M

Formula

Market Size of MRI Scanner = # Scans/year * Fee/scan

Assumptions:

- For coming up with population of horses in UK, interviewer wants from the interviewee that he/she should use some proxy
- In this case, interviewer has given the number of horses in US as 10 M
- Take ratio of #horses to the # population of US as 1:30
- Taking the ratio into account, assume UK horse-to-human ratio to be 1:60
- UK horse population = UK population of 60M * horse-to-human ratio 1:60 = 1M
- Racing horses assumed to have a higher incidence of injury

Points for Interviewee

- Maintenance revenue of MRI should also be considered
  Maintenance revenue= # Scanners * Annual maintenance fee

Household Products Industry | MBB

Baby Strollers

Determine the annual market revenue of baby strollers that are sold in the United States?

Population of US — 330 M

x 0.333

Households in US — 110 M

x 0.800

Household w/ children — 88 M

x 0.800

Household w/ strollers — 70.4M

x 0.033

Strollers per year — 2.3M x $200 = $460

Formula

Annual market revenue of stroller per year = ((Number of people in US per household * percentage of households w/ children * percentage of households w/ strollers) / time in which family buys a stroller) * Average price of strollers.

Assumptions:

- Population of US = 330M
- People per household in US = 3
- Percentage w/ children = 80%
- Percentage w/ children and strollers = 80%
- Time in which a family buys a stroller = 30 years

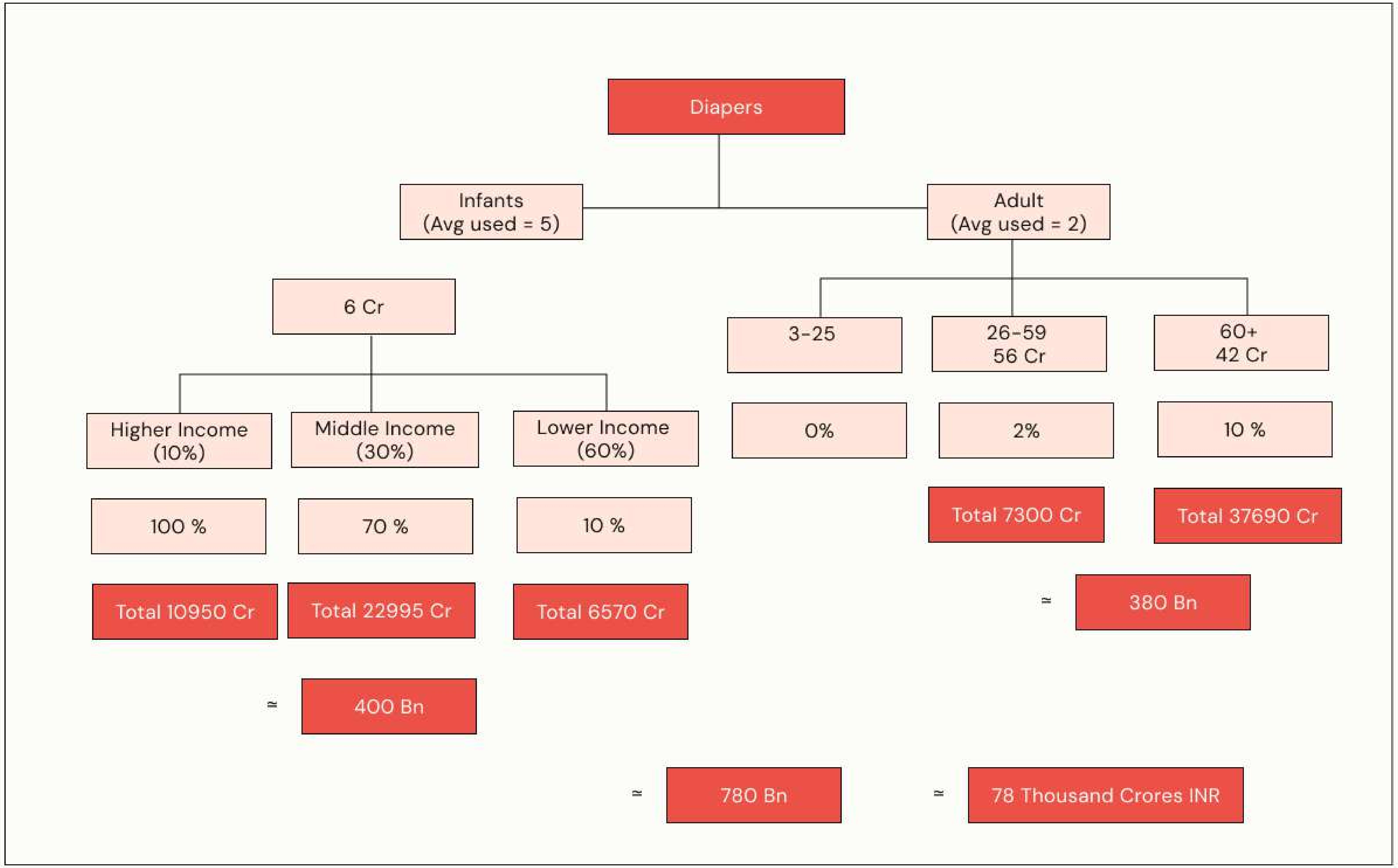
Points for Interviewee

- It is important to some assumptions such as population of the US and people per household. Other assumptions can be estimated but have to be close to these assumptions.
- Another approach that could've also been taken with the number of babies born in a year per family and percentage that are first born (as strollers are passed down for second, third, etc. children) and then multiplied by average price of strollers

Market Sizing | BCG

Diaper Market Size

Estimate of the market size of all types of Diapers sold in India in Thousand Crores INR.



Formula

Diaper Market Size = No. of People who can afford x No. of Diapers used per day x 365 x Price of Each Diaper

Assumptions

- Diaper Usage: Infants (0-3 years) use 5 diapers daily; elderly/adults needing diapers use 2 daily.
- Price: Each diaper costs ₹10.
- Income Groups:
  - Higher Income: 10% (100% can afford diapers).
  - Middle Income: 30% (70% can afford).
  - Lower Income: 60% (10% can afford).
- Adults Needing Diapers: 1 Cr adults in the 26-59 age range (2% of 56 Cr) are assumed to need diapers.

Validation

- Monthly Spending: Estimated at ₹180 per household, or ₹720 for 25% of households with diaper users.
- Total Market Size: Approx. ₹780 Cr, combining infant and adult segments.

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Guesstimate | Amex | Moderate

Delhi Airport

Can you tell me the number of airplanes that fly over Delhi in a day?

I have a few preliminary questions before I jump into the guesstimate, may I go ahead?

Sure. Go Ahead.

When we refer to the number of airplanes, does that include only commercial passenger planes, or are chartered flights counted as well? Additionally, are we considering both domestic and international flights?

You can assume that we are only looking at domestic passenger flights.

I would like to ask the number of runways in the Delhi Airport, and I am assuming that there is only one airport am I right ?

There are two airports but we'll go ahead with the calculations for one which has 2 major & 2 minor runways.

To begin with, the number of airplanes flying over Delhi can be categorised into two types: first, the planes flying into or out of Delhi, and second, the planes traveling between two other cities with Delhi being a city they pass over. Does this approach sound good to you?

That sounds good, we can get started with the numbers with this

Let's first focus on the planes flying in and out of Delhi. At any given time, At a major runway there are an average of 3 planes lined up for takeoff on the pre-runway taxi area and 3 more for landing. Each plane takes 15 minutes to fly in or out of the airport's airspace. This means 6 planes (3 for takeoff and 3 for landing) fly in and out within a 15-minute window. Over an hour, this amounts to 6 x 4 = 24 flights, and over 24 hours, it results in 24 flights per hour x 24 hours = 576 flights per day. Should I continue the same approach?

Yes, Proceed on these lines.

Similarly for the minor runways assuming 8 planes every 30 mins (4 takeoff and 4 landing). It results in 8 x 2 = 16 flights. Over 24 hours the total will be 16 x 24 = 384 flights per day. The total for both the types of runways is 960 flights per day.

Great! Can you think of a Supply Side approach to cross check your calculations for the previous approach.

I'll go forward by calculating the number total no. of departures in India. I will assume there to be 30 states and 5 departures per hour, The total per day being 30 x 24 x 5 so approximately 3600 domestic departures per day.

That makes sense. Go on with the approach.

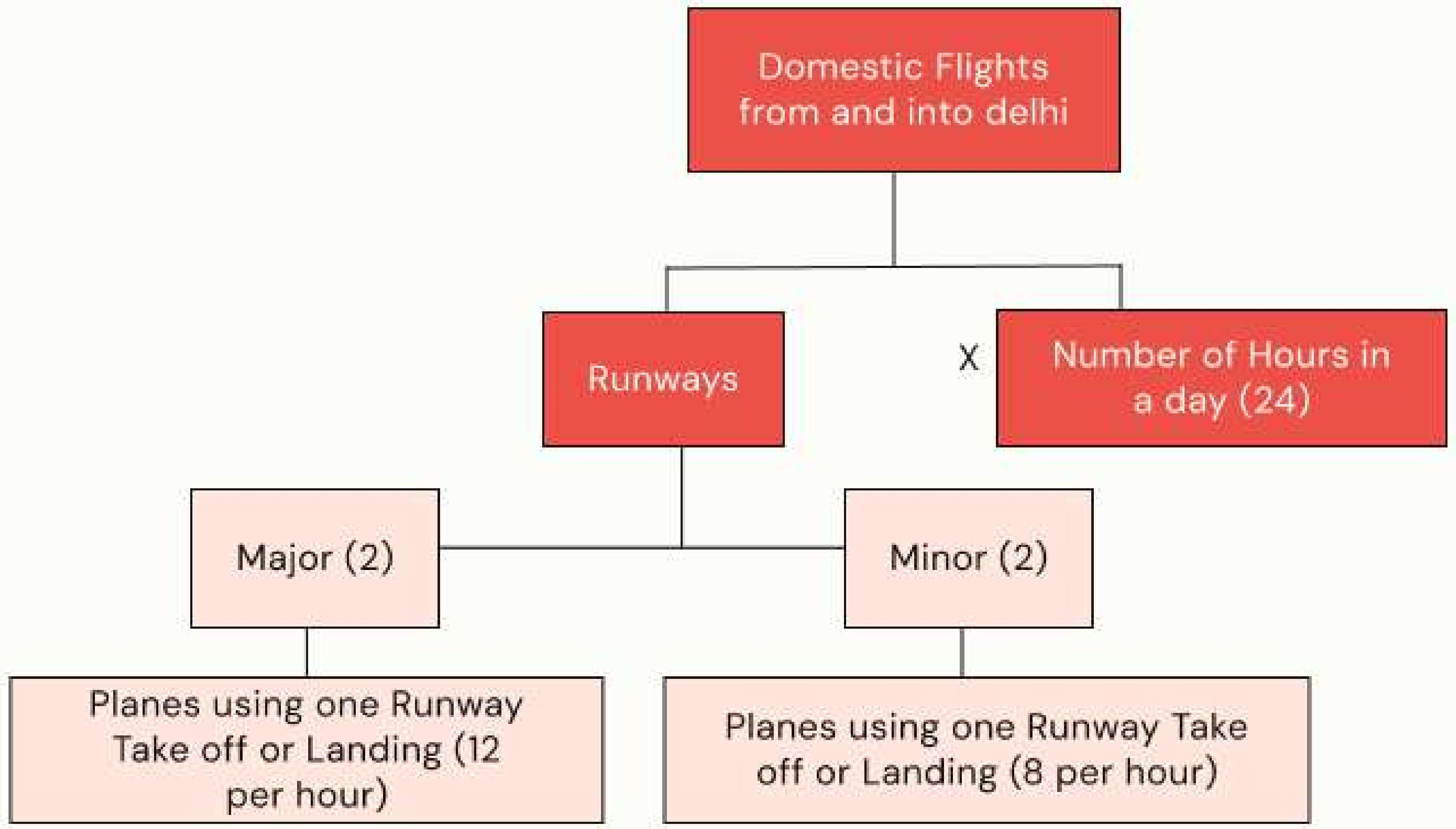
Delhi being the busiest airport, we can allocate 25% of the flying to them which is 900 out of the 3000. This suggests our numbers are in the right range. Next, we'll look at the second type of planes. Does that sound okay, or should I analyse further?

Looks good to me, we can close this one now.

Guesstimate | Amex | Moderate

Delhi Airport

Estimate the total Number of Tattoos that People in Mumbai have on their bodies.



Interviewee Notes

- Good job on the sanity check, but ensure you provide a basis for your assumptions.
- Consider dividing flights between peak and non-peak hours.
- All flights were treated as domestic; make sure to exclude the international proportion.

Key Takeaways

- Estimating the number of flights at any given time was challenging; the interviewer was more focused on the correct approach than precise figures.
- Starting with a supply/demand-side analysis helps in building a solid structure and allows for a sanity check using the other perspective.
- Don't hesitate to ask as many clarifying questions as needed to avoid arriving at an incorrect estimate.

Guesstimate | BCG | Moderate

Steel Manufacturing

Can you estimate the growth rate of the steel manufacturing industry in India?

I have a few preliminary questions before I jump into the guesstimate, may I go ahead?

Sure. Go Ahead.

Are we looking at all sectors that use steel, or should we focus on specific industries like construction, automoibile, or machinery?

Focus on the major industries that utilise steel, like construction, automobile, household appliances, machinery, and energy.

Understood. To begin, I'll categorise the industries into five key sectors that account for most of the steel consumption: Construction, Machinery, Automobiles, Household appliances, Energy. Does this classification look good?

Yes, that works. How do you plan to estimate the growth rate?

I will calculate the overall growth rate using the weighted average of each sector's market share and their individual growth rates. The formula I'll use is:
Growth Rate= Σ(Market Share×Growth Rate)/Σ(Market Share)
Does that approach make sense

That sounds good, we can get started with the numbers with this

Before I go ahead with the calculations, should I assume an equal market share of these industries or do you want me to estimate their exact market shares ?

Go Ahead with assuming the Market Shares to be equal.

- Assuming Equal market shares, That is 20% for each of the five industries, I'll estimate the growth rate for each industry:
- Construction: The growth of this sector depends on infrastructure projects and real estate development. I estimate the growth factor as 3/4, which gives a growth rate of 5.25%.
- Machinery: This industry is driven by industrial expansion, so I estimate a higher growth factor of 5/4, resulting in a growth rate of 8.75%.
- Automotive: With electric vehicles and rising consumer demand, this sector has significant potential. I assign a growth factor of 3/2, giving a growth rate of 10.5%.
- Household appliances: Increased consumer demand for electrical goods such as refrigerators and washing machines drives this sector. I'll assign the same growth factor of 3/2, leading to a growth rate of 10.5%.
- Energy: This sector, driven by both conventional and renewable energy investments, has strong growth. I estimate the growth factor to be 5/4, resulting in a growth rate of 8.75%.

That's a good breakdown. What's the next step?

I'll now calculate the overall growth rate using the weighted average:
Growth Rate=(20×5.25+20×8.75+20×10.5+20×10.5+20×8.75)/100=(105+175+210+210+175)/100=8.75%
So, the overall growth rate of the steel manufacturing industry in India is approximately 8.75%.

That sounds very comprehensive. We can close the case now.

Guesstimate | BCG | Moderate

Steel Manufacturing

Estimate the growth rate of steel manufacturing industry in India

Usage of Steel

	Construction	Machinery	Automotive	Household appliances	Energy	
Market Share	20%	20%	20%	20%	20%	Assuming equal market share of each industry
Factor of growth rate	3/4	5/4	3/2	3/2	5/4	State the proper reason for considering the factor
Growth rate	5.25%	8.75%	10.5%	10.5%	8.75%	GDP * Factor of growth rate

Growth rate = E (Market share*Growth rate)/100 = 8.75%

Formula

Growth rate = Σ(Market share*Growth rate)/Σ(Market Share)

Points for Interviewee

- Look for the major industries/sectors which uses Steel/Steel Products
- Ask for the GDP of India from your interviewer
- Justify the factor of growth rate with proper statements
- Variable market share can taken while considering the market share of each industry

Guesstimate | BCG | Moderate

Maruti Service Centres

Can you estimate the number of service centers required for Maruti Suzuki in Guwahati city?

I have a few preliminary assumptions before I jump into the guesstimate, may I go ahead?

Sure. Go Ahead.

I know for a fact that my hometown, Hubli, has a population of 12 Lakhs, which is very has a similar structure as a city to Guwahati, should I proceed with this assumption?

Yes sounds good, Go Ahead.

Assuming an average of 4 people per household for an urban area, That would mean around 3 lakh households in total. Is that reasonable to proceed with?

Yes, that works.

I'll break down the population into four socio-economic classes that likely have different rates of car ownership:

1. Lower Class (20%) – Most may not be able to afford a car.
2. Lower Middle Class (30%) – Some can own cars, but the rate of ownership may be lower.
3. Upper Middle Class (40%) – A higher ownership rate.
4. Upper Class (10%) – The highest ownership rate.

That sounds good, we can get started with the numbers with this

Now, let's estimate car ownership:
Lower Class: 20% of 3 lakh is 0.6 lakh households, but they don't own cars, so they won't contribute to this estimate.
Lower Middle Class: 30% of 3 lakh is 0.9 lakh households, and I estimate around 50% of them own a car. That's 0.45 lakh cars.
Upper Middle Class: 40% of 3 lakh is 1.2 lakh households, and I estimate around 100% of them own cars. That's 1.2 lakh cars.
Upper Class: 10% of 3 lakh is 0.3 lakh households, and I assume 1.5 cars per household, which means 0.45 lakh cars.
Summing these, the total number of cars owned would be:
0.45 (Lower Middle Class)+1.2 (Upper Middle Class)+0.45 (Upper Class)=2.1 lakh cars.
Does this estimation seem appropriate?

Yes, that works.

Now, assuming Maruti Suzuki holds a 40% market share of these cars, the total number of Maruti Suzuki cars in Guwahati would be:
2.1 lakh cars×40%=0.84 lakh Maruti Suzuki cars.

Right, go ahead.

To estimate the number of service centers required, I'll first calculate the number of services needed per day. Assuming each car is serviced once a year on average and there are 300 working days in a year, the number of cars serviced per day would be:
0.84 lakh cars×1 service per year/300 days=280 cars per day.

Okay, and how do you estimate the capacity of each service center?

Each car takes around 10 hours for servicing and A service centre can service 3 cars simultaneously, with a working day of 10 hours.
So, the capacity per centre would be: 10 hours×3 simultaneous cars/2 hours per service=15 cars serviced per day.
Finally, the total number of service centres required would be:
280 cars per day/15 cars per service centre per day=18.67 service centres.
Rounding up, I estimate that 19 service centres would be needed to meet the demand in Guwahati.

That's a well-thought-out approach. You broke it down clearly. Thank you!

Guesstimate | BCG | Moderate

Maruti Service Centres

Estimate the number of service centers of Maruti Suzuki in the Guwahati City

12 Lakh | Population of Guwahati

3 Lakh Households

	Lower Class	Lower Middle Class	Upper Middle Class	Upper Class
	20%	30%	40%	10%
		0.9 Lakh	1.2 Lakh	0.3 Lakh
	Not enough money to own a car			
Factor of owning car		1/2	1	1.5
Total Cars owned		1/2 * 0.9 = 0.45 Lakh	1*12=1.2 Lakh	1.5 * 0.3 = 0.45 Lakh

1/2 * 0.9 = 0.45 Lakh + 1*12=1.2 Lakh + 1.5 * 0.3 = 0.45 Lakh = 2.1 Lakh

Maruti Cars: Total Cars owned * Market Share of Maruti Suzuki = 2.1 * 40% = 0.84 Lakh

Market Share of Maruti Suzuki 40%

Servicing/day = # Maruti Cars * # Servicing per year per car / Total work days

# Maruti Cars	0.84 Lakh
Servicing per car	1
# Working days	300

Servicing/day = (0.84Lakh *1) / 300 =280

service centers = 280/15 = 19 (approx.) =280

Cars serviced/day/service center = (Operational hours per day/hours req. per servicing) * # Maximum simultaneous servicing/ service center

Operational Hours	10
Hours req. / servicing	2
# Max simultaneous servicing	3

Cars serviced/day/service center = (10 / 2)*3=15

Formula

Growth rate = Σ(Market share*Growth rate)/Σ(Market Share)

Points for Interviewee

- Ask for the market share of Maruti Suzuki from your interviewer
- A split can be taken for the age of cars and their variable rate of servicing
- Narrow down the problem to the household, only after confirmation from the interviewer

Guesstimate | BCG | Easy

MCU Revenue Sources

Can you outline the revenue sources for a studio like MCU?

Sure. The MCU generates revenue through multiple streams. I'd like to clarify—are we focusing on specific revenue streams or a broader picture?

Let's take a broader approach but focus on the key categories of revenue.

Okay, I'll break down the major revenue streams into three categories: Theatre Audience, Comics, and Merchandise, Am I missing something ?

Yes, The approach is comprehensive, Go Ahead.

Let's start with the theatre audience, which is one of MCU's largest revenue streams. We can segment this by age groups and income levels to get a better idea of their contribution:

1. Age Group 25-30: This is the largest segment, with 88.2 million people.
2. Age Group 25-40: This group adds another 31.5 million people.
3. Age Group 40-60: This segment is smaller, with 6.3 million people.

In total, that's around 126 million people who contribute to theatre revenue. However, their spending behavior may differ based on their income levels. Would it be safe to assume that middle- and high-income groups contribute more to theatre revenue?

Yes, that's a reasonable assumption.

Now for the comics segment, which also contributes significantly to MCU's revenue. I'll split the comic readers by age and income:

- Age 10-25: There are around 60,000 readers in this group.
- Age 25-40: Around 15,000 readers.
- Age 40-60: A smaller segment of around 3,000 readers.

In terms of income:

- Low-income readers: They account for around 4-6% of comic revenue.
- Middle-income readers: This group is the largest, contributing 55-60% of comic sales.
- High-income readers: They make up around 40% of revenue.

Does this segmentation for comics look reasonable to you?

Yes, it captures the major demographics well.

The third major source of revenue is merchandise, which MCU sells to fans through various channels. Merchandise revenue can also be segmented by income levels:

- Low-income: Contribute around 0.75 million units sold.
- Middle-income: Contribute around 0.6 million units.
- High-income: Contribute around 0.75 million units.

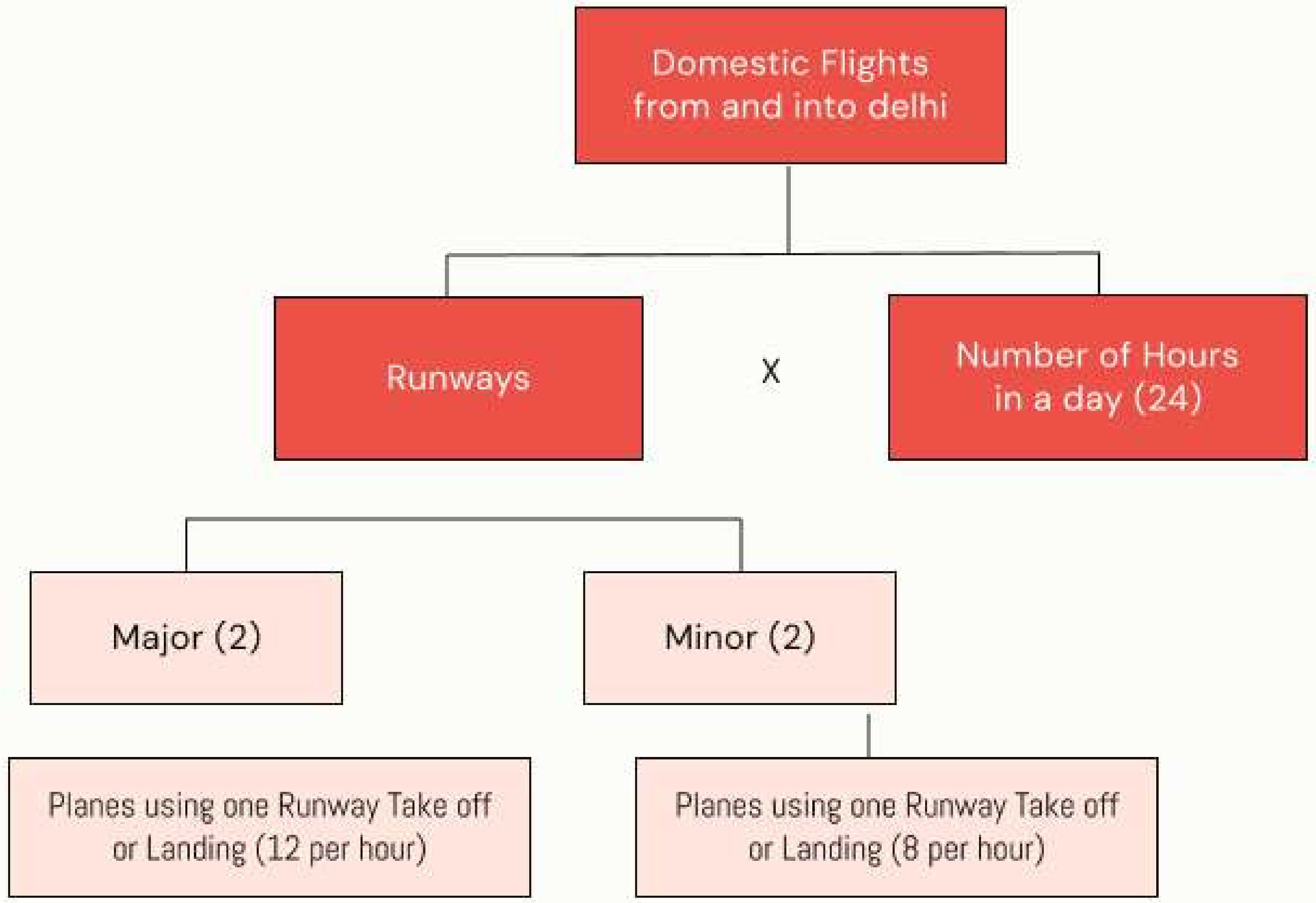
It's important to note that the price point of the merchandise varies, so high-income groups may purchase more premium products.

