

OLIVER WYMAN IMPACT MAINLAND CHINA

Case Competition 2020

March, 2020

Oliver Wyman Mainland China Case Competition Committee

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THE CASE

WELCOME TO THE 2020 OLIVER WYMAN IMPACT MAINLAND CHINA CASE COMPETITION

Case background

Health insurance has undergone development by leaps and bounds over the past several years, with increasing demand from rising middle class and promotion of government policies¹. In early 2020, the COVID-19 outbreak has further accelerated public awareness of health insurance; while we have seen a record surge in health insurance sector.

The Client is an **internet company/platform** planning to enter the health insurance market. Enjoying the development of China's mobile internet for the past decade, the client plans to expand its businesses into new territories. Leveraging its massive online traffic, the client is considering entering online health insurance business to ride the next wave of market growth in health insurance sector. However, before any decision is made, there are different dimensions to consider.

Your team is invited by the Chief Strategy Officer of the client to provide your advice and perspectives on this topic.



1. Most recent policy: CBIRC, *Opinions on Promoting the Development of Commercial Insurance in the Field of Social Services* (January 2020)

CASE QUESTIONS

You client is an internet company, and you can choose one existing internet company operating in China (not necessarily a Chinese company). To help your Client decide whether they should and how to enter health insurance market, as a team, please answer below questions:

1 Market overview

- a. Is health insurance an attractive market? Why?
 - b. Where lie the biggest market pain points and the growth opportunities?
-

2 Business models

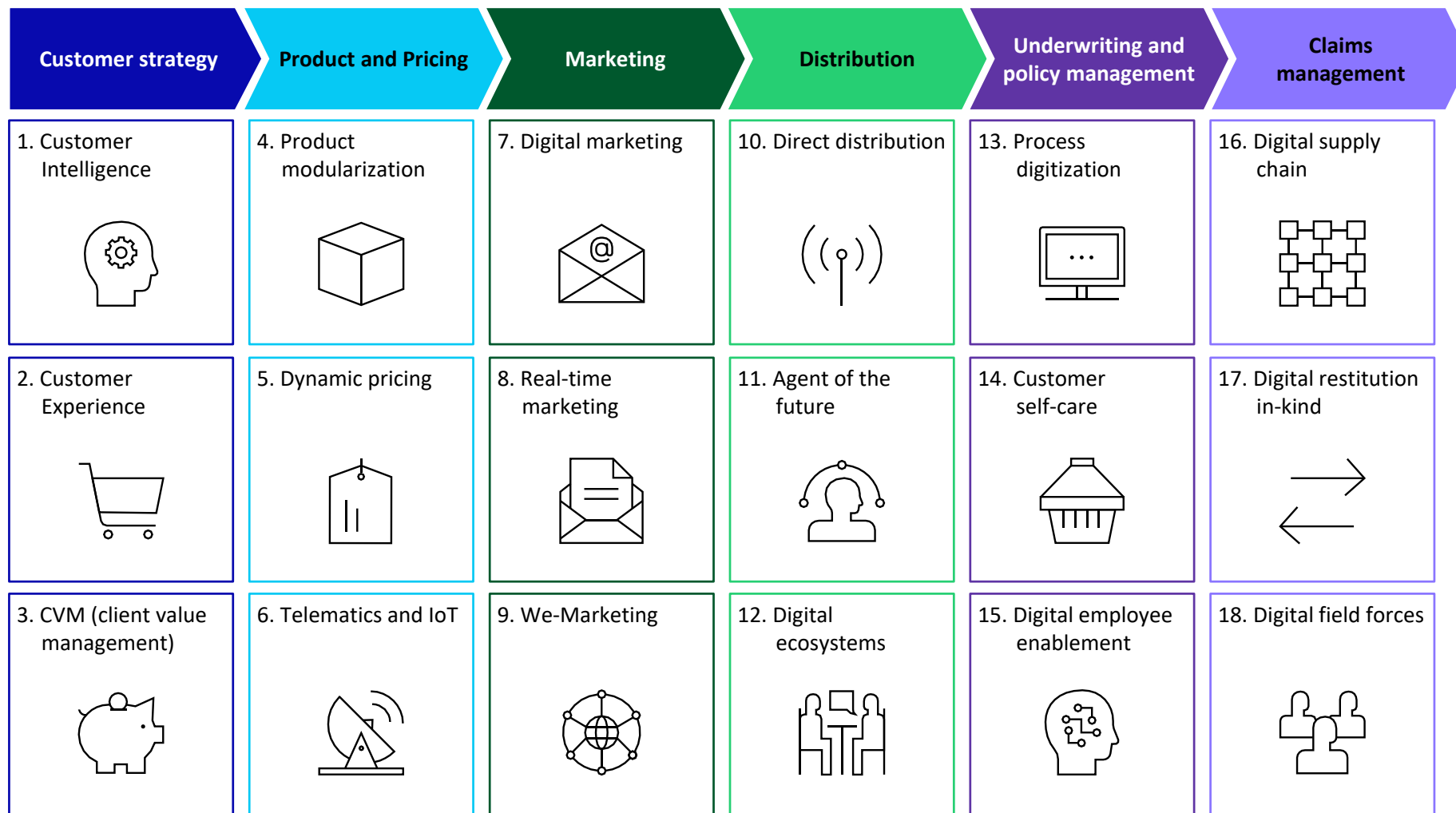
- a. How are other similar companies (as your client) playing in the market? How would you evaluate their business models? (please read the value chain on next page for reference)
 - b. Which business model is most suitable to your client? Why? Or do you have any idea on new models?
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3 Market entry strategy