That's a well-structured breakdown. You've clearly identified the key revenue streams and segmented them logically.

Guesstimate | BCG | Moderate

MCU Revenue Sources

Estimate the total Number of Tattoos that People in Mumbai have on their bodies.



Formula

Tattoos = Σ(# Tattoos* % population having # tattoos)

Interviewee Notes

- Good job on the sanity check, but ensure you provide a basis for your assumptions.
- Consider dividing flights between peak and non-peak hours.
- All flights were treated as domestic; make sure to exclude the international proportion.

Key Takeaways

- Estimating the number of flights at any given time was challenging; the interviewer was more focused on the correct approach than precise figures.
- Starting with a supply/demand-side analysis helps in building a solid structure and allows for a sanity check using the other perspective.
- Don't hesitate to ask as many clarifying questions as needed to avoid arriving at an incorrect estimate.

Guesstimate | BCG | Easy

Petrol Pump Revenue

Can you estimate the daily revenue of a highway-side petrol pump?

May I begin by clarifying a few preliminary assumptions that will help guide my estimate?

Yes, please go ahead.

A petrol pump generally has three sources of revenue: the sale of fuel, a convenience store, and the air filling service for tires. Would you like me to consider all three sources for this estimate?

No, for the purpose of this case, just consider the sale of fuel as the only source of revenue.

Got it. Where is this petrol pump located? Do we have any competitors near-by ?

This petrol pump is located in the central business district of the city. Yes, there are three other petrol pumps located within a 5-kilometre radius.

Alright. For this guesstimate, I'll take the supply-side approach. I'll divide the day into three sets of traffic hours: negligible hours, peak hours, and non-peak hours. Does that sound good?

Yes, go ahead.

I'll assume that the negligible hours are from 12 AM to 8 AM. The peak hours are from 8 AM to 12 PM and 5 PM to 9 PM, based on typical office commuter patterns in a central business district. Lastly, the non-peak hours are from 12 PM to 5 PM and 9 PM to 12 AM.

Based on observation, during peak hours, one car arrives at the petrol pump every 2 minutes. That brings us to a figure of 240 cars during peak hours in a day.
Now, for the non-peak hours, from observation, I assume that one car arrives every 10 minutes. This gives us approximately 50 cars during non-peak hours. Is this approach good?

Yes, that makes sense. Continue.

Moving on to the types of fuel, petrol pumps usually offer petrol, diesel, and CNG. Should I consider all three for this estimate?

No, just consider petrol and diesel for this case.

Okay, understood. I will assume that 60% of the cars use petrol and 40% use diesel. The average tank capacity of a car is around 40 to 70 litres, but since no car arrives with an empty tank, I'll assume that each car requires a refill of 20 litres on average. Is this Assumption valid?

Yes, that's fine. Keep going.

Based on the assumption that 60% of the 240 cars arriving during peak hours and 50 cars during non-peak hours will need petrol, the total demand for petrol would be around 3,500 litres per day.
The price of petrol if assumed to be ₹100 per litre, so the total revenue from petrol sales would be:
3,500 litres×₹100/litre=₹3,50,000

Using the same logic for diesel, with 40% of the cars requiring diesel and assuming each car needs around 20 litres, the demand for diesel would be about 2,300 litres per day.
If the price of diesel is ₹97 per litre, so the total revenue from diesel sales would be:
2,300 litres×₹97/litre=₹2,23,000

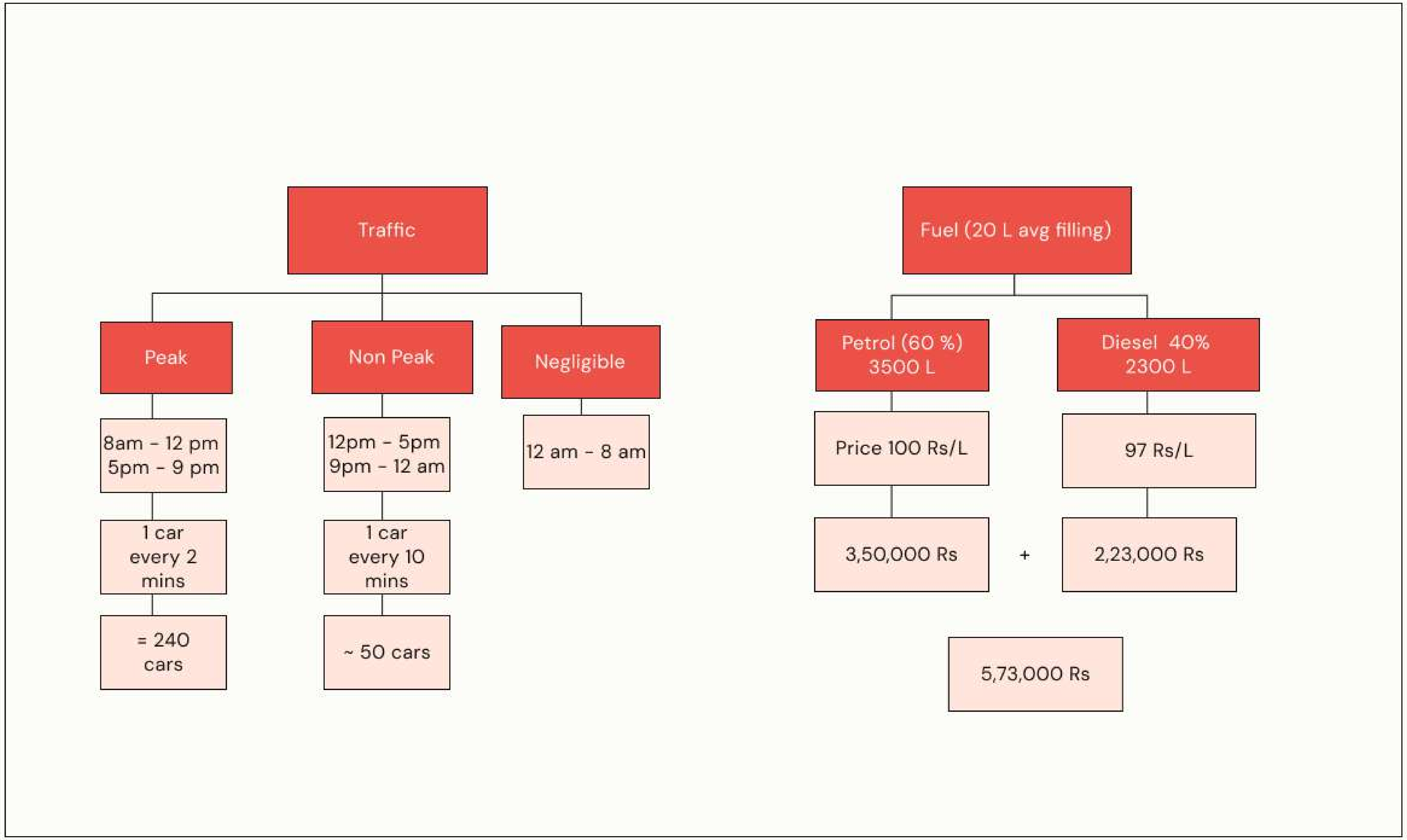
Total daily revenue = 5,73,000

That seems about right. We can close the case here.

Guesstimate | BCG | Moderate

Petrol Pump Revenue

Estimate the total Number of Tattoos that People in Mumbai have on their bodies.



Interviewee Notes

- Assumptions were reasonable but could have been better justified.
- Didn't address external factors like fuel prices or competitor influence.
- Vehicles other than cars weren't considered

Key Takeaways

- The interviewer prioritised the correct methodology over exact revenue figures.
- Beginning with peak and non-peak segmentation built a solid foundation for the estimate.
- Ask Clarifying Questions: Don't hesitate to clarify details like competitors, location, and fuel types to refine the assumptions.

Guesstimate | Easy

Tattoos in Mumbai

Estimate the total number of tattoos that people in Mumbai have on their bodies. You can make any assumptions you need.

Sure! I'll start by making some basic assumptions and using a structured approach. Let's assume the population of Mumbai is 2 Cr. I'll split this population into three age groups: 0-18 years: 20% of the population, 18-45 years: 50%, 45+ years: 30%
Would you like me to use these figures?

Yes, please go ahead.

Now I'll estimate how many tattoos people in each of these age groups have. I'll use categories for the number of tattoos people might have: No tattoos, 1 tattoo, 2 tattoos, 3 tattoos, More than 3 tattoos.
And I'll assume that no one has more than 3 tattoos. Does that sound good?

Yes, go ahead.

For the age group 0-18 years, I'll assume 98% of people have no tattoos, 1% have 1 tattoo, and 0.5% have 2 or 3 tattoos each. No one in this group has more than 3 tattoos.
For the 18-45 years group, I'll assume 95% have no tattoos, 2% have 1 tattoo, 2% have 2 tattoos, and 1% have 3 tattoos.
For the 45+ years group, I'll assume 99% have no tattoos, 0.5% have 1 tattoo, 0.25% have 2 tattoos, and 0.25% have 3 tattoos.
Let me calculate the total number of tattoos using this breakdown.

Sounds good. What are your final numbers?

So, based on these assumptions:
- For the 0-18 years group, with 4 million people, I estimate around 0.04 million people have 1 tattoo, 0.02 million have 2 tattoos, and 0.02 million have 3 tattoos.
- For the 18-35 years group, with 10 million people, 0.2 million have 1 tattoo, 0.2 million have 2 tattoos, and 0.1 million have 3 tattoos.
- For the 35+ group, with 6 million people, 0.03 million have 1 tattoo, 0.015 million have 2 tattoos, and 0.015 million have 3 tattoos.

When I add all of these together, the total number of tattoos in Mumbai comes out to approximately 1.145 million.

That seems like a reasonable estimate. Did you consider any other factors?

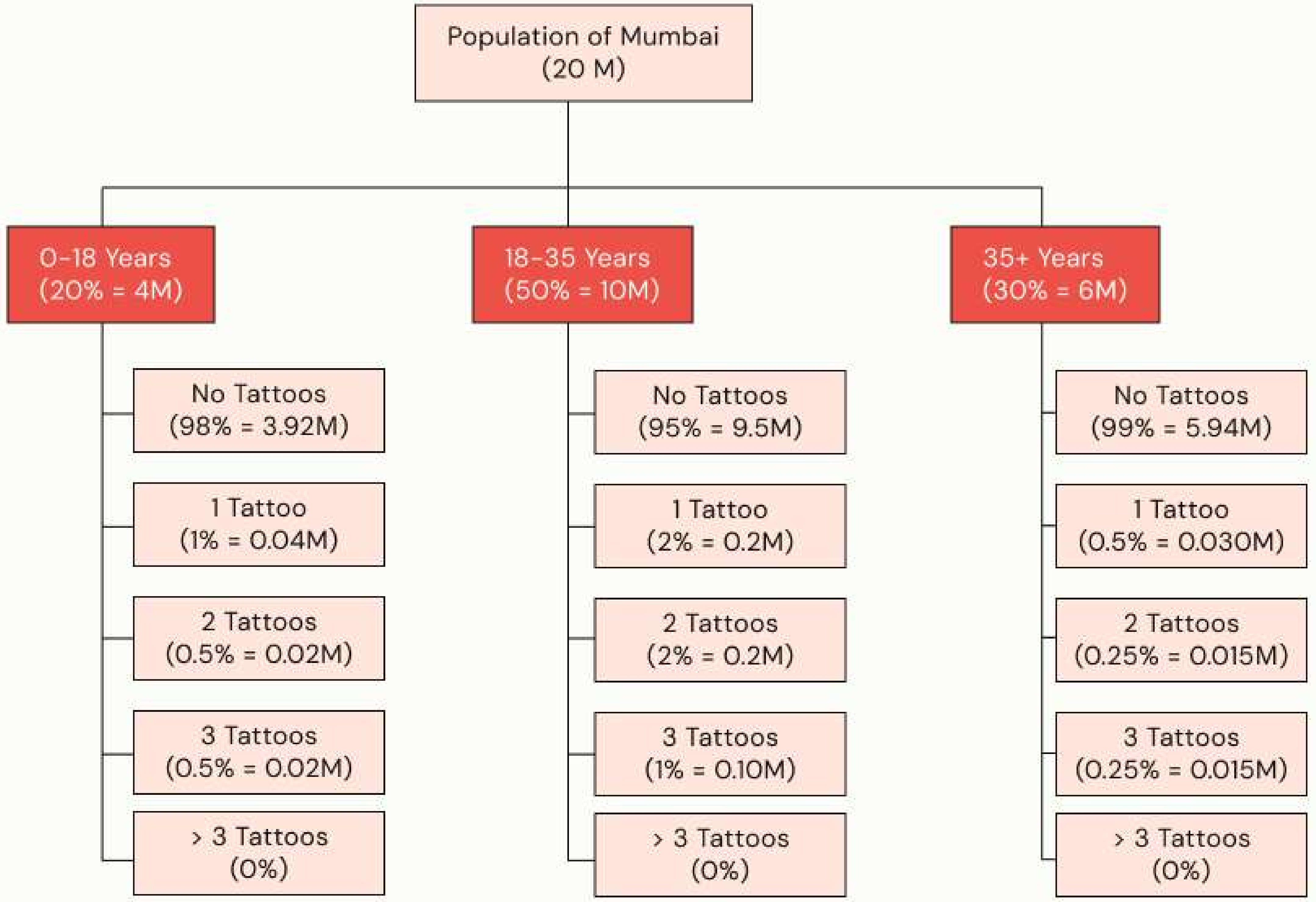
Yes, but for simplicity, I didn't include income or gender splits here, since tattoos are more age-related than income-driven. But those could be useful factors in a more detailed analysis.

Great work! That's all for this case.

Tattoo Industry

Tattoos in Mumbai

Estimate the total Number of Tattoos that People in Mumbai have on their bodies.



Tattoos = 1"(0.04+0.2+0.03) + 2"(0.02+0.2+0.015) + 3* (0.02+0.1+0.015) = 1.145 M

Formula

Tattoos = Σ(# Tattoos* % population having # tattoos)

Assumptions:

- Take population of Mumbai to be 20M
- Distribute the population of Mumbai under different age brackets as given:
  0-18 Years = 20%
  18-35 Years = 50%
  35+ Years = 30%
- Average number of tattoos per person are grouped under five heads:
  No tattoos
  1 tattoo
  2 tattoos
  3 tattoos
  >3 tattoos
- Assume that no person has more than 3 tattoos on their body.

Points for Interviewee

- In this case, income split has not been considered because Tattoos are more related to the age groups rather than the income one.
- Split based on gender can be considered along with the age brackets.

Guesstimate | Easy

ATMs in Delhi

Can you estimate the number of ATMs required in Delhi?

May I begin by clarifying a few preliminary assumptions that will help guide my estimate?

Yes, please go ahead.

Do I consider any particular ATMs like On-Site ATMs, or Off-Site ATMs ?

No, You have to consider all kinds of ATMs. The Types of ATMs is irrelevant for the case.

Got it. I will take the demand side approach. I'll focus on population density, the number of ATM cards per household, and the average number of transactions that an ATM can handle in different areas.

Sure, go ahead.

Delhi's population is approximately 3 crore, and assuming 4 people per household, we can estimate around 75 lakh households. I'll now divide the population into three income groups—lower, middle, and upper income—and estimate the number of ATM cards per household for each group. I'll assume:

- Lower income: 40% of the population, with 1 ATM card per household.
- Middle income: 40% of the population, with 2 ATM cards per household.
- Upper income: 20% of the population, with 4 ATM cards per household.

This gives us an average of 2 ATM cards per household across Delhi, which brings the total number of ATM cards to 1.5 crore.

Sounds reasonable. What's your next step?

I'll account for population density. I'll assume that 60% of the population resides in high-density areas and the remaining 40% in low-density areas.
To meet the demand in these areas, I'll use different ATM-to-card ratios: 1 ATM for every 5,000 cards in high-density areas, and 1 ATM for every 2,500 cards in low-density areas.

In high-density areas, we have 90 lakh cards. Dividing that by 5,000 gives us 1,800 ATMs. In low-density areas, we have 60 lakh cards. Dividing that by 2,500 gives us 2,400 ATMs. So the total number of ATMs needed is 1,800 + 2,400 = 4,200 ATMs

Great. How would you validate this estimate?

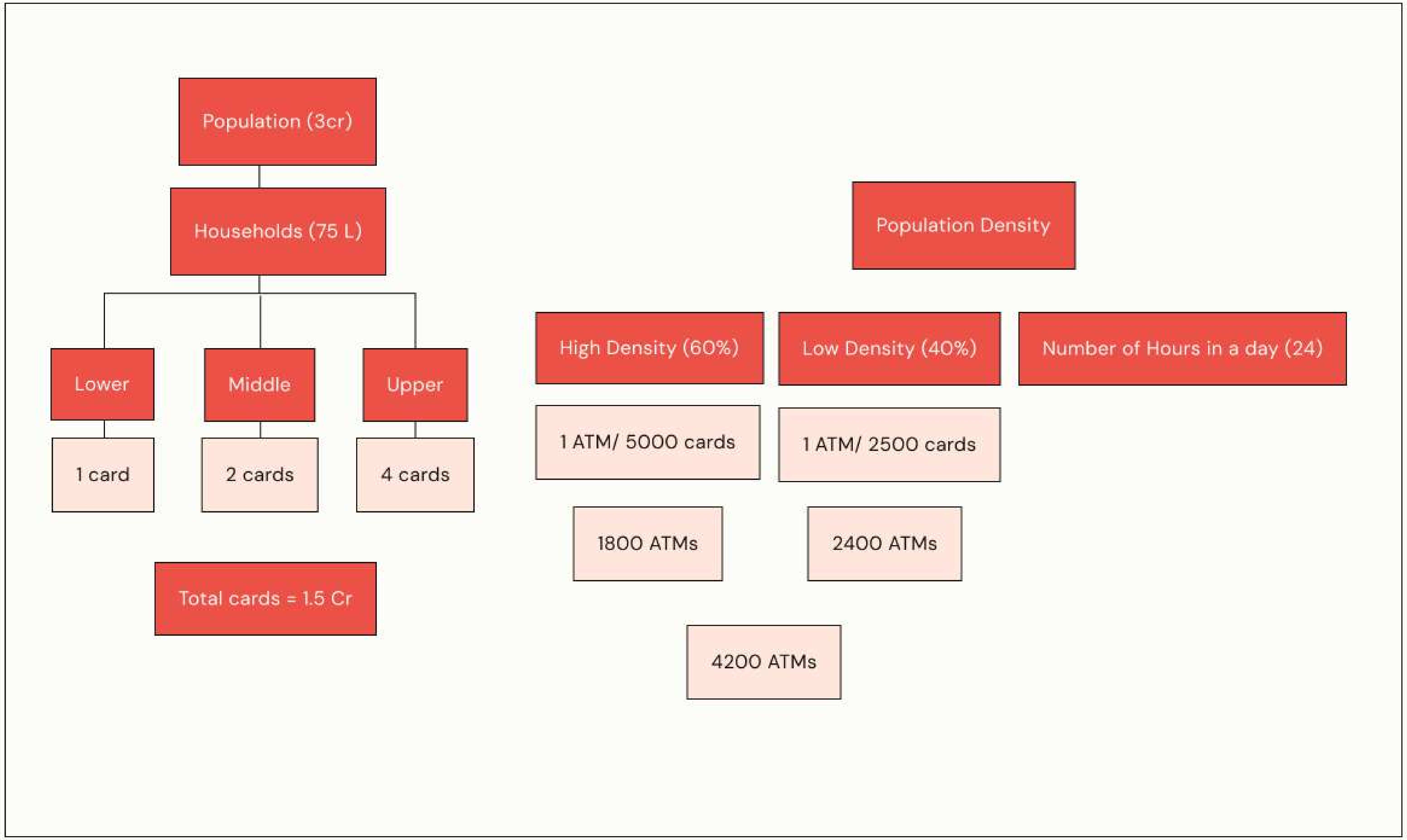
To validate, I'll calculate the number of transactions each ATM can process. In high-density areas, if an ATM operates for 16 hours daily, it can handle about 240 transactions a day. Given that each ATM is serving 5,000 cards, this means each cardholder will use the ATM at least once a month, ensuring that the ATMs are used efficiently.

That sounds like a solid approach. Thank you for walking me through your reasoning.

Guesstimate | Easy

ATMs in Delhi

Estimate the No. of ATMs Required in Delhi.



Interviewee Notes

- Assumptions about population distribution and ATM card usage were sound but could have been backed by real data or specific studies.
- Did not account for the influence of technological factors like mobile banking or the presence of digital wallets, which could reduce ATM demand.

Key Takeaways

- The Interviewee initially was taking the supply side approach but asking the right questions made him realise the demand side approach was what was expected.
- Asking the right questions can set the tone of the interview

Guesstimate | Moderate

Noodle Consumption

Can you estimate the number of noodle packets consumed monthly at a college campus?

May I begin by clarifying a few preliminary assumptions that will help guide my estimate?

Yes, please go ahead.

Are we talking about a fully residential campus? Should I consider both students and staff, including their families, or just the students?

Yes, it's a fully residential campus, and you should include both students and staff, along with their families.

Great. One more thing, are we assuming that people primarily purchase noodles from campus stores? And is it okay if I estimate consumption patterns based on different frequency levels, like frequent, moderate, and occasional eaters?

Yes, you can assume purchases are made mainly on campus, and breaking consumption into frequency levels sounds like a good approach.

Let me start by estimating the population. I'll assume there are about 7000 students on campus. For faculty, I'll estimate around 50 professors per department across 8 departments, which gives 400 professors. I'll also assume there are around 300 other staff members, bringing the total professionals to 700. If I include one family member per staff member, that adds up to 1400 professionals and their families, along with the 7000 students. Does that seem reasonable?

Yes, those numbers sound good.

Now, for noodle consumption, I'll divide students and staff into three groups—frequent, moderate, and occasional consumers. For students, I'll assume that 20% eat noodles four times a week, which means about 1400 students consuming 1400 x 4 x 4 = 22,400 packets a month.
Next, 50% of students might eat noodles twice a week, which adds up to 28,000 packets monthly. The remaining 30%, or about 2100 students, could eat noodles just once a week, which totals 8400 packets per month.
That gives us a total of 58,800 packets per month for students.

Okay, and how would you handle the professionals?

For professionals and their families, I'll use a similar division. I'll assume 20% are frequent consumers, eating six packets a month per family, giving us 0.2 x 700 x 2 x 6 = 1680 packets.
50% might eat four packets monthly, which gives us 2800 packets. The last 30% would eat just two packets a month, contributing 840 packets.
In total, professionals and their families would consume 5320 packets monthly.

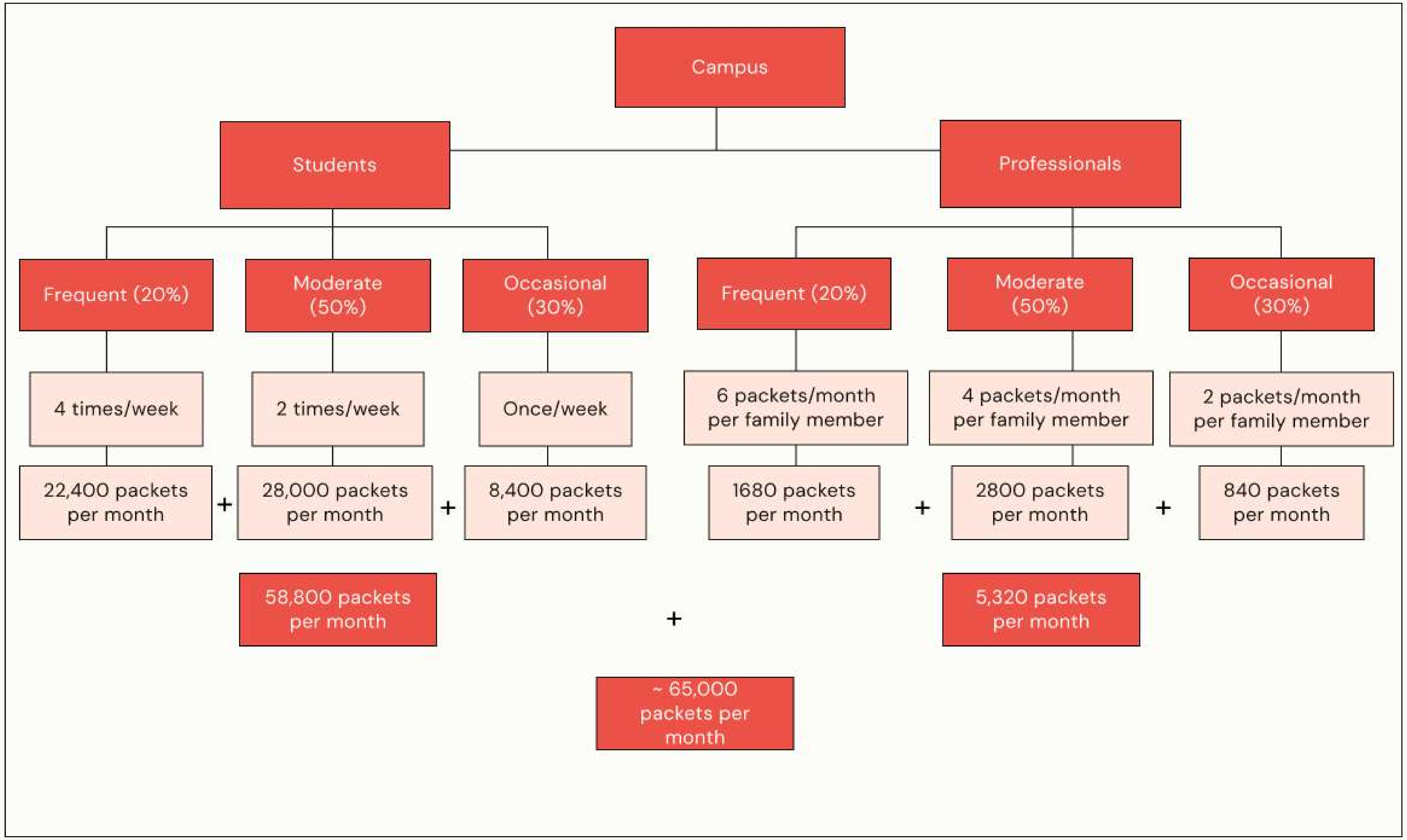
Combining students and professionals, the total would be 64,120 packets, which I'll round to 65,000 packets per month.

That's a well-rounded estimate. Thanks, we can stop here.

Guesstimate | Easy

Noodle Consumption

Estimate the number of noodle packets consumed monthly at a college campus.



Interviewee Notes

- Good Job Asking and clearing out the case first hand.
- Did not account for the types and amount of noodles consumed in the calculations.

Validation

- The total number of people considered for the guesstimate is 7000 + 1400 = 8400
- The number of packets consumed in a day = 65,000 / 30 = 2166.67
- Number of packets consumed by one individual in one day = 2166.67 / 8400 = 0.26
- This means that, on average, a person in the college consumes roughly one packet of noodles every four days, which is a reasonably acceptable rate.

Guesstimate | Moderate

Mazda Dealers in the USA

Can you estimate how many Mazda dealers are there in the USA?

Sure! Before I dive in, may I clarify a few assumptions to help guide my estimate?

Yes, please go ahead.

Firstly, are we considering only Mazda cars, or should I factor in other brands as well? And secondly, should I assume that Mazda's market share is uniform across the country, or are we focusing on specific regions?

You can assume that we're only considering Mazda cars and that the market share is roughly uniform across the country.

Got it. To start, I'll assume that Mazda has a 2% market share in the US. I'll also assume that Mazda's cars fall into the low-end segment, priced between $15,000 and $30,000. From here, I can estimate the total number of low-end cars sold annually in the US and then estimate the number of Mazda dealers.

That's a good approach. How would you begin estimating the total number of cars?

I'll start with the US population, which is approximately 330 million. Assuming an average household size of 2.5 people, that gives us around 132 million households. Now, we know that around 80% of the population is urban and 20% is rural.
-For the urban population, 100% of households own a car, and about 75% of these own a low-end car.
-For the rural population, 60% own a car, and about 90% of these are low-end cars.
Using these percentages, I can calculate the total number of existing low-end cars.

Sounds good. Could you walk me through that calculation?

For the urban population, I'll take 80% of 132 million households, which gives 105.6 million urban households. Since 100% own cars, and 75% of them own low-end cars, that gives us 105.6×0.75=79.2 million low end cars.
For the rural population, I'll take 20% of 132 million households, which gives 26.4 million rural households. Since 60% own cars and 90% of these are low-end, that gives us 26.4×0.6×0.9=14.3 million low-end cars.
So, the total number of existing low-end cars is around 79.2 + 14.3 = 93.5 million cars.

Great! How do you move forward from here?

I'll calculate how many low-end cars are sold annually. To do this, I'll break it down into two components:
1. Cars replaced annually: Assuming that the average lifespan of a car is 6 years, the number of cars replaced annually would be 93.5÷6≈15.6 million cars.
2. Annual growth: I'll assume the population grows by 1% each year, meaning the number of new low-end cars added would be 93.5×0.01=0.94 million cars.

So, the total number of low-end cars sold annually would be around 15.6 + 0.94 = 16.5 million cars.

And what about Mazda's share of these sales?

Given Mazda's 2% market share, the number of Mazda cars sold annually would be 16.5 × 0.02 = 0.33 million, or 330,000 cars.

Excellent. Now, how do you estimate the number of dealers?

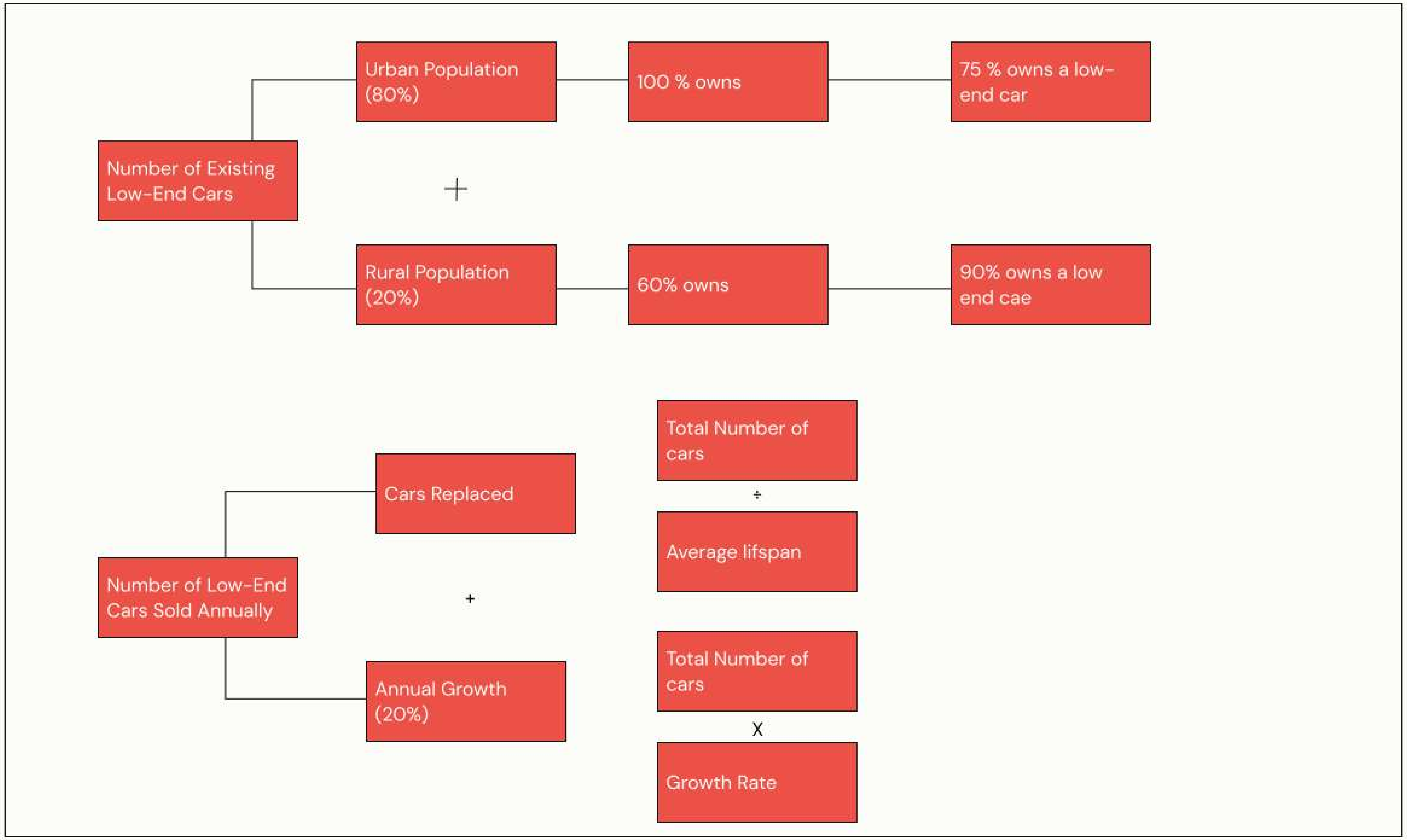
Let's assume that each Mazda dealer sells around 600 cars annually, or about 50 cars per month. Dividing the total Mazda cars sold annually by 600 gives us 330,000÷720=550 dealers.

That's a well-rounded estimate. Thanks, we can stop here.

Guesstimate | Easy

Mazda Dealers in USA

Estimate the number of Mazda dealers in the USA.



Interviewee Notes

- Good Job Asking and clearing out the case first hand.
- Good Approach for Calculating the Cars sold Annually

Assumptions

- Market Share and Price: Mazda holds ~2% of the US market, with cars priced between $15,000–$30,000.
- Household Size: Average household size is 2.5.
- Car Lifespan: Average car lifespan is assumed to be 6 years.
- Population Growth: 1% annual growth rate.
- Dealership Sales: Each dealer sells around 600 cars yearly.

Guesstimate | Moderate

Homeopathic Medicines

I want you to estimate the number of homeopathic medicines sold by Sun Pharma's Homeopathic Sub. annually.

I'd like to clarify a few points before I proceed with the estimation. Where does Sun Pharma's sub. sell its products? Are we considering sales across India, specific regions, or globally?

The company primarily sells its products all over India.

What is the company's market share in the homeopathic medicine segment? Are they a dominant player, or do they face stiff competition?

Our company holds about 15% of the homeopathic medicine market in India.

Can I assume that homeopathic medicines' consumption rate is similar to allopathic medicines, or are there significant differences in usage frequency?

You can assume that the consumption frequency is somewhat similar, though patients may take homeopathic medicines more consistently over longer periods.

Thank you for the information. I'll now estimate the total population of potential users, segment it by relevant demographics, and apply the company's market share to estimate the number of medicines sold.

Sounds good. Go ahead.

1.4Bn divide into Urban-Rural (30-70) gets us 420Mn Urban Population and 980Mn Rural Population further dividing into income levels,

- Urban(420Mn)
  - High Income (20%) = 84Mn
  - Middle Income (40%) = 168Mn
  - Low Income (40%) = 168Mn
- Rural(980Mn)
  - High Income (10%) = 98Mn
  - Middle Income (40%) = 392Mn
  - Low Income (50%) = 490Mn

Is this assumption okay?

Sure, go ahead

I assume the usage rates to be different for different income levels in different areas due to exposure, cost constraints, and health consciousness, and each user consumes an average of 10 units of medicine per year. Is this okay with you?

Go ahead

- Usage in Urban Areas
  - High Income (20%) = 16.8Mn
  - Middle Income (15%) = 25.2Mn
  - Low Income (10%) = 16.8Mn
- Usage in Rural Areas
  - High Income (15%) = 14.7Mn
  - Middle Income (10%) = 39.2Mn
  - Low Income (5%) = 24.5Mn

Therefore total users of homeopathic medicine comes out to be 137.2 Mn.
Considering the 15% market share of our company, its user count comes out to be 20.58Mn.

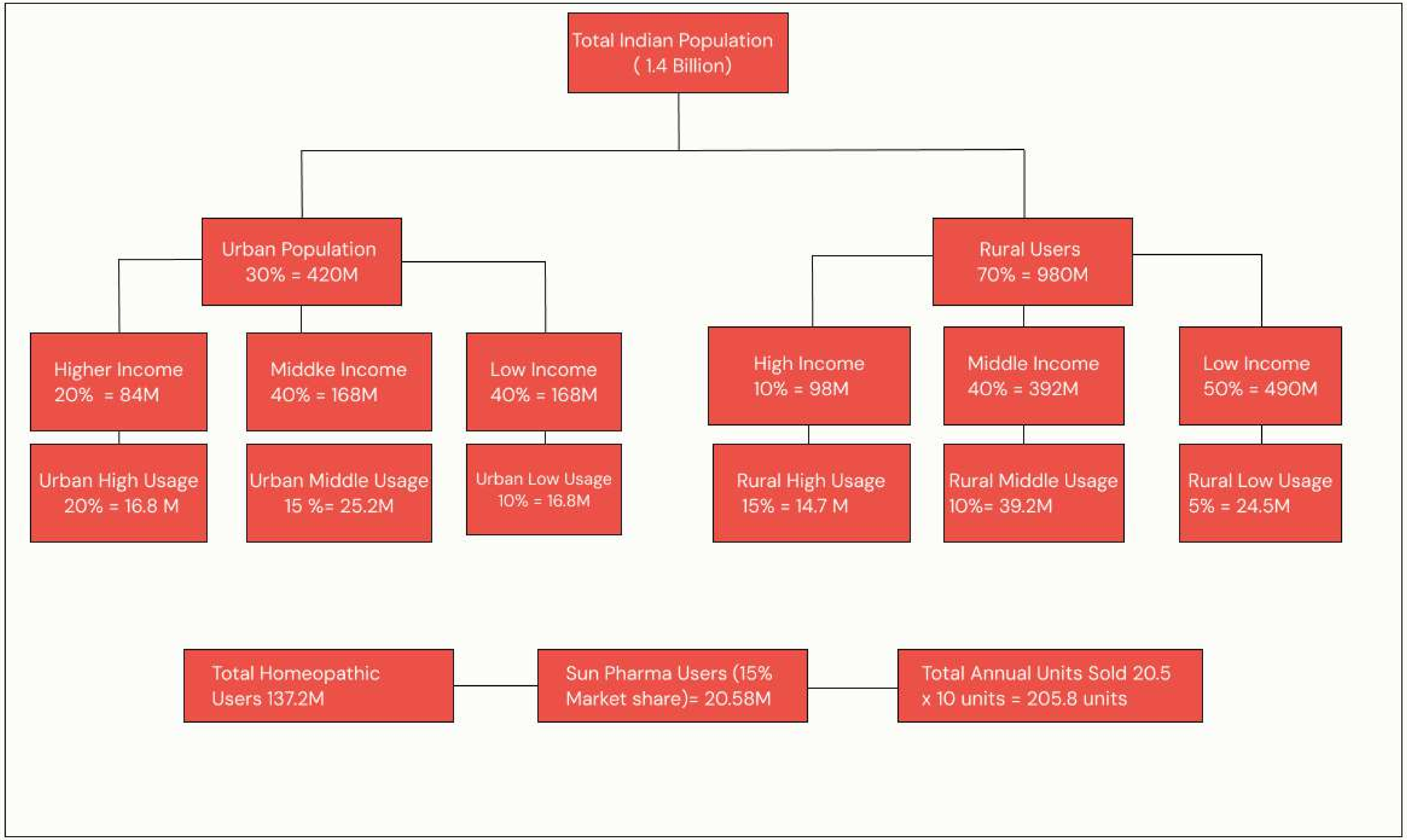
Total Medicines Sold = 20.58 million users * 10 units = 205.8 million units annually.

OK, that sounds good, lets end it here.

Guesstimate | Moderate

Homeopathic Medicines

Structure/Framework



Interviewee Notes

- Strong upfront clarification of assumptions (market share, geography, consumption patterns)
- Good segmentation (Urban-Rural, income levels)
- Could have explored medicine types/categories
- No seasonality consideration

Validation

Total Users: 137.2M

- Urban: 58.8M
- Rural: 78.4M
- Sun Pharma Share (15%): 20.58M users

Reasonableness Check:

- 10 units/user/year is reasonable
- 205.8M total units aligns with market size
- 15% market share realistic in competitive market

Overall: Structured approach with logical assumptions, though some depth missing in product mix analysis.

Guesstimate | Easy

Cups of tea consumed every week

Can you estimate the number of cups of tea consumed in India weekly?

Sure, I have a few initial assumptions and a breakdown of how I plan to approach this. May I go ahead?

Yes, go ahead.

I'll assume that tea consumption doesn't vary much based on the day of the week, and we'll focus on a population age-wise split since tea consumption is likely to vary significantly by age. Based on India's population of 140 Cr, I'll break it into different age groups to estimate the average daily consumption of tea per person.

That makes sense. Please continue with your approach.

I'll divide the population into three major age groups:
- 0-14 years: 25% of the population. Most people in this age group likely don't consume tea regularly, so I'll assume their tea consumption is negligible.
- 15-25 years: 20% of the population. This group has mixed preferences. I'll assume:
  - 40% don't drink tea,
  - 50% drink 1 cup per day,
  - 10% drink 2 cups per day.
- 25+ years: 55% of the population. Tea consumption becomes more common, so I'll assume:
  - 10% don't drink tea,
  - 50% drink 1 cup per day,
  - 40% drink 2 cups per day.

Does this age-wise split seem reasonable?

Yes, it looks fine. What's next?

Now, I'll calculate the daily consumption per person based on these percentages.
- 0-14 years (25% of 140 Cr = 35 Cr):
  - 90% drink 0 cups: 35×0.90=31.5 Cr (0 cups).
  - 10% drink 1 cup per day: 35×0.10=3.5 Cr (3.5 cups).
- 15-25 years (20% of 140 Cr = 28 Cr):
  - 40% drink 0 cups: 28×0.40=11.2 Cr (0 cups)
  - 50% drink 1 cup per day: 28×0.50=14 Cr (14 cups).
  - 10% drink 2 cups per day: 28×0.10=2.8 Cr (5.6 cups)

25+ years (55% of 140 Cr = 77 Cr):
10% drink 0 cups: 77×0.10=7.7 Cr (0 cups)
50% drink 1 cup per day: 77×0.50=38.5 Cr (38.5 cups)
40% drink 2 cups per day: 77×0.40=30.8 Cr (61.6 cups)

Great, what's the total daily consumption?

Summing these up, we get the total daily tea consumption:
- 0-14 years: 3.5 Cr cups.
- 15-25 years: 14+5.6=19.6 Cr cups.
- 25+ years: 38.5+61.6=100.1 Cr cups.

So, the total daily consumption is:
3.5+19.6+100.1=123.2 Cr cups/day.

Thus, 123 Cr. cups of tea is consumed daily in India.

And for the weekly consumption?

Multiplying this by 7 days gives the weekly tea consumption:

123.2×7=862.4 Cr cups

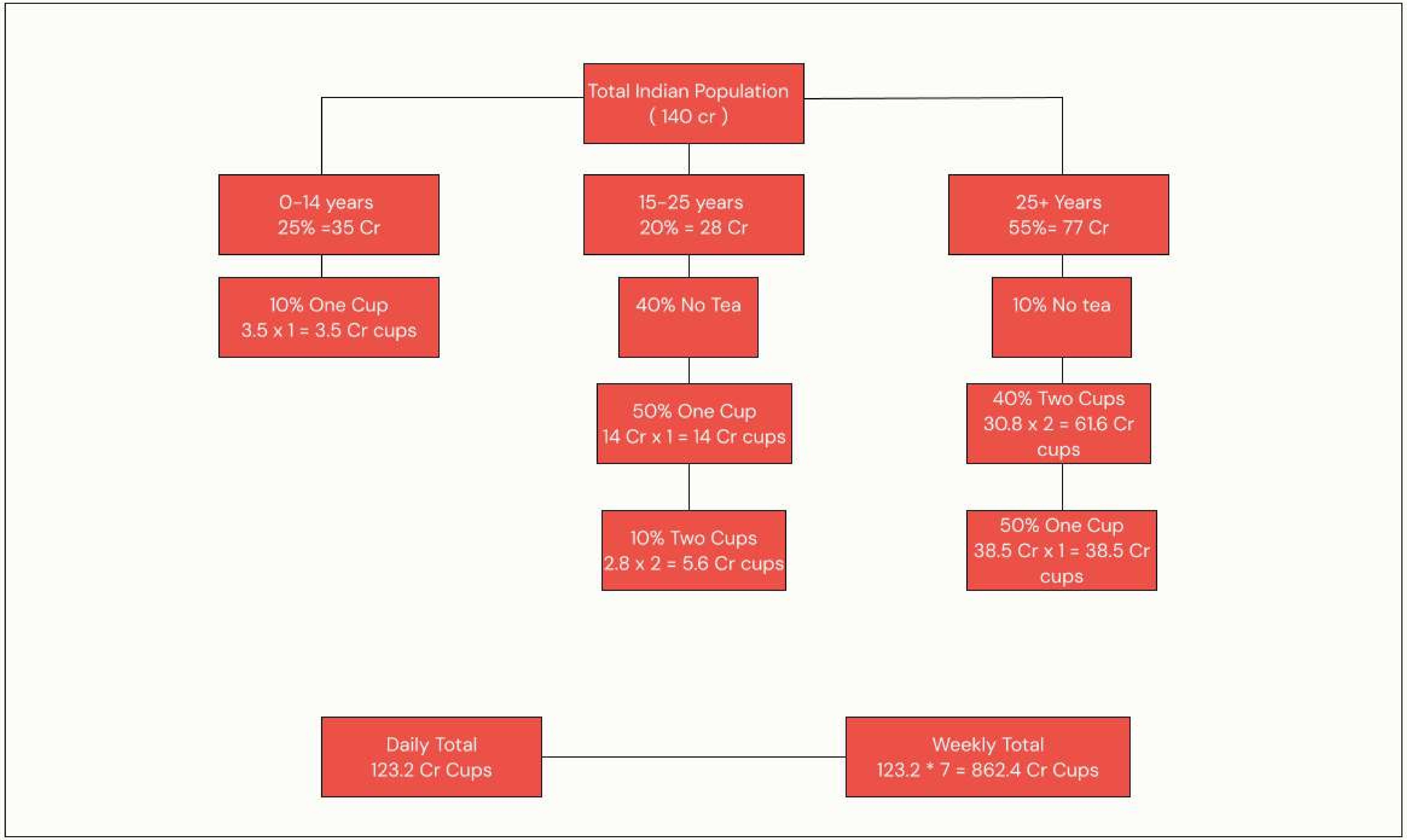
So, around 850 Cr cups of tea are consumed weekly in India.

OK, that sounds good, lets end it here.

Guesstimate | Easy

Cups of tea consumed every week

Structure/Framework



Interviewee Notes

- Good initial structuring with age-based segmentation
- Clear assumptions for each age group's consumption patterns
- Could have considered urban vs rural differences
- No seasonality factor included

Validation

Daily Consumption:

- 0-14 years: 3.5 Cr cups
- 15-25 years: 19.6 Cr cups
- 25+ years: 100.1 Cr cups Total: 123.2 Cr cups/day

Weekly Total: 862.4 Cr cups (rounded to 850 Cr)

Reasonableness Check:

- Average daily cups per person = 123.2 Cr ÷ 140 Cr = 0.88 cups/person
- Aligns with cultural tea-drinking habits in India
- Accounts for non-drinkers and multiple-cups consumers

Overall: Logical approach with reasonable assumptions and clear calculations.

Change on a floor of an average mall in a day

Can you estimate how much change would you find on a floor of an average mall in a day?

Sure! Before I dive in, may I clarify a few assumptions to help guide my estimate?

Yes, please go ahead.

Firstly, are we considering only coins or cash also. Secondly, for how long time, mall is open?

You can assume that we're only considering coins as changes and the mall is open for 16 hours daily.

Got it. To start, I'll assume that an average mall has 2 floors. Also, the amount of changes depends on the number of stores in the mall. An average store has a length of about 50 ft, and we can assume there are 20 stores in a line in an average mall resulting into a length of 20*50 = 1000 ft. The width is approximately 0.6 times of length, so width of an average mall becomes 600 ft. So, total area of a floor of an average mall would be 600,000 sq ft. Then, I will calculate the number of stores in the mall.

That's a good approach. How would you begin estimating the number of stores in a mall?

We can assume out of 600,000 sq ft area only 450,000 sq ft is usable. So, for two floors we have 9,00,000 sq ft area for stores. An average store occupy a space of about 200ft*50ft = 10,000 sq ft, meaning 9,00,000/10,000 = 90 stores in an average mall.
Then I will calculate the number of visitors in different timelines of a day.

Sounds good. Could you walk me through that calculation?

For this calculation, I would like to divide the rush of visitors into 3 types - High, Mid and Low. An average mall would experience the peak rush during the 4 hours of the night (6PM to 10PM), and the least rush during the opening (morning) and closing hours (late night). During peak hours, an average store (having two counters) can complete billing of a single order within 5 minutes, that give us a total of 90/5 * 2 * 90 = 3240 ~ 3000 customers during a 'peak' hour. So, total customers in peak hours would be 3000*4 = 12000 visitors.
By comparing with high rush, we can now assume that mid rush would have 1500 customers per hour resulting into 1500*6 =9000 customers in mid rush and low rush would have 500 customers per hour resulting into 500*6 = 3000 customers in low rush. So, the mall is having around 17,000 customers daily.

Great! How do you move forward from here?

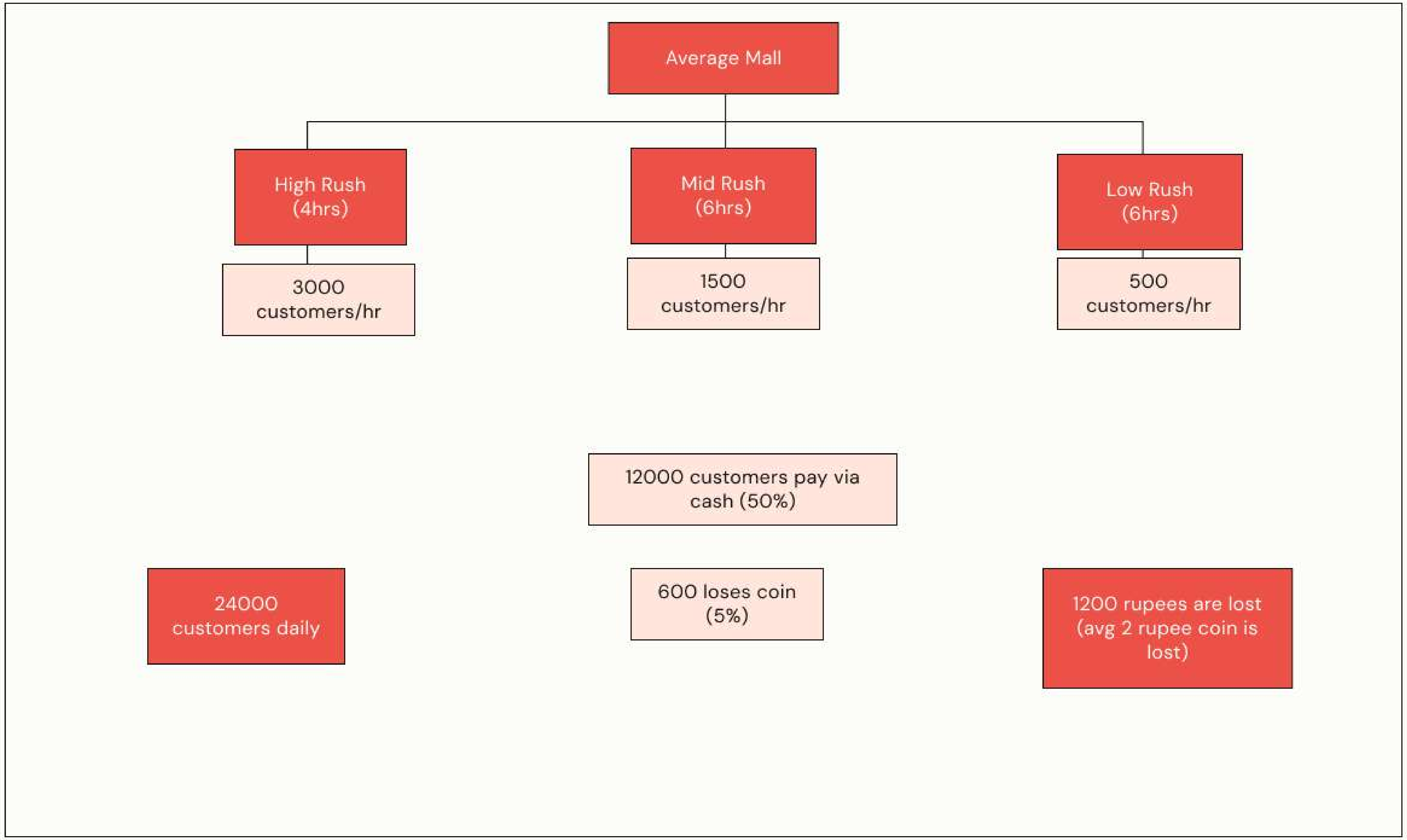
Now, we can assume that 50% of customers would pay by cash, and 5% of them will lose a coin. Coins have a value of 1, 2, 5 or 10 rupees - then an average customer is likely to lose a 2 rupee coin. This would give us 24000* 0.5 * 0.05*2 = 1200 rupees.

That's a well-rounded estimate. Thanks, we can stop here.

Guesstimate | Easy

Change on a floor of an average mall in a day

Structure/Framework



Interviewee Notes

- Good approach on calculating the number of stores.

Validation

- The number of stores in a line of an average mall is about 20.
- Each store is of 10,000 sq ft.

Guesstimate | Moderate

Indian Population and Pet Ownership Cost

Can you estimate the size of the Indian pet supply market in 2024?

First, could you confirm if you want me to include indirect costs associated with pets, like those related to animals taken care of by NGOs and street animals, or should I focus only on household pets?

Yes, please include both direct household pet costs and indirect costs associated with NGOs and street animals.

Got it. Next, are we focusing solely on physical goods like food and toys, or should I also consider services like grooming, veterinary care, and training?

Please consider both goods and services in your estimate.

Thank you! This helps clarify the scope. I'd like to start by making a few initial assumptions. Would that be okay?

Yes . Go ahead.

India's population in 2024 is estimated to be around 1.4 billion people. I'll assume an average household size of 4 people, which gives us approximately 350 million households. Is that assumption reasonable?

Yes, that sounds good. Please continue.

Based on the data, 6-7% of households in India own pets. So if we take the upper limit of 7%, that gives us approximately 24.5 million pet-owning households. Does that sound okay?

Yes, that works. What's next?

Now, let's estimate the direct costs of owning a pet. These costs include food, supplements, grooming, veterinary care, toys, and training. Here's the breakdown:
Food: An average pet consumes around 100 kg of food annually, costing approximately INR 15,000 per year.
Supplements: Around INR 2,000 annually.
Grooming: At INR 500 per session, with 3 sessions per year, that's INR 1,500 annually.
Veterinary Care: Two vet consultations cost INR 1,000, plus an additional INR 1,500 for medicine, totaling INR 2,500 per year.
Toys: INR 250 per toy, with 4 toys annually, totals INR 1,000.
Training: A one-time cost of INR 35,000 for training, which I'll annualize over 10 years, so about INR 350 annually.
The total annual cost per pet adds up to INR 22,350 per year.

Alright, so how would you calculate the direct pet market size?

If we multiply the annual cost per pet (INR 22,350) by the 24.5 million pet-owning households, the total direct pet market size comes to around INR 621.75 billion. Does this seem reasonable?

What about indirect costs related to pets?

For indirect costs, I'm considering animals taken care of by NGOs and street animals. Let me walk you through the numbers:

- NGOs: There are around 750 to 1,500 large NGOs, with an average of 500 animals each. That gives us between 375,000 to 750,000 animals. Additionally, there are 14,250 to 28,500 small and medium NGOs, each with an average of 50 animals, bringing the total number of animals in these NGOs to between 712,500 to 1,425,000.
- Adding the upper limits, that totals 2.5 million animals in NGOs.
- Street Animals: Let's assume 2 million street animals consume pedigree food, and another 0.5 million animals are cared for by locals. So, in total, there are 3.5 million animals in the indirect category.

How do the costs break down for NGO and street animals?

For indirect pets:

- Food: I'm assuming the cost is 60% lower than for personal pets, so that's INR 6,000 per animal annually.
- Health: Veterinary care costs 20% more than personal pets, so that's INR 3,000 per year.

With these numbers, the total annual cost per indirect animal comes to INR 9,000
If we multiply the 3.5 million animals by INR 9,000 per animal, the total cost for the indirect pet market comes to around INR 31.5 billion annually.

So what's the final estimate for the total Indian pet supply market in 2024?

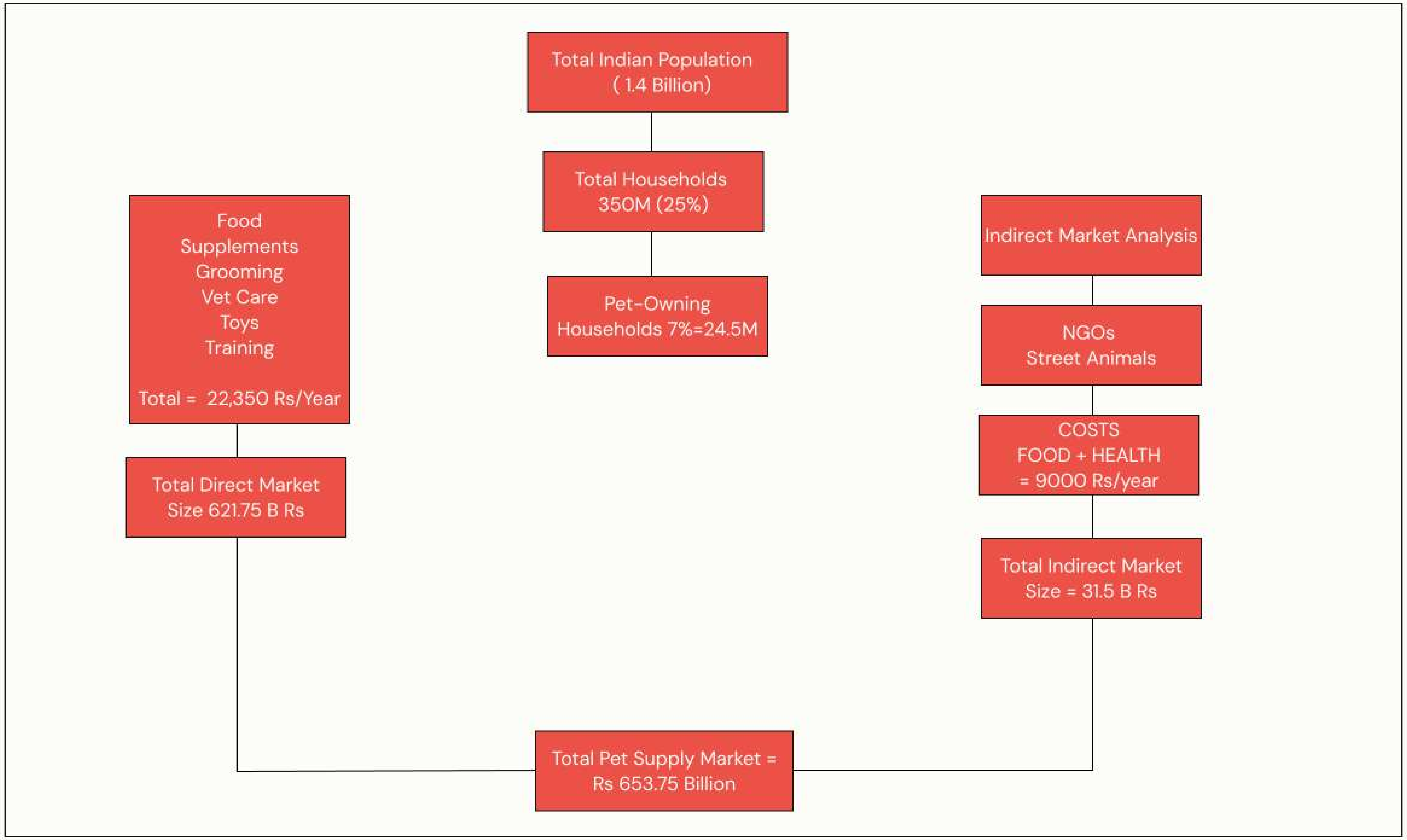
The direct pet market is INR 621.75 billion, and the indirect pet market is INR 31.5 billion. So, the total Indian pet supply market in 2024 is approximately INR 653.75 billion.

That's a well-rounded estimate. Thanks, we can stop here.

Guesstimate | Easy

Indian Population and Pet Ownership Cost

Structure/Framework



Interviewee Notes

- Confirm scope: Include both direct (household pets) and indirect (NGO/ street animals) costs, covering goods and services.
- Key assumptions: Population at 1.4 billion, household size of 4, with 7% owning pets (~24.5 million households).
- Direct cost per pet: Annual cost breakdown totaling INR 22,350 (food, supplements, grooming, vet care, toys, training).
- Direct market calculation: 24.5 million households x INR 22,350 = INR 621.75 billion.
- Indirect market: Total 3.5 million animals at INR 9,000 per animal annually, totaling INR 31.5 billion.

Validation

- Verify scope includes direct and indirect costs, as per interviewer's guidance.
- Check assumptions for population, household size, and 7% pet ownership rate.
- Validate cost breakdowns for direct and indirect markets for accuracy and realism.
- Confirm consistency in calculations for direct (INR 621.75 billion) and indirect (INR 31.5 billion) markets.
- Cross-check final market size estimate (INR 653.75 billion) against existing industry data.

Guesstimate | Moderate

Tinder Users in India

Can you estimate how many tinder users there are in India?

Sure! Before I dive in, may I clarify a few assumptions to help guide my estimate?

Yes, please go ahead.

Firstly, Tinder is a popular dating app primarily used by young adults primarily between 18-30. Secondly, tinder has most of its users in metropolitan cities. So would like me to consider only those cities or estimate the same for the entirety of India?

Proceed with calculation of the number of users for the entirety of India.

Got it. To start, I will divide demographic regions to rural and urban. I will also assume that the users from rural areas will be close to zero.

That makes sense. Continue with your approach.

I will next further classify urban cities into different tier cities, i.e. Tier 1, Tier 2 and Tier 3, out of which users from Tier 3 will be assumed to marginal hence negligible.

Sounds good. Could you walk me through that calculation?

So Indian Population is roughly around 150 cr out which roughly 40% is urban. So this gives us an urban population of 60 cr.

So out of this urban population lets assume that the number of people that are in the age ranges 18-30 are 30%. So then the young adult population comes out to be 30% of 0.6bn= 18cr.

Lets further assume the Tier wise break up of the cities are:
-Tier 1: 30% (30% of 18cr= 5.4cr)
-Tier 2: 30% (30% of 0.6bn= 5.4cr)
And the remaining in Tier 3.

Does these Demographic-wise splits seem reasonable?

Seems reasonable enough. How do you move forward from here?

We will further Assume the market penetration in these city Tiers would be:
-Tier 1: 70%(70% of 5.4cr=3.78 cr)
-Tier 2: 40%(40% of 5.4cr=2.16 cr)

So are we ready to move onto the final number or is there anything left?

Before getting the final figure we also need to consider Tinder's Market share with respect to its competitors. Let assume that the market share be close to 50%. Then the tier wise Tinder users are:
-Tier 1: 50% of 3.78cr= 1.89cr
-Tier 2: 50% of 2.16cr= 1.08cr

Okay so now what are the final numbers?

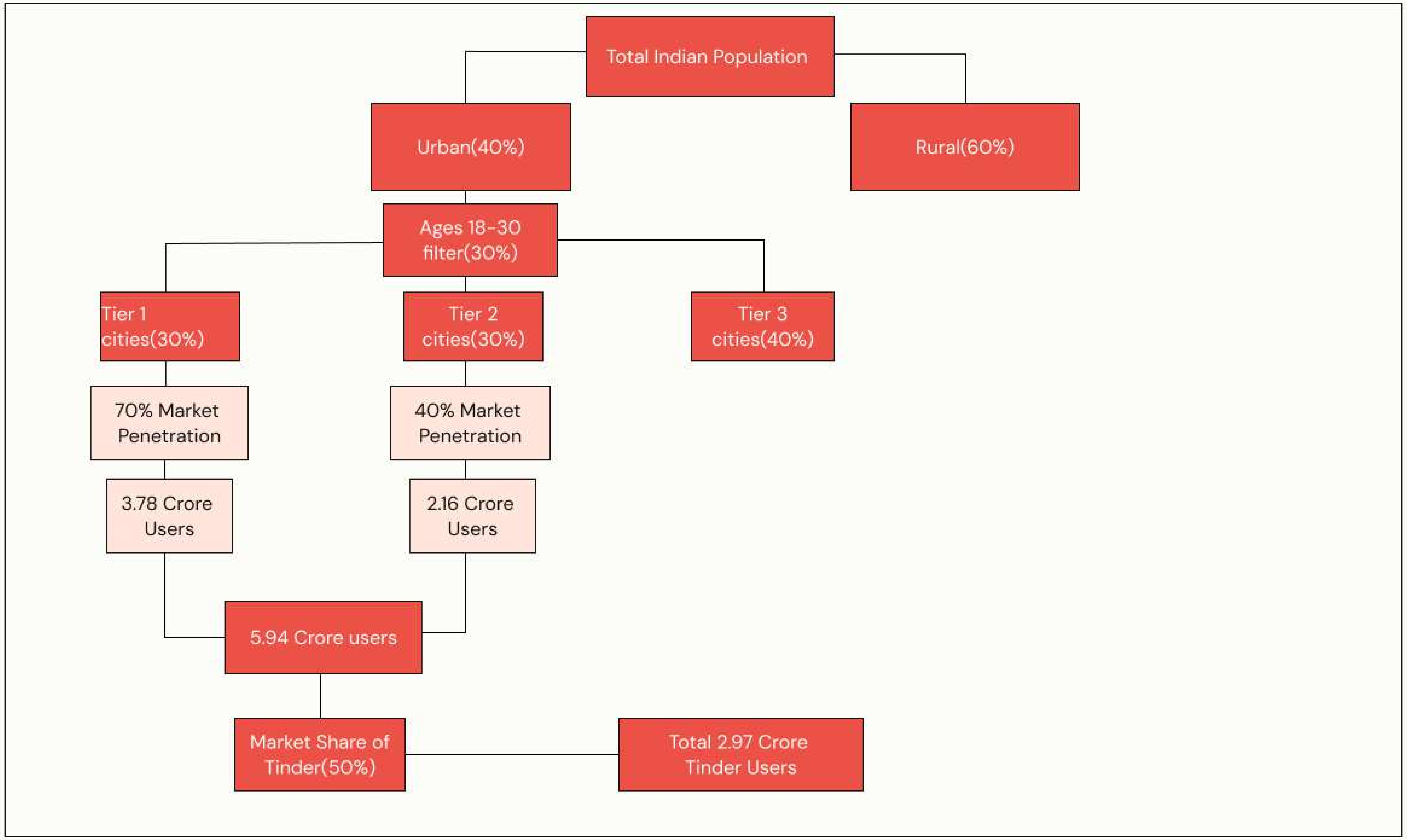
So the Total Number of Tinder Users in India comes out to be 1.89cr + 1.08cr that is 2.97 cr.

Ok that sounds good, lets end it here.

Guesstimate | Easy

Tinder Users in India

Structure/Framework



Interviewee Notes

- Good initial structuring with Tier based Urban Cities segmentation
- Clear assumptions for Target User base of Tinder
- Good market penetration and market share consideration

Smartphone Purchases on Flipkart During the Big Billion Day Diwali Sale

How would you estimate the number of customers purchasing smartphones from Flipkart during the Big Billion Day Diwali Sale?

Firstly, could you confirm the timeframe we're considering for the Diwali Sale? Are we looking at a specific duration, like a week?

Yes, let's consider the sale period to be around a week.

Should I assume that Flipkart's promotions during the sale are similar to previous years, or do you expect any significant changes this time around?

You can assume they'll have similar promotions as in the past.

Thank you for the clarifications. Now, I'll first consider factors like internet penetration, urban and rural population distribution, income splits, and Flipkart's market share. Is it okay if I proceed with these assumptions?

Yes, please go ahead.

Alright. India's population is approximately 1.4 billion. Given the current internet penetration rate of around 40%, we'd focus on the 560 million people who have internet access.

Good breakdown. How would you further segment this population?

I'd next split it into urban and rural areas since urban users are generally more likely to shop online. With a 30:70 split, we get approximately 168 million internet users in urban areas and 392 million in rural areas.

That's a good approach. How would you begin estimating the income distribution?

I'll focus on the middle and higher-income segments as they're more likely to purchase smartphones. Here's how I'd break it down:
Urban areas:
- Lower income: 40% of urban users, with 30% likely to buy online, which results in 21 million potential buyers.
- Middle income: 40% of urban users, with 70% likely to buy online, giving us 50 million buyers.
- Higher income: 20% of urban users, with 80% likely to buy online, leading to 28 million buyers.

Rural areas:
- Lower income: 40% of rural users, with 20% likely to buy online, giving us 33 million.
- Middle income: 30% of rural users, with 30% likely to buy online, resulting in 37 million.
- Higher income: 10% of rural users, with 50% likely to buy online, leading to 21 million.

Adding these, we get a total of approximately 190 million potential online buyers across India.

Great analysis. How would you estimate the number specifically for Flipkart?

Flipkart holds around 40% of the online electronics market, so we could estimate that about 40% of these potential buyers, or roughly 76 million, might consider purchasing from Flipkart.

Now, how would you account for smartphone purchase patterns?

I'd assume that people replace smartphones every three years on average, so each year, about one-third of the 76 million, or approximately 25 million, would buy a new smartphone.

Good. And how would the Diwali sale affect this?

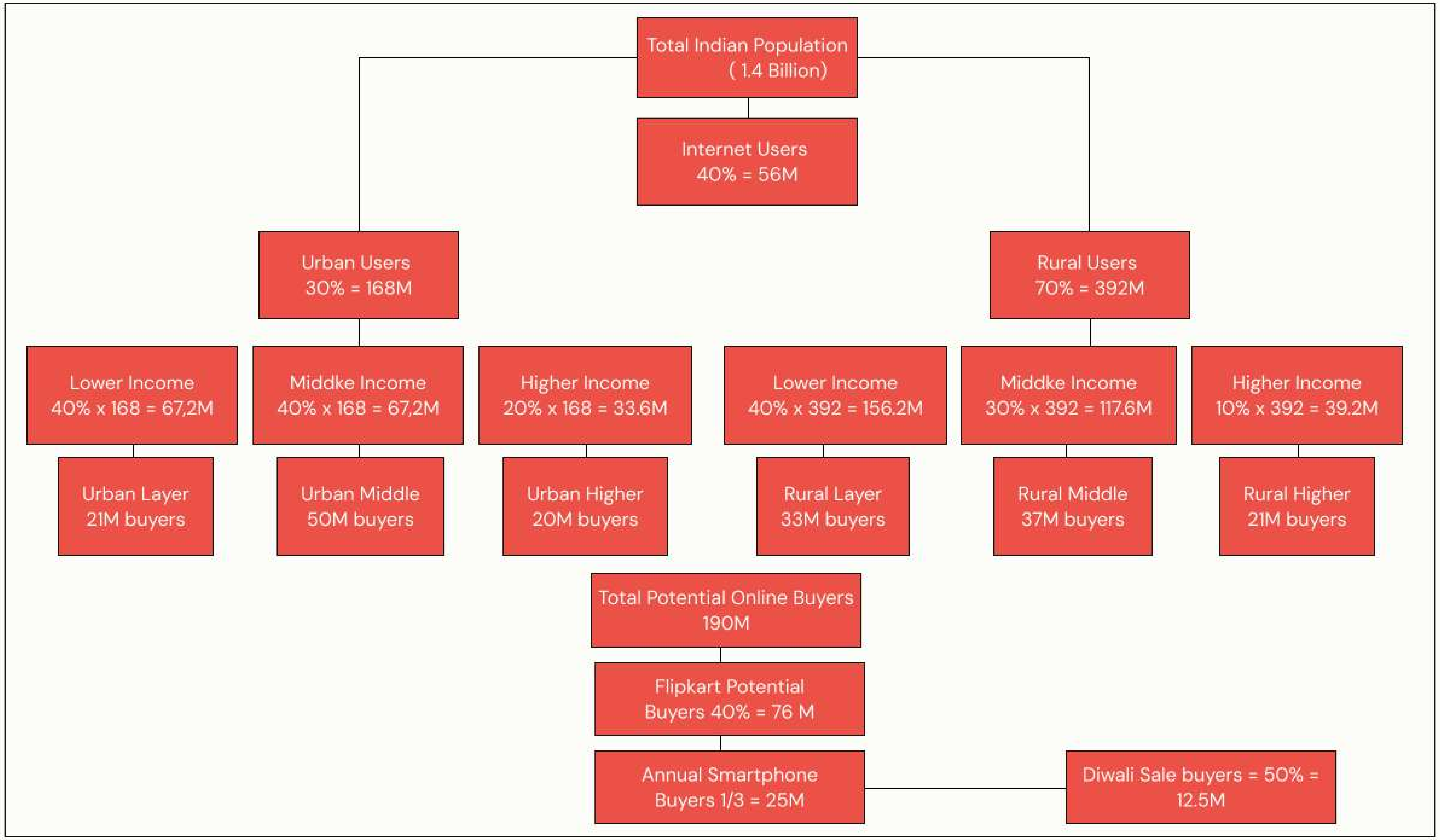
The Diwali season typically sees a spike in sales. I'd assume around 50% of annual smartphone sales happen during this season, so we'd have roughly 12.5 million buyers purchasing smartphones from Flipkart during the Big Billion Day Diwali Sale.

That sounds very comprehensive. We can close the case now.

Guesstimate | Easy

Smartphone Purchases on Flipkart During the Big Billion Day Diwali Sale

Structure/Framework



Interviewee Notes

- Good Job Asking and clearing out the case first hand.
- Did not account for the other online electronic stores such as Croma or Reliance Digital

Key Takeaways

- Logical Segmentation: Demographics and income are effective for targeted estimation.
- Realistic Assumptions: Internet access, income splits, and seasonal trends drive accuracy.
- Final Estimate: Approximately 12.5 million smartphone buyers on Flipkart during the Diwali sale.

Guesstimate | Moderate

Words in an Average Daily Newspaper

Can you estimate how many words are there in an average daily newspaper?

Sure! Before I dive in, may I clarify a few assumptions to help guide my estimate?

Yes, please go ahead.

To begin, let's assume a standard newspaper has a page size of 12 by 20 inches with a total of 24 pages. I'll focus on calculating the usable text space by factoring in space occupied by illustrations, borders, and margins.

That makes sense. How would you calculate the usable space for text?

With these assumptions, let's break down the area calculations.

- Total Area per Page: Each page has an area of 240 square inches.
- Space Occupied by Illustrations: With illustrations covering 33% of each page, this comes to 80 square inches per page.
- Space Occupied by Borders: The borders take up about 56.5 square inches, leaving us with 103.5 square inches of usable space per page.

After adjusting for spacing between columns, this usable area reduces to around 100 square inches per page. I'll allocate 90% of this area to standard text and 10% to headings.

Sounds good. Could you walk me through the calculation for words per page?

Certainly, Using the adjusted text area, I'll calculate the number of words per page as follows:
-Words from Standard Text: 90 square inches for standard text at 30 words per square inch:
$90×30=2700$ words
-Words from Headings: 10 square inches for headings at 8 words per square inch:
$10×8=80$ words
-Combining these, the total number of words per page is approximately:
$2700+80=2780$ words

Great! And how would you estimate the total word count for the newspaper?

Since we have 24 pages in total and 4 pages are illustration-heavy, I'll use the remaining 20 pages for our word count calculation. So, the total word count would be:
$2780×20=55,600$ words, or roughly 50,000 words

That's a solid estimate. How would you validate this number?

To validate, I'd consider the average article length. Most newspaper articles are around 250 words, meaning a 50,000-word newspaper would have approximately 200 articles, which aligns with the typical content of a daily newspaper.

Interesting approach. And if I asked you to estimate the number of unique words in the newspaper?

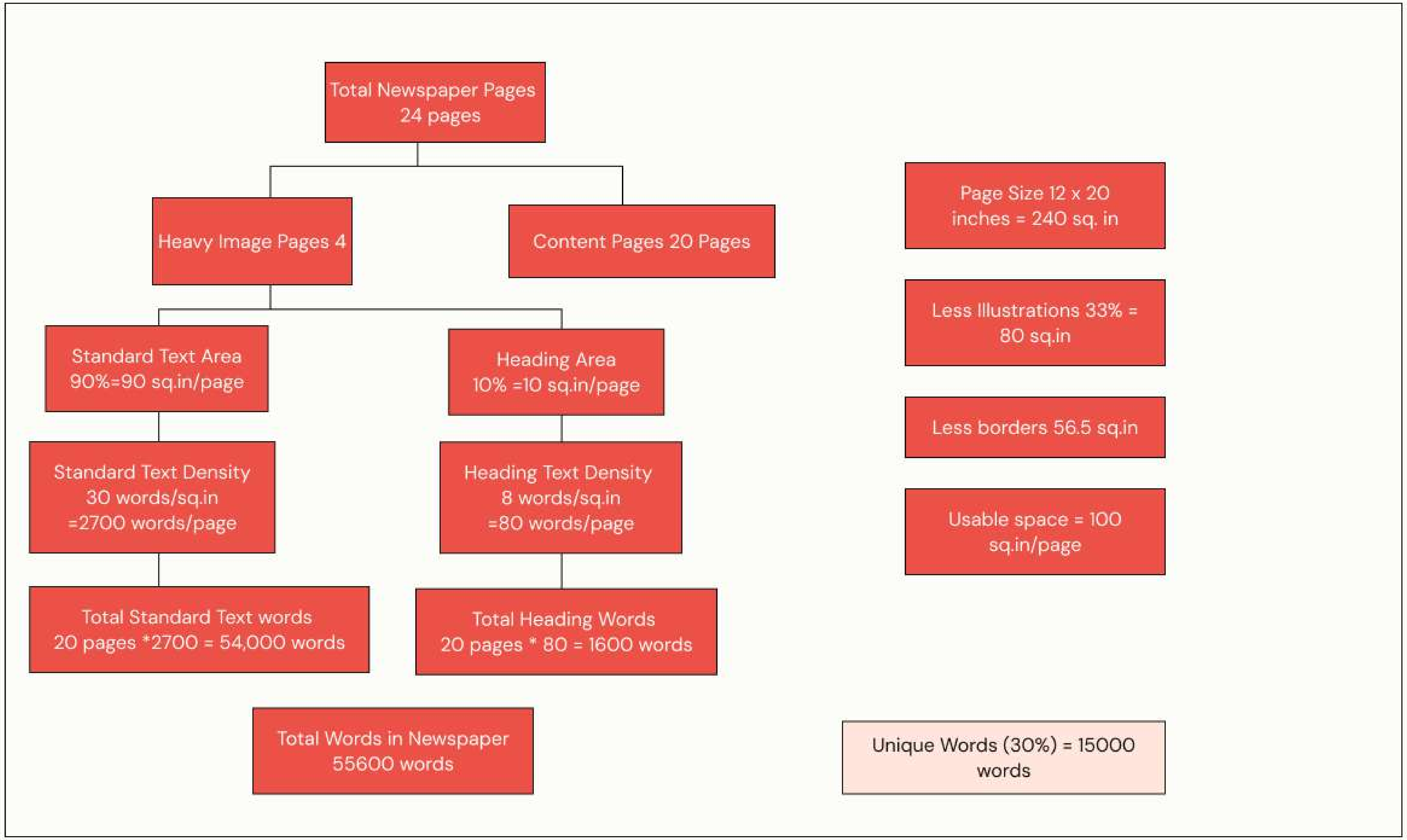
I'd look at the percentage of unique words in a sample of articles to identify a pattern. For instance, considering about 30% of words tend to be unique across articles, I'd multiply 50,000 by 0.3, estimating around 15,000 unique words.

That's a well-rounded estimate. Thanks, we can stop here.

Guesstimate | Moderate

Words in an Average Daily Newspaper

Structure/Framework



Interviewee Notes

- Effectively defined boundaries on the newspaper format, layout, and assumptions.
- Overlooked differences in text density across sections like editorials, classified etc.
- Skilfully analysed usable space for text..

Validation

- Considering the average article length.
- Most newspaper articles are around 250 words, meaning a 50,000-word newspaper would have approximately 200 articles.
- This aligns with the typical content of a daily newspaper of around 200 articles.

Guesstimate | Moderate

Weekly Zomato Orders in Noida

Can you estimate the number of Zomato orders placed weekly in Noida?

Sure! Before I dive in, may I clarify a few assumptions to help guide my estimate?

Yes, please go ahead.

First, let's look at Noida's total population of 800,000, with 90% being urban, so we have about 720,000 people. Excluding the 0-14 age group, which comprises 25% of the population, we're left with 600,000 people.Next, I'll consider income distribution.
The income-wise split is as follows: 5% are BPL, 20% fall under the lower income category, 30% are lower middle class, another 30% are upper middle class, and 15% are in the upper-income bracket.

That makes sense. How would you calculate the order frequency among these groups?

In estimating order frequency by income group, I have assumed some patterns. For the BPL group, making up 5% of the population, I assume there are zero orders per week. The lower income group, at 20%, averages about 0.5 orders weekly. For the lower middle class, which accounts for 30%, I project 1 order per week. The upper middle class, also at 30%, averages around 2 orders weekly, while the upper income group, representing 15%, averages about 3.5 orders per week.
Out of this I will assume that 30 percent of people use Zomato.

That's a comprehensive breakdown. What's your total order estimate?

BPL individuals, representing 5% of this base, typically don't order, resulting in zero orders. The lower-income group, 20% of users, averages 0.5 orders per week, contributing roughly 14,400 orders. The lower middle class, making up 30%, averages 1 order per week, adding around 43,200 orders. The upper middle class, also 30%, averages 2 orders weekly, totaling about 86,400 orders. Finally, the upper-income group, at 15% of users, averages 3.5 orders per week, resulting in 75,600 orders. Summing these figures gives a total of approximately 219,600 orders each week.

How do these orders break down across the week?

To break down the weekly order distribution, I'll consider how orders might vary across different days. For Monday to Thursday, which tends to be slightly lower-traffic, I'll allocate 45% of total orders. With our estimate of 219,600 weekly orders, this means roughly 98,820 orders from Monday to Thursday. Fridays typically see a bit of a spike, so I'll assign 20% of orders to this day alone, totaling around 43,920 orders. Finally, weekends tend to be the busiest for food delivery, so I'll allocate 35% of orders to Saturday and Sunday, which translates to approximately 76,860 orders over those two days.

That's a solid estimate. How would you validate your guesstimate?

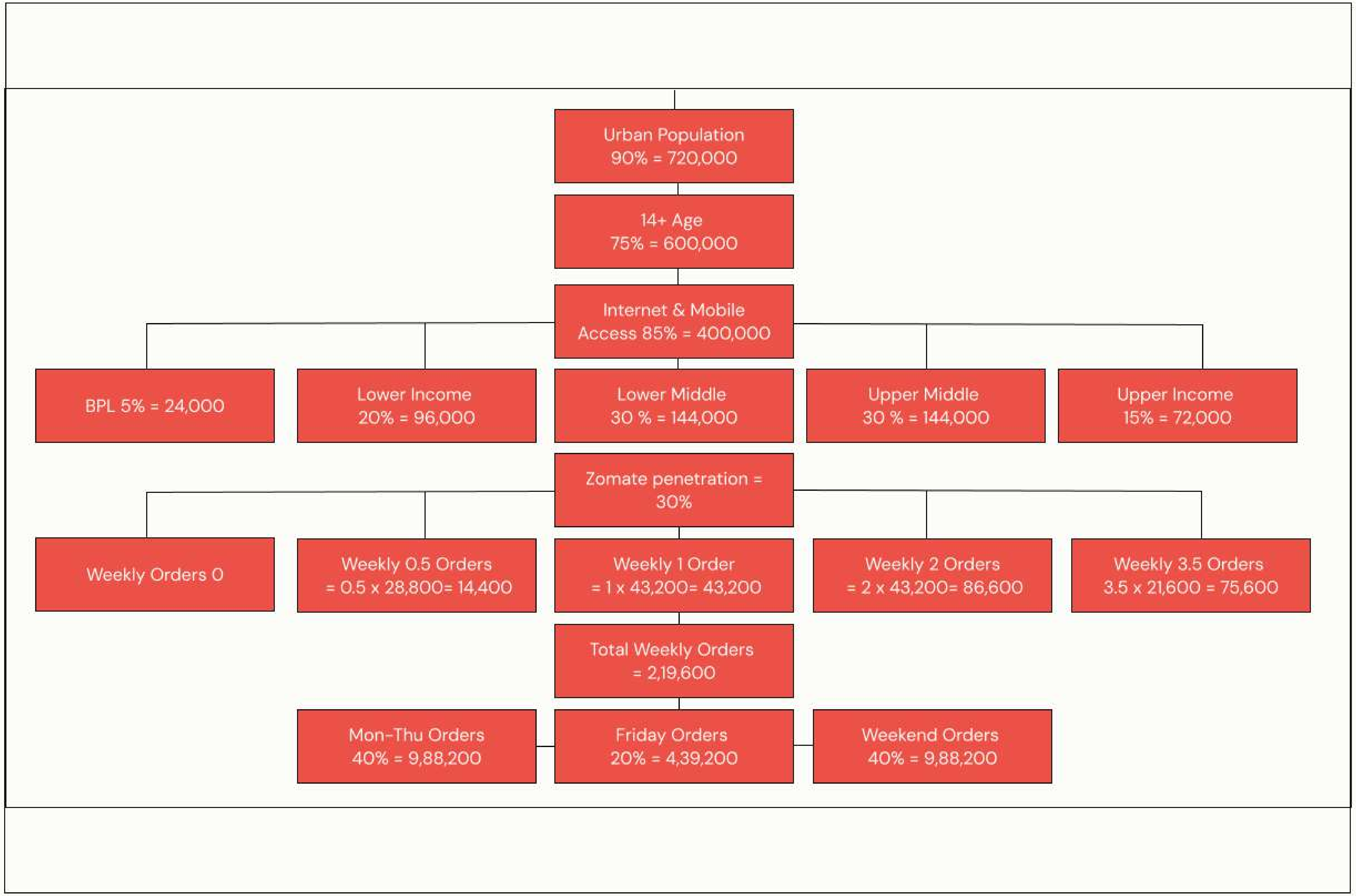
To validate the estimate of 219,600 weekly Zomato orders, I'd consider the average ordering behavior in similar-sized urban areas. For instance, if we assume that a typical user places around one to two orders per week, then a base of around 136,000 users generating approximately 219,600 orders weekly seems plausible.

That's a well-rounded estimate. Thanks, we can stop here.

Guesstimate | Moderate

Weekly Zomato Orders in Noida

Structure/Framework



Interviewee Notes

- Good Clarifications: Clearly defined assumptions for Noida's population breakdown and internet usage.
- Missed Age Group Variation: Didn't account for possible order frequency differences within age segments.
- Solid Income-Based Approach: Effectively segmented income groups to estimate order frequency based on spending patterns.

Validation

- Considering the average ordering behavior in similar-sized urban areas. For instance, if we assume that a typical user places around one to two orders per week, then a base of around 136,000 users generating approximately 219,600 orders weekly seems plausible.

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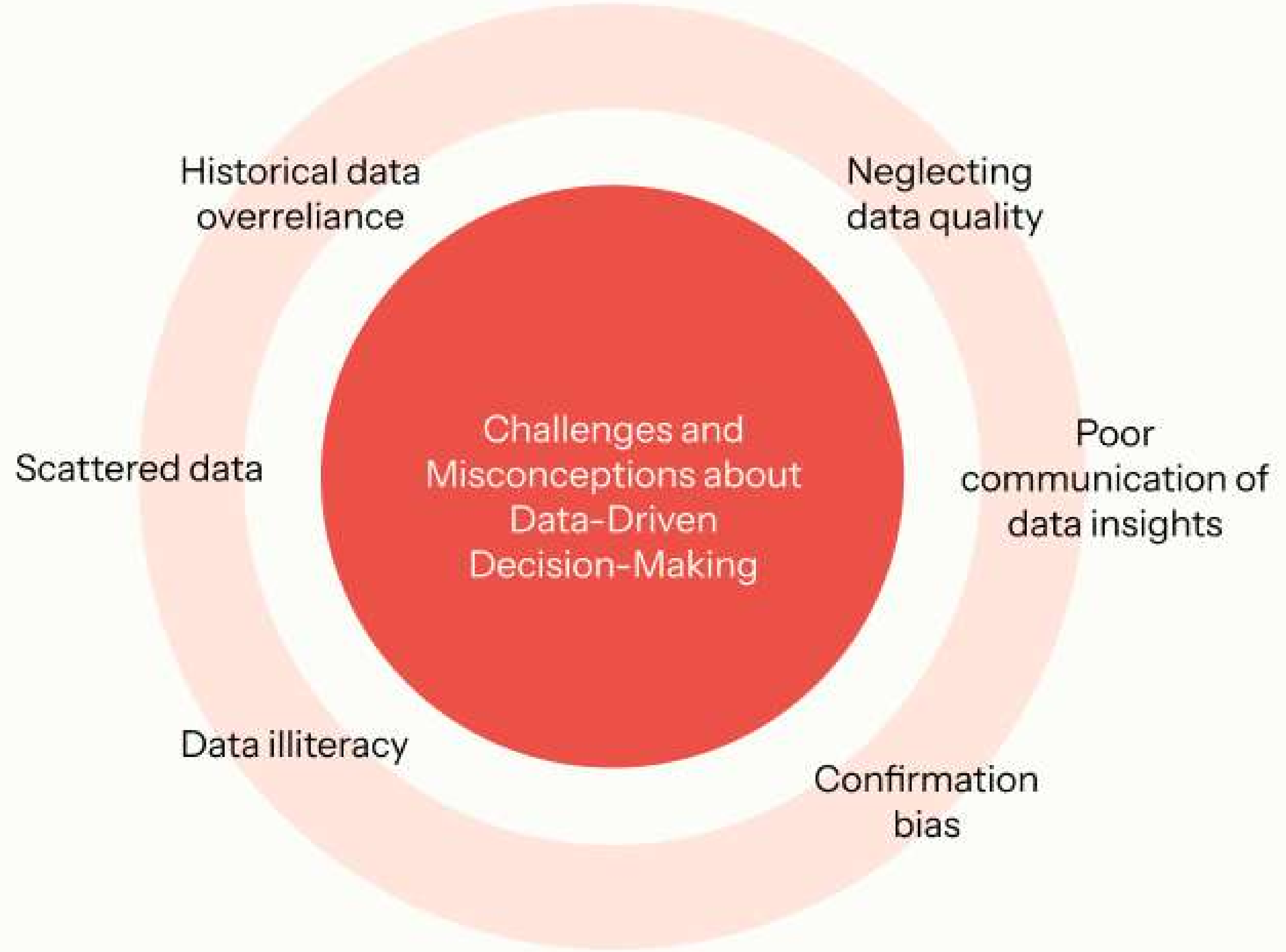
Tech aspects in PM

Counting Noses

- Product managers at early stage startups probably need a little more technical depth than those who work in larger corporates with the support of other roles who can bridge the gaps in technical understanding such as scrum masters and tech leads.
- It depends on the type of product you're working on. An API product manager will struggle to develop and maintain API products without knowledge of APIs.
- It depends on where you're at in your product career. If you want to be able to influence your peers at C-level, technical knowledge will become a must-have.



Where PMs Use Data in the Real World

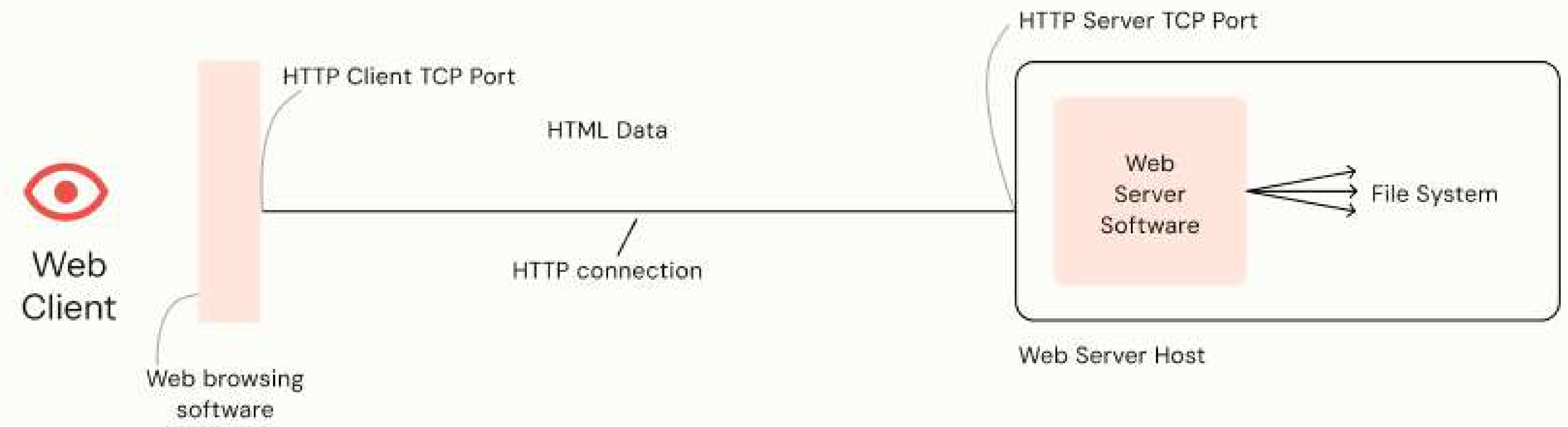
- Netflix: PMs can leverage predictive analytics to personalize user experiences, which boosts engagement and customer satisfaction.
- Coca-Cola: By using big data, PMs can refine marketing strategies, ensuring that campaigns resonate with the target audience.
- Uber: Real-time data helps PMs optimize services, like ride matching and demand prediction, leading to more efficient and effective products.

Websites

The World Wide Web

Importance Grasping the basics of web architecture—such as servers, browsers, and HTTP protocols—is crucial for aspiring Product Managers. This knowledge empowers PMs to understand how users interact with online content, enabling them to make smarter decisions about product features, user experience design, and digital strategies, particularly for web-based products.

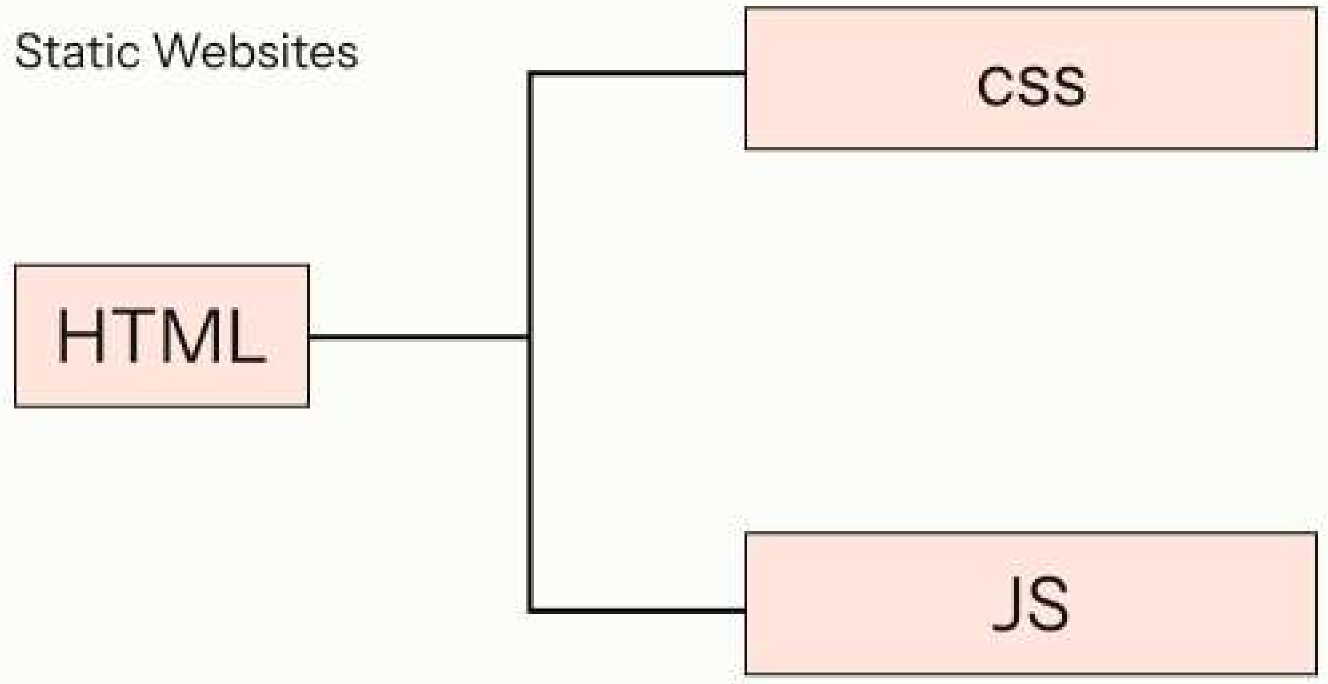
Application With a solid understanding of the web's architecture, PMs can better evaluate how different web technologies impact user engagement, optimize site performance, and ensure seamless integration of new features, making them invaluable in shaping successful web products.

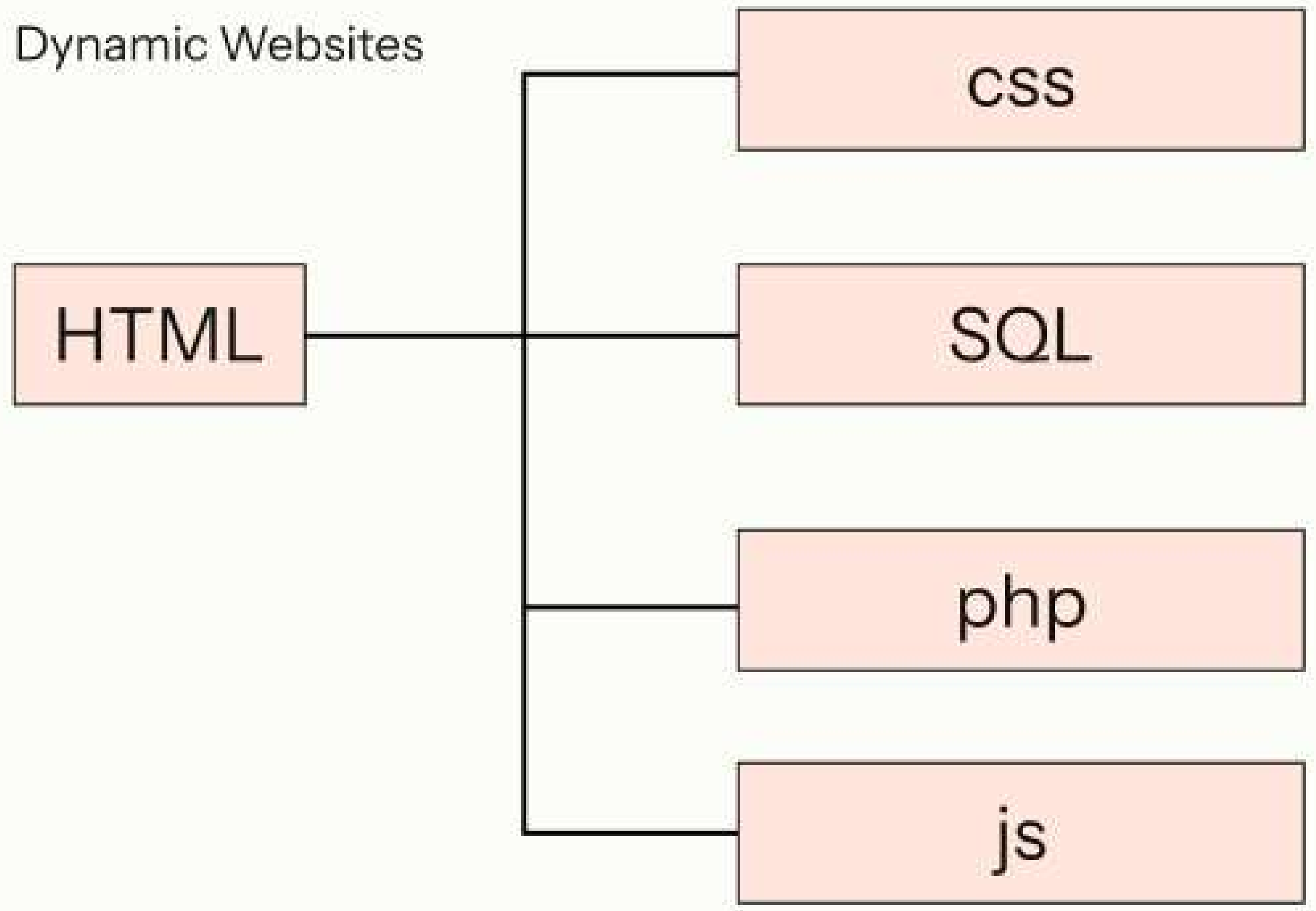


Dynamic Websites

Significance Dynamic websites are essential in today's web development, delivering real-time content based on user interactions. Aspiring Product Managers need to grasp the benefits and complexities involved—such as server-side logic, databases, and scripting languages like PHP and JavaScript.

Application By understanding how dynamic websites work, PMs can craft accurate product specifications and development timelines, making better decisions regarding real-time updates, personalization, and enhancing user engagement for web-based products. This insight is crucial for managing the development of interactive and responsive digital experiences.





Databases

Importance

Databases are essential for efficiently storing and managing large volumes of data. As a Product Manager, understanding the different types of databases is critical:

- **Relational Databases**: Ideal for handling structured data, these are crucial for maintaining transaction integrity and data consistency, especially in e-commerce and financial platforms.
- **NoSQL Databases**: Suitable for managing diverse data formats, they offer flexibility and scalability, making them perfect for social media and content-heavy applications.

Application

- Feature Design: Ensuring data consistency and secure transactions.
- Scalability: Implementing solutions that handle growth effectively.
- Performance: Optimizing speed for real-time data processing and analytics.

NoSQL Databases

NoSQL databases are designed for flexible and scalable storage of large, unstructured datasets. Aspiring Product Managers should be familiar with:

Key-Value Stores: Provide quick and simple data retrieval, ideal for applications requiring fast access to data.

Graph Databases: Manage intricate relationships, perfect for social networks and recommendation systems.

Document Databases: Handle complex data structures, making them useful for managing content in systems like content management platforms.

Application: Understanding these NoSQL models helps PMs select the appropriate database for tech products involving social media, big data, and real-time applications, ensuring scalability and efficiency in managing diverse data types.

SQL Databases

Significance: SQL (Structured Query Language) is essential for managing and analyzing data. As a future Product Manager, mastering SQL will help you:

Analyze Data: Provide quick and simple data retrieval, ideal for applications requiring fast access to data.

Document Databases: Handle complex data structures, making them useful for managing content in systems like content management platforms.

Graph Databases: Manage intricate relationships, perfect for social networks and recommendation systems.

Application: Understanding these NoSQL models helps PMs select the appropriate database for tech products involving social media, big data, and real-time applications, ensuring scalability and efficiency in managing diverse data types.

APIs

Functionality Integrate with external services to enhance your product's features and capabilities.

Types Differentiate between REST APIs for flexible web services and SOAP APIs for secure, rigid transactions.

Benefits Streamline development processes, incorporate innovative features (like payment systems and data analytics), and improve user experience.

Knowing how to leverage APIs effectively allows you to choose the right type for your product's needs and maximize its functionality, ensuring seamless integration and enhanced user experiences.

Developers

API Consumers

Create solutions using APIs

API Product Manager

- Manage the API roadmap
- Prepare for API roadmap
- Optimize developer experience
- Articulate the business value of APIs

Developers

API Producers

Create APIs

Build and run the services that deliver APIs

Frameworks and Libraries

Functionality Integrate with external services to enhance your product's features and capabilities.

Types Differentiate between REST APIs for flexible web services and SOAP APIs for secure, rigid transactions.

Benefits Streamline development processes, incorporate innovative features (like payment systems and data analytics), and improve user experience.

Knowing how to leverage APIs effectively allows you to choose the right type for your product's needs and maximize its functionality, ensuring seamless integration and enhanced user experiences.

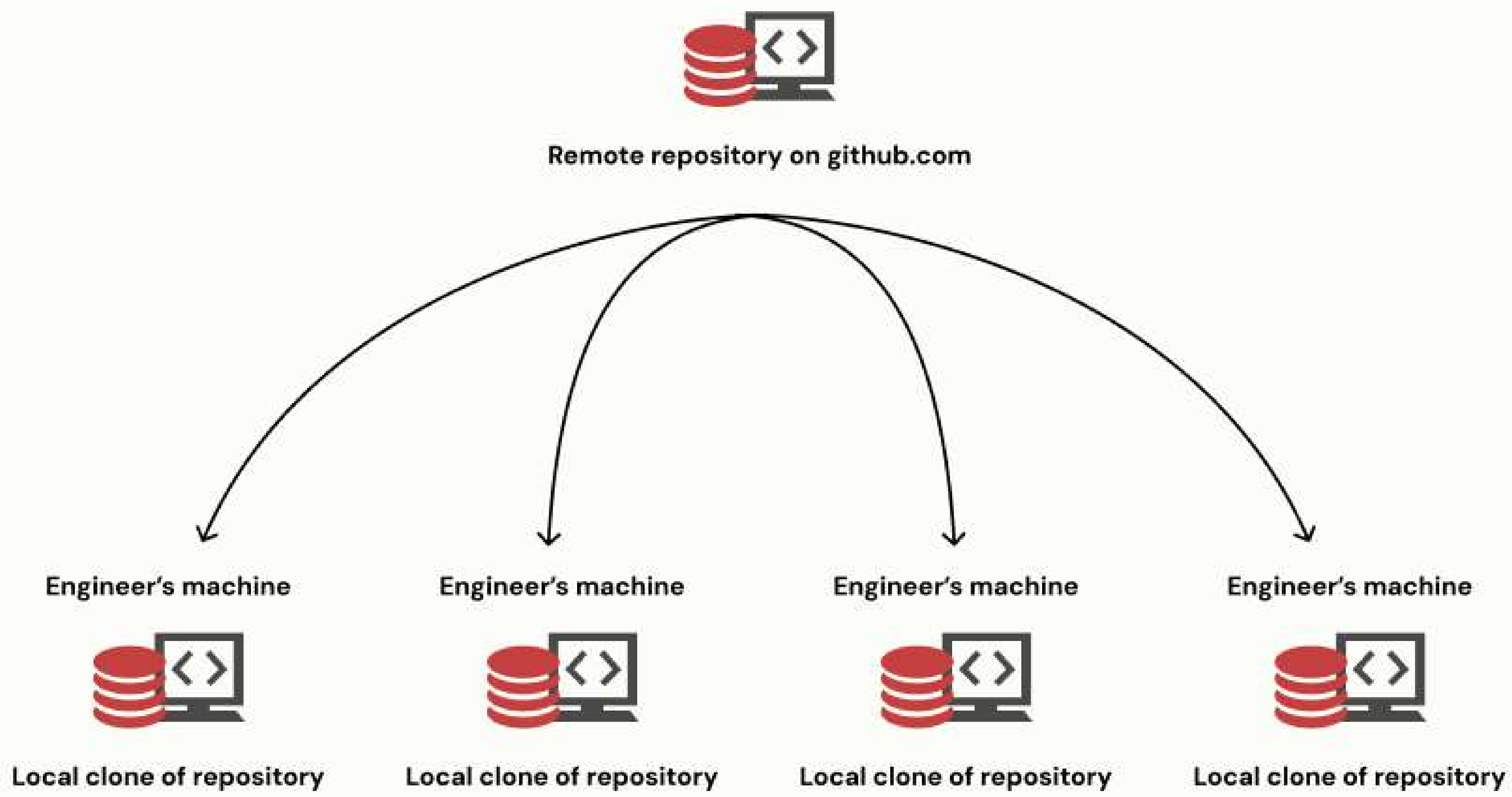
Git and GitHub

Devops

Significance of Git and GitHub for PMs

- **Manage Code:** Track code changes and facilitate smooth collaboration among developers.
- **Support Teamwork:** Enhance coordination with tools for pull requests and issue tracking.
- **Enhance Transparency:** Foster a collaborative culture by providing visibility into project progress and changes.

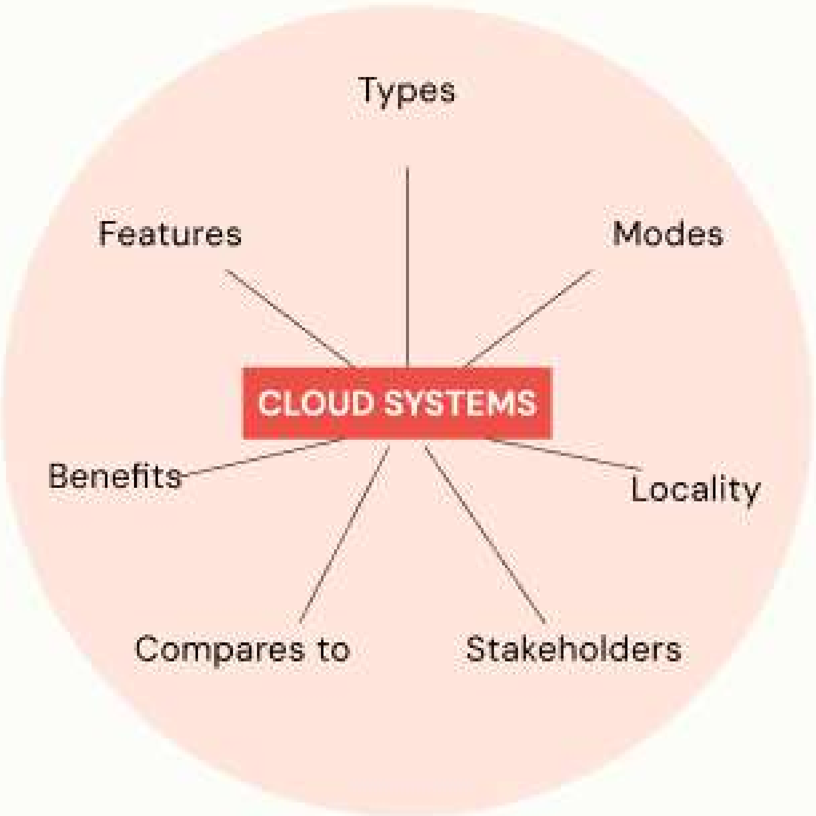
Familiarity with Git and GitHub aids in overseeing software projects effectively, supporting successful DevOps practices, and ensuring efficient project management and team collaboration.

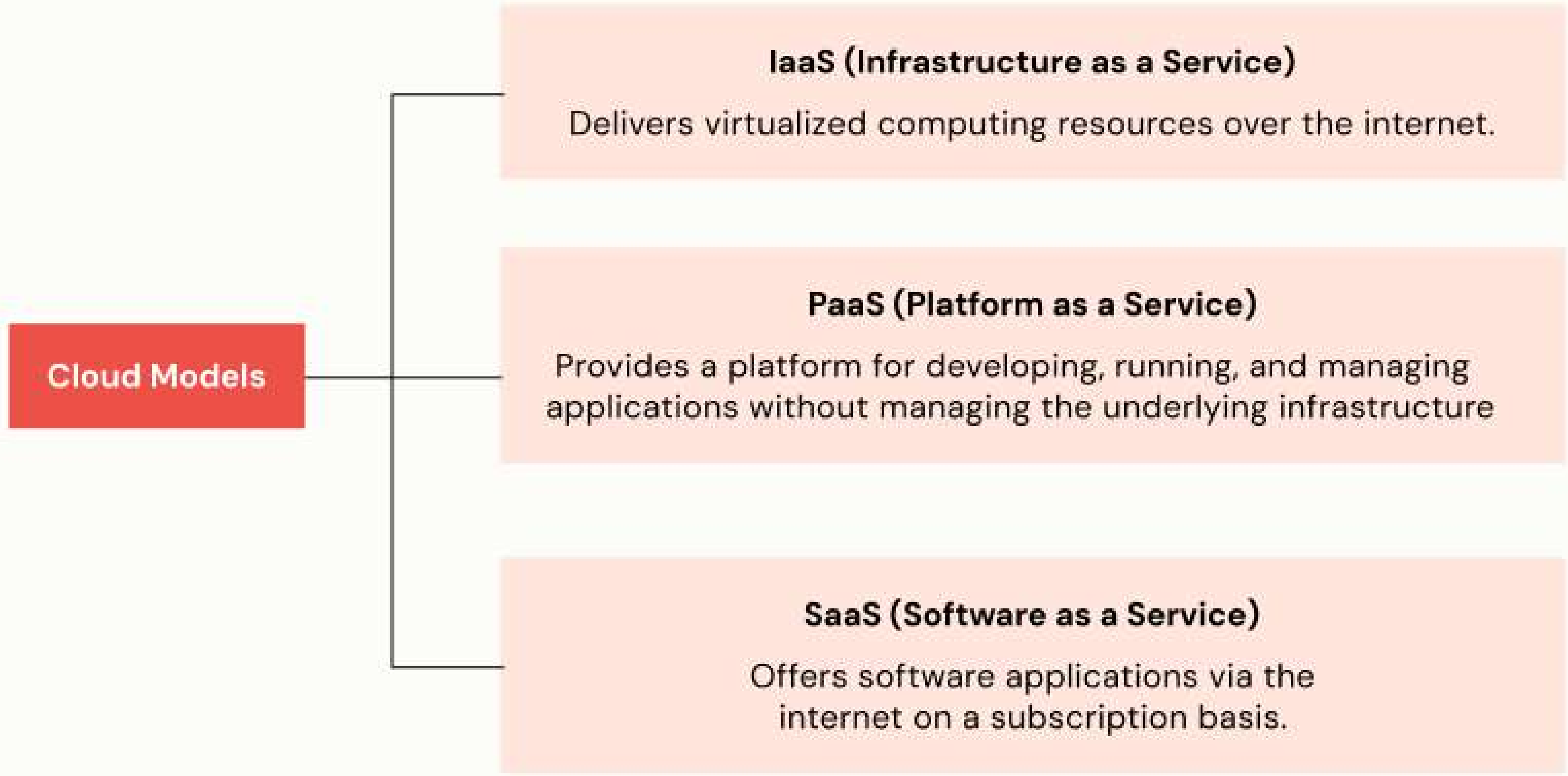


Cloud Computer

Cloud computing revolutionizes business operations by providing scalable, online resources and services, reducing the need for expensive on-premise solutions. For Product Managers, understanding cloud computing is vital because it:

- **Flexibility:** Enables rapid scaling and efficient management of resources.
- **Cost Savings:** Reduces upfront investments and lowers ongoing operational expenses.

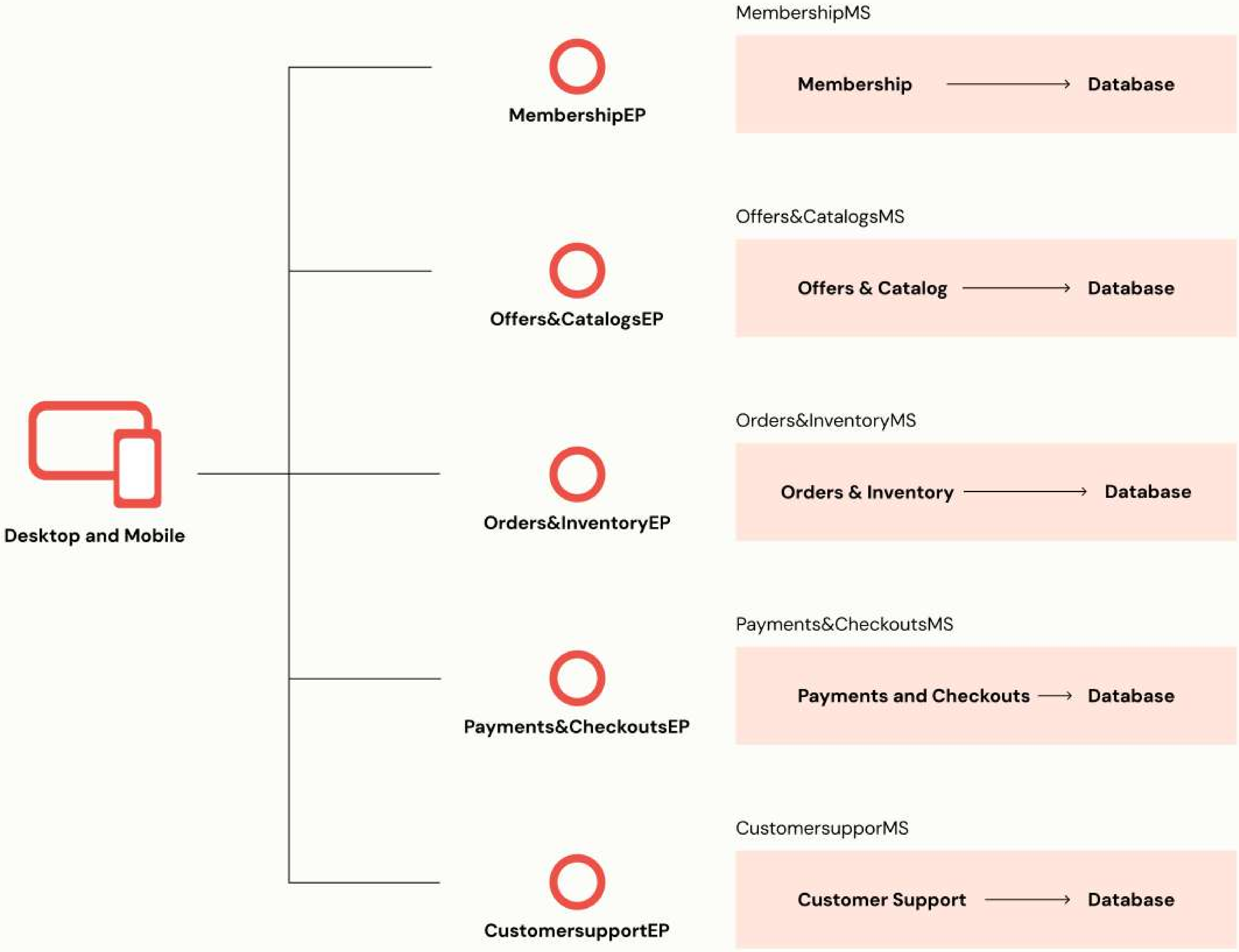




Cloud Computer

Microservices architecture divides applications into smaller, independent services that communicate via lightweight protocols. For Product Managers, understanding microservices is crucial because it:

- **Facilitates Agile Development:** Allows teams to develop and deploy components independently, speeding up the development process.
- **Enhances Scalability:** Lets you scale individual services based on demand, optimizing resource use.
- **Improves Fault Tolerance:** Ensures that issues in one service don't impact the entire system.



System Design

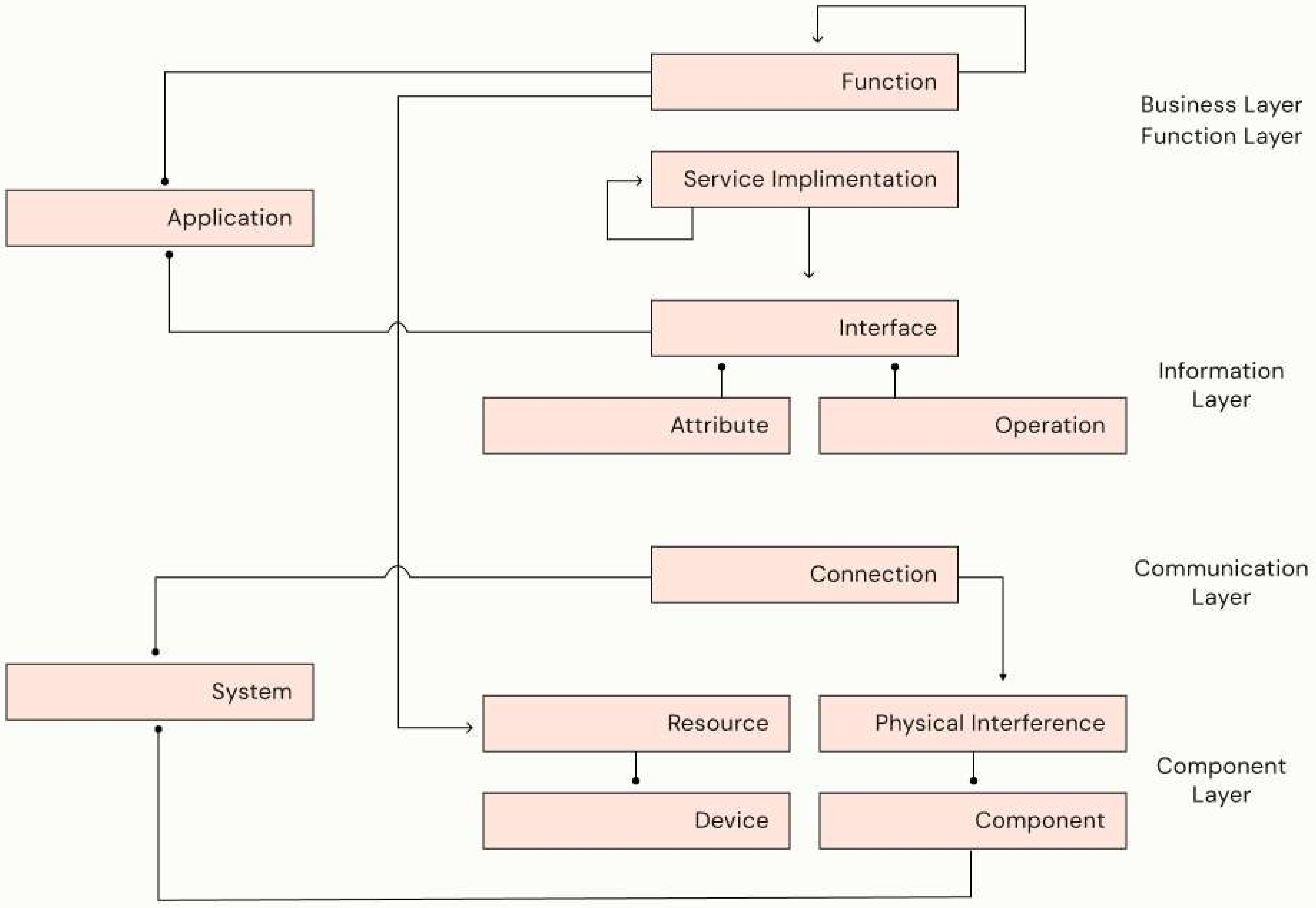
Why PMs Should Learn System Design

Effective Communication
Helps articulate technical needs and align engineering efforts with business goals

Address Challenges
Facilitates tackling issues related to scalability, performance, and usability

Strategic Decisions
Equips PMs to make informed choices that improve project execution and cross-department collaboration

Mastering system design ensures digital products meet user needs, adapt to market changes, and support smooth, efficient development processes.



Scalability in distributed systems

Significance

Scalability in distributed systems involves managing increasing workloads by expanding resources while maintaining performance. For Product Managers, understanding scalability is vital because it:

- **Ensures Performance:** Guarantees that applications can handle growing user demands without performance degradation.
- **Scaling Techniques:**
  - Horizontal Scaling: Adds more machines to distribute the load effectively
  - Vertical Scaling: Upgrades existing resources to enhance performance.

Where PMs Apply This Knowledge

Mastering these scalability concepts helps PMs design adaptable systems that stay responsive and effectively meet evolving business needs.

Load Balancing in Distributed Systems

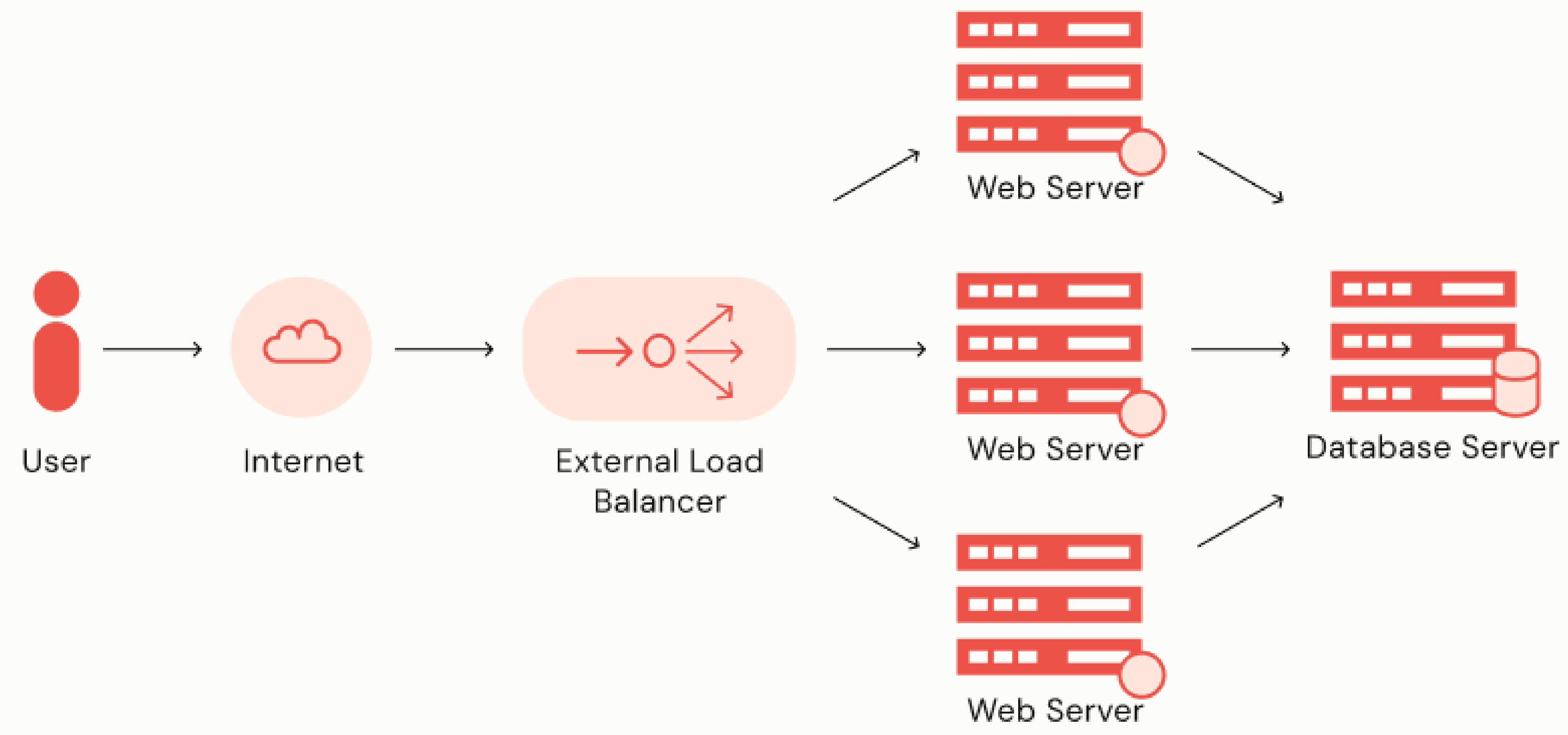
Significance

Load balancing distributes incoming requests across multiple servers to enhance performance and reliability. For Product Managers, understanding load balancing is crucial because it:

- **Techniques:**
    - Round Robin: Evenly distributes requests across servers.
    - Least Connections: Routes requests to the server with the fewest active connections.
    - Weighted Methods: Allocates requests based on server capacity.
- **Benefits:**
    - Efficient Resource Use: Optimizes server utilization for better performance.
    - Minimized Latency: Reduces response times, improving user experience.
    - Enhanced Reliability: Boosts system resilience and uptime.

Where PMs Apply This Knowledge

Understanding load balancing helps PMs design robust and efficient systems, ensuring optimal performance and user satisfaction, especially in high-traffic applications.



Key-Value Storage

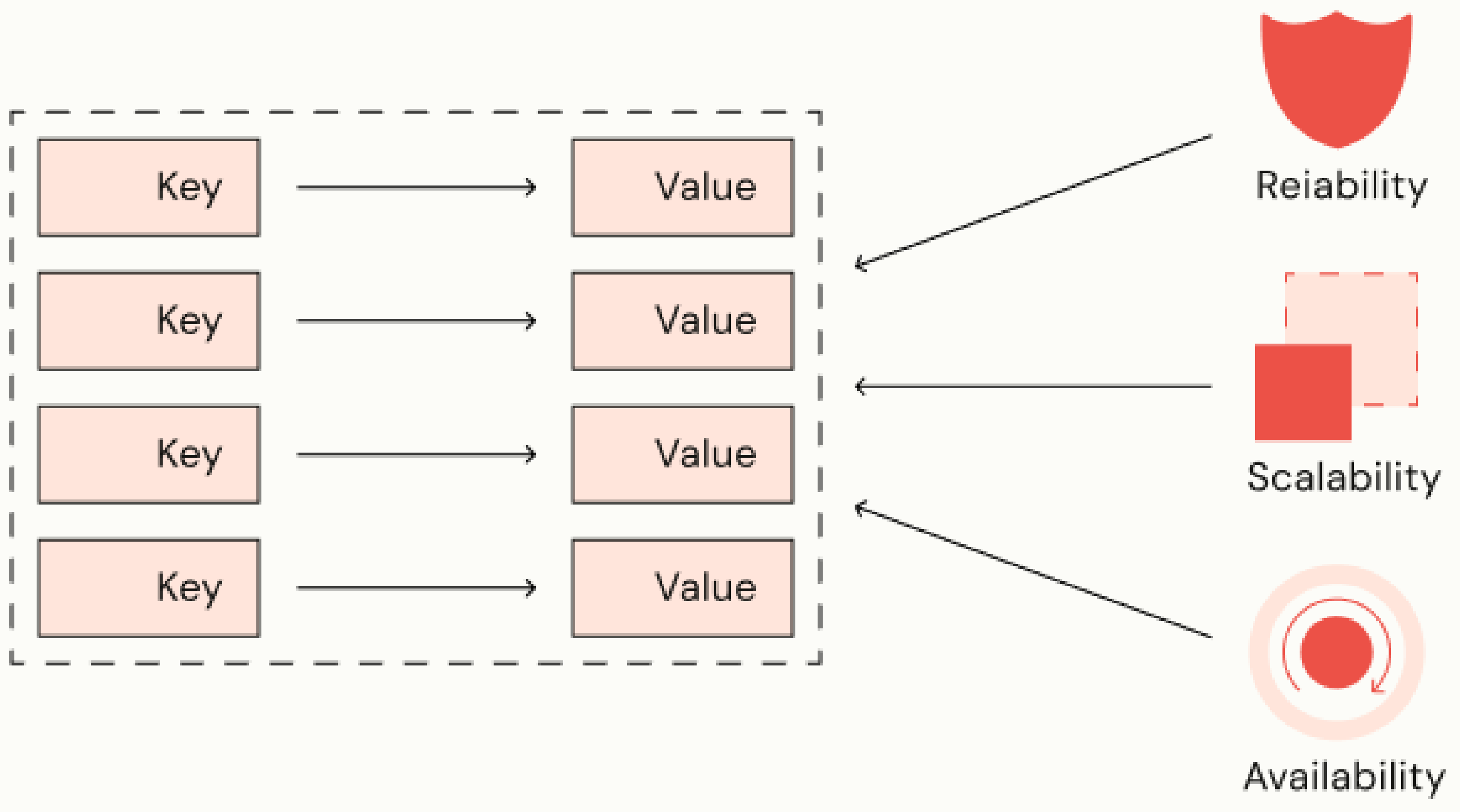
Significance

Key-value stores utilize an associative array data model, where each key is paired with a unique value, such as IDs or blobs. For Product Managers, knowing about key-value storage is essential because it:

- **System Design:** Assists in selecting the right storage solution based on scalability, speed, and flexibility requirements.
- **Use Cases:** Well-suited for storing customer personalization data and managing large datasets in distributed systems.
- **Industry Adoption**: Used by companies like LinkedIn, Amazon, and MongoDB for their scalability and performance advantages.

Where PMs Apply This Knowledge

Understanding key-value storage helps PMs design efficient systems that handle large volumes of data effectively and meet diverse application needs.



Rate Limiters

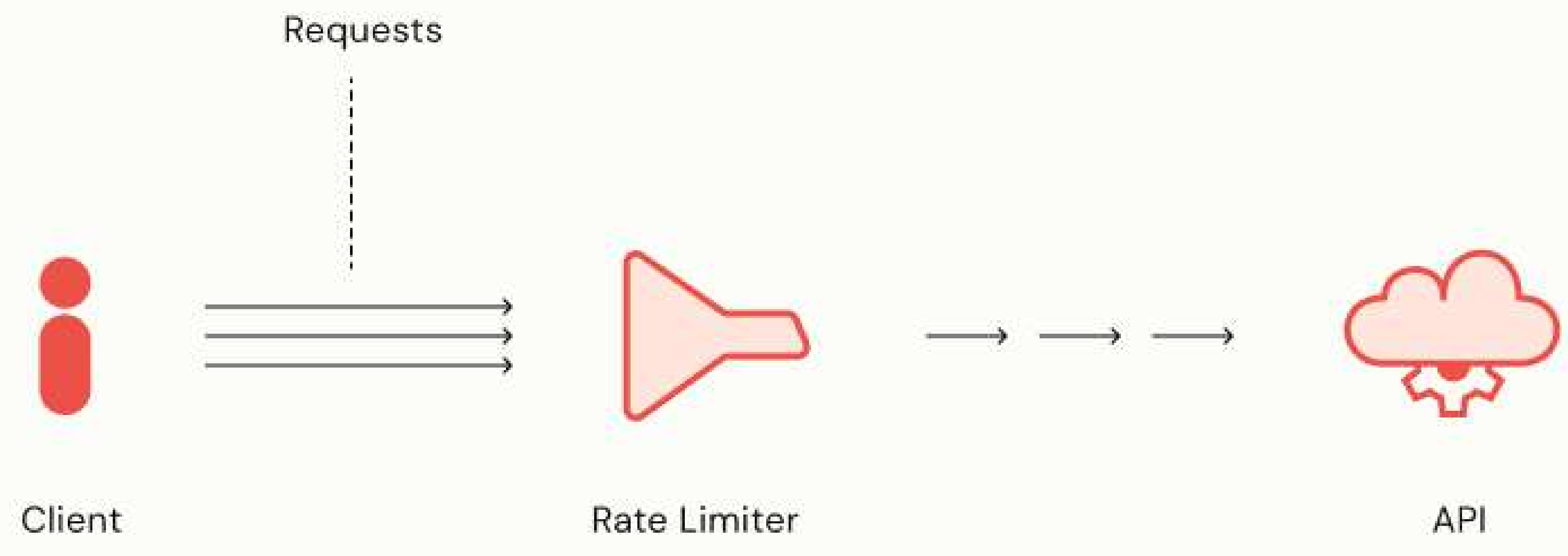
Significance

Scalability in distributed systems involves managing increasing workloads by expanding resources while maintaining performance. For Product Managers, understanding scalability is vital because it:

- **Optimal Performance:** Ensure servers and databases operate efficiently and handle requests within specified limits, preventing overload.
- **Operational Efficiency:** Enhance process management and service reliability, as seen with companies like Lyft

Where PMs Apply This Knowledge

Grasping rate limiters helps PMs design systems that maintain optimal performance and reliability, ensuring services can handle user demand effectively without compromising operational efficiency.



Content Delivery Networks (CDNs)

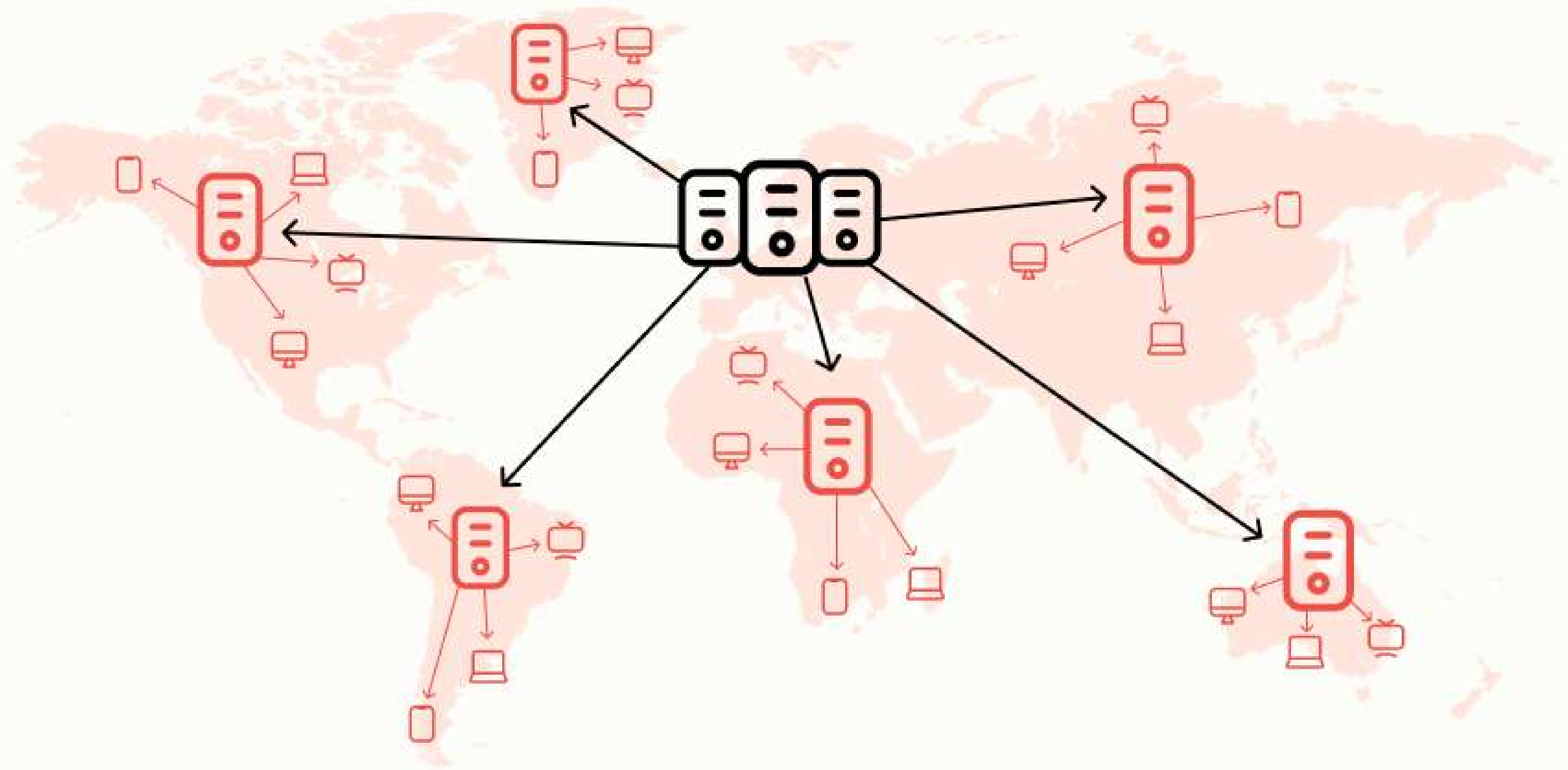
Significance

Content Delivery Networks (CDNs) are a system of geographically distributed servers that work together to deliver content quickly and efficiently via caching. For Product Managers, understanding CDNs is important because they:

- **Content Management:** Reduce data load times, minimize latency, and lower costs for content-heavy applications.
- **Operational Benefits:** Enhance efficiency, security, and cost-effectiveness, saving time and resources.

Where PMs Apply This Knowledge

Knowing how CDNs work helps PMs optimize content delivery, ensuring a fast and reliable user experience while managing operational resources effectively.



Architecture of Popular Apps

Streaming Services like YouTube

Product managers (PMs) play a pivotal role in the development and management of streaming services like YouTube. Their responsibilities span from understanding user needs to enabling cross-functional collaboration, ensuring that products meet market demands. This concise overview highlights the essential technologies and processes involved in a streaming service, emphasizing where a PM's expertise is critical.

User Interaction and Frontend Technologies

The user interface (UI) of YouTube is built using HTML5, CSS, and JavaScript to ensure a responsive and engaging experience for users. PMs are crucial in defining the UI requirements based on user research and feedback, ensuring that the design aligns with both user experience and business goals.

Backend Infrastructure

The backend is built using languages like Python, Java, and Go, managing server-side logic and data storage. PMs play a significant role in defining the backend architecture requirements based on anticipated user load and performance, ensuring that the platform can scale as user engagement grows.

Monetization Strategies

YouTube generates revenue through advertising and subscription models. PMs focus on understanding user behavior to create effective monetization strategies, ensuring that the business objectives align with user satisfaction.

Video Uploading and Encoding

User-generated content is uploaded through an intuitive interface, followed by encoding to multiple formats for adaptive streaming. PMs collaborate with technical teams to prioritize features related to video processing, ensuring a seamless user experience while balancing technical feasibility and market needs

Streaming and Transmission Protocols

Protocols like HLS and DASH facilitate adaptive streaming. PMs need to communicate the importance of these protocols to stakeholders, ensuring they understand how they impact user experience and operational efficiency.

Compliance and Regulatory Issues

Navigating copyright laws and content regulations is essential for platforms like YouTube. PMs coordinate with legal teams to ensure compliance and address potential risks, guiding the development of policies that protect both the company and its users.

Content Delivery Network (CDN)

YouTube employs a CDN to ensure fast delivery of videos by caching content closer to users. PMs need to work with infrastructure teams to assess performance metrics and user feedback, ensuring the CDN optimally supports user engagement across various regions.

Recommendation Algorithms and Data Analytics

YouTube's algorithms analyze user behavior to personalize content recommendations. PMs are instrumental in defining user engagement metrics, helping to guide product enhancements based on data insights and market trends.

Tools and Technologies Used by Product Managers

PMs in streaming services rely on various tools for efficient project management and communication. They utilize platforms like Jira for tracking project progress and Slack for team communication. This tech-savvy approach enables PMs to streamline workflows and facilitate collaboration among cross-functional teams.

Architecture of Popular Apps

Social Media Platforms like Instagram

Understanding the technology stack and operational mechanisms of social media platforms like Instagram is essential for product managers (PMs). This report outlines key components of Instagram's tech landscape, emphasizing the role of PMs in each area to enhance user experience and drive product success.

User Interaction and Frontend Technologies

Instagram's user interface is built using React Native for mobile applications, alongside HTML5 and JavaScript for web functionality. PMs play a vital role in defining user experience requirements, gathering feedback, and ensuring that the UI design effectively meets user needs and aligns with business objectives.

Video Uploading and Encoding

Instagram allows users to upload photos and videos through a user-friendly interface. PMs need to prioritize features that enhance usability during the upload phase, ensuring that users can easily edit and share their content while minimizing technical bottlenecks.

Backend Infrastructure

The backend of Instagram is mainly developed in Python, utilizing the Django framework. PMs are responsible for collaborating with engineering teams to define the scalability and performance requirements, ensuring that the platform can handle millions of users simultaneously.

Content Delivery Network (CDN)

Instagram relies on a CDN to deliver images and videos efficiently to users globally. PMs should assess performance metrics and user feedback to make data-driven decisions about optimizing CDN use, which is crucial for maintaining a seamless user experience.

Database Management

Instagram uses PostgreSQL to store user data, including tags, photos, and stories, as well as Redis for session management. PMs must understand data relationships and flows to ensure that data storage solutions effectively support all user-generated content without impairing performance.

Analytics and User Engagement

Data analytics plays a crucial role in measuring user engagement and feature success. PMs should focus on identifying key performance indicators (KPIs) such as user growth, engagement rates, and retention metrics, using these insights to guide product enhancements.

Monetization Strategies

Instagram generates revenue through advertising and influencer partnerships. PMs must understand these monetization strategies and the target user demographics to optimize ad placements and develop features that appeal to both users and advertisers alike.

Compliance and Privacy Issues

Instagram operates within complex regulatory frameworks concerning user data and privacy. PMs play an essential role in ensuring compliance with these regulations, working closely with legal teams to develop policies that protect user privacy while allowing for effective data usage.

User Feedback and Feature Development

Continuously gathering and analysing user feedback is vital for driving feature development. PMs must cultivate user relationships and employ research methods to identify pain points, guiding the prioritization of new features and improvements.

Architecture of Popular Apps

Dating Apps like Bumble

Creating a dating app like Bumble is an exciting endeavor that combines technology and psychology to foster meaningful connections. Product managers (PMs) play a crucial role in not just guiding the development process but also infusing a bit of creativity and fun into the project. This report covers essential components and technologies involved in building a dating app, along with the quirky touches that can make it engaging and enjoyable for users.

Unique User Interface and Experience

Designing an app like Bumble requires an intuitive and appealing user interface (UI) that invites users to swipe right (or left!) with enthusiasm. PMs should focus on making the user experience (UX) engaging through vibrant colors, delightful animations, and whimsical elements. After all, in a world of online dating, the first impression is your app's photo – it better be a knockout!

Innovative Matching Algorithms

Matching users isn't just about algorithms; it's about chemistry! Bumble can leverage various matching techniques—location-based, interest-based, and even quirky personality quizzes. PMs should advocate for the use of machine learning to refine these matches over time, enhancing the app's ability to serve love-struck users. Who wouldn't want a smart matchmaker in their pocket?

Marketing with a Dash of Fun

The launch of a dating app deserves a celebration! PMs should devise quirky marketing campaigns that resonate with potential users, using humour and relatability. Clever taglines, playful social media posts, and engaging influencer partnerships can all contribute to building excitement and attracting users to the platform.

Continuous Evolution of Features

A dating app is never truly finished—it's a living entity! PMs must keep an eye on trends and users' changing needs, ready to roll out new features. Whether it's integrating social events, virtual dating experiences, or even gamification elements, continuously evolving the app will keep users coming back for more matches and memorable moments!

Focusing on User Control with Clever Features

Bumble's unique selling point is giving women the power to initiate conversations. PMs can add quirky features like fun conversation starters and playful prompts to engage users right from the get-go. Think of it as a digital icebreaker—what about "If you were a dessert, what flavor would you be?" Users will be more likely to interact if the app encourages lighthearted exchanges!

Engaging Communication Features

Messaging is the heart of a dating app, and it's essential to make it vibrant and fun! Incorporating features such as voice notes, GIF support, and playful emojis can transform plain text chats into lively dialogues. PMs should prioritize these communication tools, ensuring that users feel connected and entertained while flirting.

Feedback Loops that Invite Participation

Just like a budding relationship needs communication, a dating app needs user feedback! PMs should create mechanisms for users to share their experiences—perhaps even fun surveys with quirky questions. This feedback can guide future enhancements and keep the app fresh, as well as foster an ongoing relationship between the developers and the user base.

Efficient Tech Stack Selection

Choosing the right tech stack is like finding the perfect match - it's all about compatibility! A dating app like Bumble might utilize technologies such as Swift and Kotlin for mobile development, along with Node.js and MongoDB for the backend. PMs should ensure the selected stack harmonizes with the app's goals while being scalable enough to handle lovebirds swarming in.

Monetization that Doesn't Kill the Vibe

For a dating app, monetization strategies must feel organic—and a bit cheeky! Bumble thrives on a freemium model, which offers optional premium features like "Boosts" or "SuperSwipes." PMs should creatively design these features so that they enhance the user experience rather than intrude upon it. Make paying for perks feel like treating yourself to a fancy date!

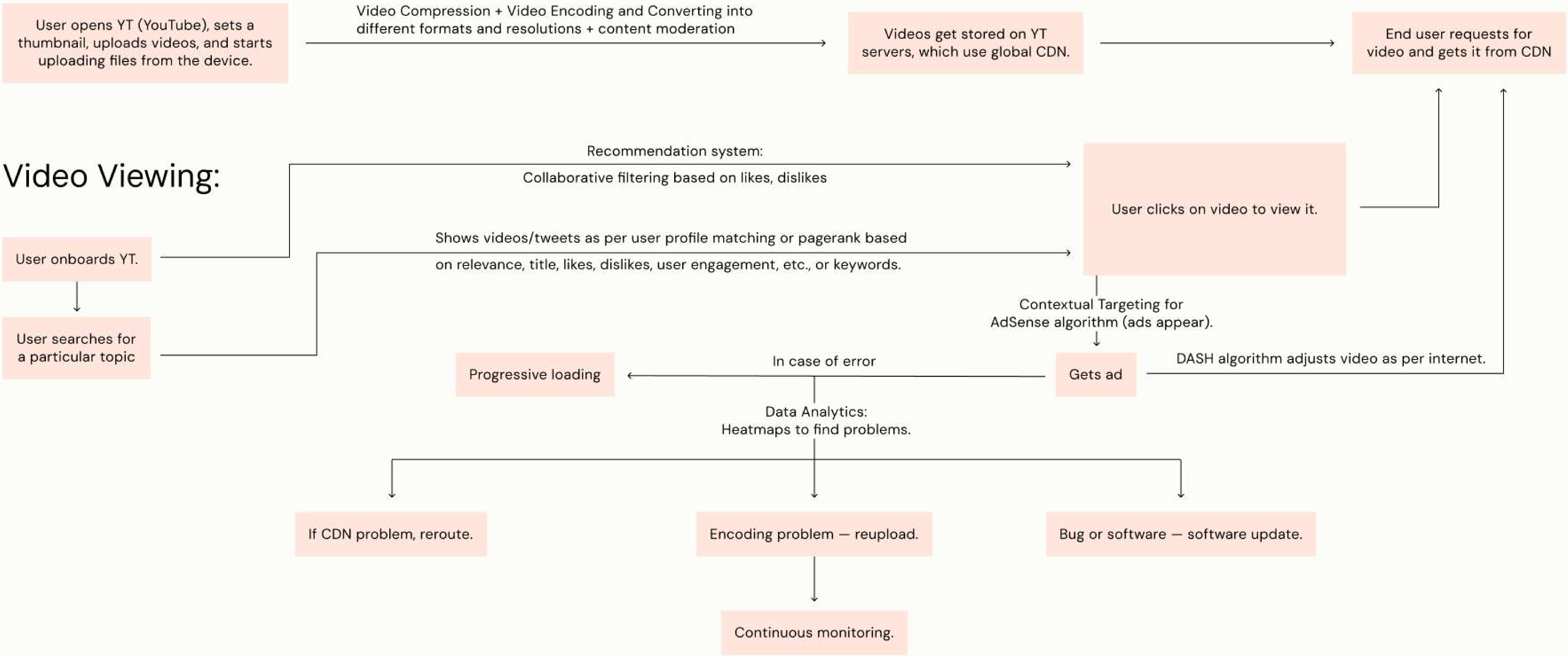
Making Security a Top Priority

While fostering romance, don't forget about safety! Implementing strong security measures is essential in a dating app, including robust user authentication and data encryption. PMs should ensure that users feel secure while they flirt, assuring them that their personal details and romantic musings are kept safe. Remember, every great love story starts with trust!

Architecture of Reel on Instagram

By comprehensively understanding these components, product managers can effectively lead initiatives in enhancing Instagram's offerings, driving user engagement, and ensuring sustainable growth across the platform.

Video Uploading:



Architecture of Reel on Instagram

By comprehensively understanding these components, product managers can effectively lead initiatives in enhancing Instagram's offerings, driving user engagement, and ensuring sustainable growth across the platform.

Reel Upload

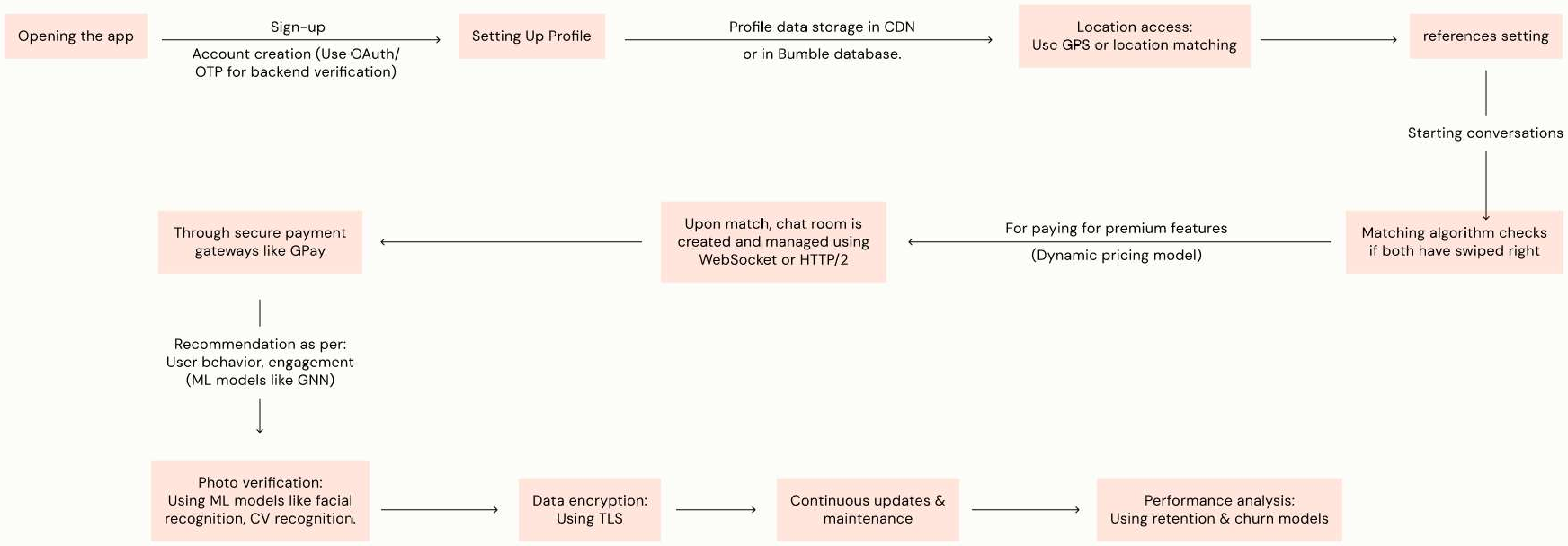
Video selection → API request → Chunks upload → Video transcoding + content moderation & copyright detection → CDN storage → Indexing & search integration → Performance monitoring

Reel Viewing

Open reel tab → API endpoint checks: recent activity, user preferences, trending content Personalization → Relevant reels & content filtering → Fetch reel metadata (hashtags, etc.) → CDN caching or CDN request → Indexing & search integration → Real-time Analytics & Tracking

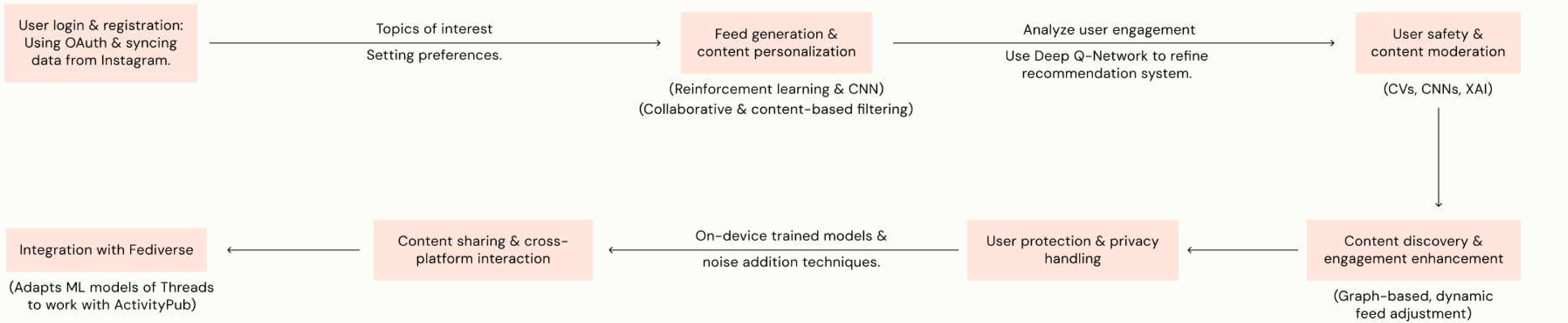
Architecture of Bumble App

By understanding these components and adopting a whimsical approach, product managers can create and refine a dating app like Bumble that not only connects hearts but makes the journey of finding love a delightful adventure. Love is a game—let's make it a fun one!

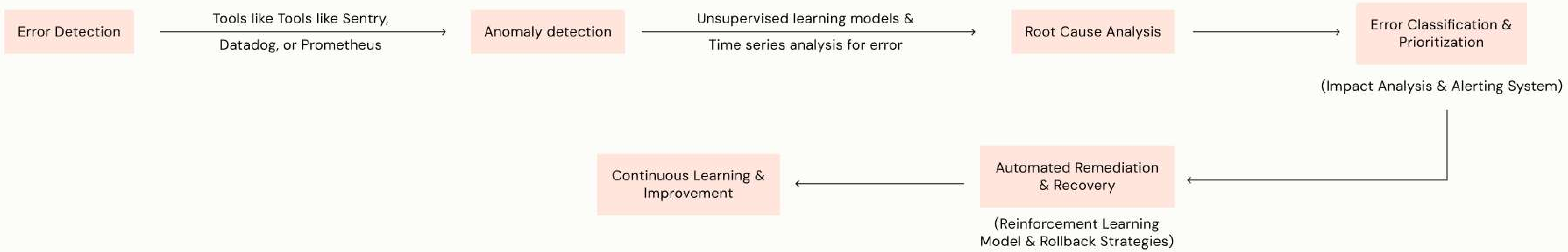


Architecture of Threads App

By understanding these components and adopting a whimsical approach, product managers can create and refine a dating app like Bumble that not only connects hearts but makes the journey of finding love a delightful adventure. Love is a game—let's make it a fun one!



In case of error/bugs



Consulting & Analytics Club
IIT Guwahati

Krack the case

Appendix

Simplifying Consulting, Product Management and Guesstimates for Strategic Success!

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Glossary

Commonly Used Terms

NPS(Net Promoter Score)

Net promoter score is a widely used market research metric that typically takes the form of a single survey question asking respondents to rate the likelihood that they would recommend a company or a product.

NPS= %promoters – %detractors

Social Share of Voice (SSoV)

It is a way to measure how much people are talking about the brand on social media. It's usually calculated as a percentage of total mentions within an industry or a defined group of competitors.

$$\text{Social Share of Voice} = \frac{\text{Your brand's advertising spend}}{\text{Total advertising spend in the market}} \times 100\ \%$$

FICO Score

Financial institutions and lenders use this to determine how much credit they can offer borrowers and at what interest rate.

Knowledge Process Outsourcing

KPO refers to outsourcing knowledge-intensive activities that are data-driven and encompass the process of gathering, managing, analysing and delivering objective insights into businesses.

Personally Identifiable Information (PII)

PII refers to any user data that could be used to distinguish one person from another. Standard PII identifiers include phone numbers, email addresses, social security numbers or mailing addresses.

Return on Ad Spend (ROAS)

It is a marketing metric that measures the efficacy of a digital advertising campaign. ROAS helps online businesses evaluate which methods are working and how they can improve future advertising efforts.

$$\text{ROAS} = \frac{\text{TotalCampaignRevenue}}{\text{TotalCampaignCost}}$$

Client Retention Rate

It is a marketing metric that measures the efficacy of a digital advertising campaign. ROAS helps online businesses evaluate which methods are working and how they can improve future advertising efforts.

Client Lifetime Value (CLV)

It is the profit brought by a customer to the business, and in this way, the company can individually fulfil the need of the customer.

CLV = Lifetime Value × Margin

Time Value of Money

A sum of money today is worth more than the same sum in the future, as it can earn interest in the meantime. A delayed investment is a lost opportunity.

Cash Flows

The term cash flow refers to the net amount of cash and cash equivalents transferred in and out of a company. Cash received represents inflows, while money spent represents outflows.

Glossary

Commonly Used Terms

Free Cash Flow

It's the residual cash flow that's left over after all of the project's requirements have been satisfied, and the implications accounted for. It's the cash flow that can be distributed to the financial claimants of the company, debt and equity.

$$FCF = (Revenue - Costs - Depreciation\#) \times (1 - taxrate) + Depreciation - CapitalExpenditures - ChangeinNetWorkingCapital$$

Free Cash Flow to Equity

It's the residual cash flow left over after all of the project's requirements have been satisfied, implications accounted for, and all debt financing has been fulfilled.

Present Value

The present value of a sum FV received in t periods discounted at a rate of interest r is given by

$$PV = \frac{PF}{(1+r)^t}$$

The present value of a future stream of cash flows made at time t for a rate of return R for n time intervals is given by

$$PV = \sum \frac{CF_t}{(1+r)^t}$$

Return on Assets (ROA)

It is a measure of how much profit a business is generating from its capital. If a company's ROA is 7.5%, this means that the company earns seven and a half cents per dollar in assets.

$$\text{Return on assets} = \frac{\text{Net Income}}{\text{Total Assets}}$$

Annuity and Perpetuity

An annuity is a finite stream of cash flows of identical magnitude and equal spacing in time.

$$PV = \frac{CF}{r}\left(1 - (1+r)^{-t}\right)$$ for constant annual payment CF.

A perpetuity is an endless annuity.

$$PV = \frac{CF}{r}$$

A growing annuity is a finite stream of cash flows that grow at a constant rate and are evenly spaced through time.

$$PV = \frac{CF}{r-g}\left(1 - \left(\frac{1+g}{1+r}\right)^t\right)$$

A growing perpetuity is an infinite stream of cash flows that grow at a constant rate and are evenly spaced through time.

$$PV = \frac{CF}{r-g}$$

Discount Rate/ Rate of Return

Factors like inflation and taxes influence r, i.e. the rate of return/discount rate. In the case of inflation, where the inflation rate is given by I, the inflation-adjusted resultant rate of return, say RR, can be calculated as

$$RR = \frac{1+R}{1+i} - 1$$

In the case of taxes, if the rate of taxation is t, then the resultant rate of return is $RR = R(1 - t)$.

Glossary

Commonly Used Terms

Net Present Value

NPV is simply the difference between the present value of cash inflows and outflows. It is a metric used to determine whether an investment is profitable. Investments with negative NPVs are avoided. The formulae remain the same as PV's; however, we take the net cash inflow outflow or the free cash flow in this case.

Net Present Value Rule

The NPV Rule recommends making only investments with a positive net present value.

Internal Rate of Return(IRR)

The internal rate of return is the discount rate, which would equal the NPV to zero. It helps to identify the annual growth rate. A high IRR is desirable for investment.

Net Profit Margin

It is the ratio of net profits to the revenue expressed as a percentage. It represents how much of each dollar collected in revenue translates into a profit.

$$\text{Net Profit Margins} = \frac{\text{Net Income}}{\text{Total Revenue}} \times 100$$

Compounded Annual Growth Rate(CAGR)

Given the amount invested today and its expected value in the future, CAGR is the rate of interest at which the investment will have to be compounded to give the expected future value.

$$\text{Net Profit Margins} = \left(\frac{\text{Final Value}}{\text{Beginning Value}}\right)^{(1/t)}$$

Profitability Index

The profitability index is an index that attempts to identify the relationship between the costs and benefits of a proposed project through the use of a ratio calculated as:

$$\text{Profitability} = \frac{\text{PV of previous cash flows}}{\text{Investment}}$$

A ratio of 1.0 is logically the lowest acceptable measure on the index, as any value lower than 1.0 would indicate that the project's PV is less than the initial investment. As values on the profitability index increase, so does the financial attractiveness of the proposed project.

Initial Investment

The initial investment is the amount required to start a business or a project. It is also called initial investment outlay or simply initial outlay. It equals capital expenditures plus working capital requirement plus after-tax proceeds from assets disposed off or available for use elsewhere.

APR vs EAR

APR, or the Annual Percentage Rate, measures the simple interest earned in a year.
The EAR (effective annual rate) measures the actual amount of interest earned or paid in a year.
We use the periodic interest rate as R in all our calculations.

$R = \frac{APR}{K}$ where k is the number of compounding periods in a year.

$$EAR = \left(\frac{APR}{k} + 1\right)^{k} - 1$$

$$EAR = (1+R)^{k} - 1$$

Glossary

Commonly Used Terms

Capital Asset Pricing Model (CAPM)

The market rate of return is the return the company could receive by investing in a well-diversified portfolio of stocks. The discount rate can be calculated as:

= + (-

where is the discount rate,
r_f is the risk-free rate of return,
r_m is the market rate of return, and
is the calculated market risk of an investment.

Bounce Rate

The bounce rate is the percentage of people who come to the landing page and leave without browsing further or clicking elsewhere on the company's website.

Key Performance Indicator (KPI)

KPIs provide targets for teams to shoot for, milestones to gauge progress, and insights that help people across the organisation make better decisions.

Business Process Reengineering (BPR)

It includes reviewing a client's business processes, eliminating unneeded or 'non-value-added' tasks, and implementing a leaner, more efficient strategy.

Making Amazing Slide Decks

Commonly Used Terms

Consistent Storyline and Flow

Story Telling is the foundation of a good slide deck.
Make the presentation a cohesive unit, where it ceases to be individual slides or different ideas.
Viewing your presentation as a story that has clear characters, conflict, and resolution will help generate a throughline in your presentation and solidify it as a cohesive unit. Consider how the information moves the story forward on each slide and figure out how one slide leads into another.
Try using specific tabs at the bottom or sides of the slide to depict flow.

Extensive User and Industry Research

As a good Consultant or Product Manager, the main aim should be to present a comprehensive report on user and sector research. It can be achieved by following the given steps:

- Identify the problem
- Correctly recognise the relevant factors.
- Gather the correct type of information using secondary research or surveys.
- Analyse the information gathered and find out insights.
- Make a fitting conclusion.

Design and Visual Appeal

Maintain consistent formatting and margins in the entire deck.
Keep it light on text!
Try to use pictures/charts to express your data or ideas. Graphics and charts explain the insights better than words. Keep the content directional.
Use Selective Bolding to stress an important term and ensure to use clear headlines for the readers' convenience.

Executive Summary and Appendix

The executive summary slides should only be 5% - 10% of the entire presentation's length.
Make the executive summary focused and simple by using short paragraphs or bullets and subheadings.
Summarise the presentation by introducing the client and its pain points. Summarise your solution and the flow of the presentation.
Highlight the key results, including 1 or 2 statistics that drive home the takeaway message.
Mention the source in the footnotes and include an appendix to show all the research, calculations and basis of insights.