Considering your client's situation and capabilities, how can your client attain success as a new entrant? How would you summarize the market entry strategy?



DIGITAL BRINGS DISRUPTIVE OPPORTUNITY ACROSS THE INSURANCE VALUE-CHAIN



Source: Expert interview, Desktop research, Oliver Wyman analysis

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INFORMATION AND TIPS

FOR THE 1ST ROUND SUBMISSION...

What should I submit? When and how to submit it?

- As a team of talented consultants, you should submit your recommendation document **in slides**
- Please submit your document by **11:59am, April 10th, 2020¹** via our case competition website:
<https://www.oliverwyman.com/careers/recruiting-events/mainland-china-case-competition.html>

Using the “Case Submission” Button²:



1. Beijing Time Zone; Late submissions will not be accepted
2. Only one submission is required for each team.

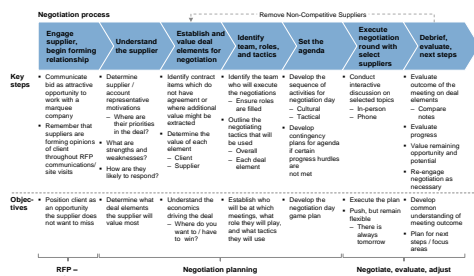
SOME TIPS FOR YOUR DOCUMENT...

- **4:3** slide scale is recommended
- We highly recommend you to fully apply **English** throughout the entire document
- To make sure your recommendations are **clearly delivered**, you want to control the main document within **20 content slides** (i.e. not including agenda pages or additional data analyses in backup materials)
- About fonts, some easy ways to make your document look professional:
 - Using **Arial** font
 - Minimum 20 font size for title, 16 font size for slide taglines, 12 font size for main body text
- Regarding format, .pdf, .ppt, .pptx are all accepted, but **.pdf** is highly recommended
- And always as a general rule, all pages should **be easy to read and understandable for audience** with a general background

NOT A WINNING SLIDE...

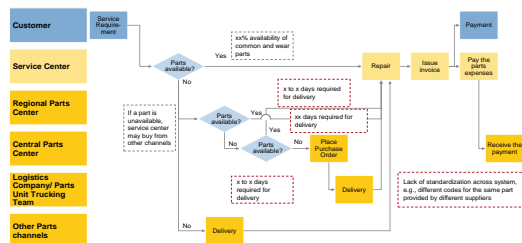
We are not expecting super complicated slides...

... nor super simple slides



And one more thing...

“The decrease of the revenue is due to ...”



▶ Opportunity for consolidation of warehouses will not be available if xx acquires only the xx.

Quotes from interview respondents

- Person A, Company A: "We do not dream our preferred sales channels. The OEM do not sell to us but redirect to their distributors."
- Company B: "Distributors are our major channel because of their relationship with our senior management"
- Company C: "Classic machinery and HVAC need components. Steel, mines and power industry need industry specific solutions"
- Company D: "Textile, buildings, metal and food industry relies on components, while logistics is solution-oriented"
- Company E: "We use system integrators. It is not cost effective to dedicate resources for in-house development"
- Company F: "We choose system integrators, because that means to handle. The system integrator assumes full responsibility when things go wrong."

● = Customer need is fully met ○ = Customer need not fulfilled at all

Source: Market interviews, Oliver Wyman analysis.

Insights

- Customers source predominantly from distributors, not from manufacturers directly
- Two distinct sourcing strategies: Some industries (e.g., textiles, building automation) buy smart and component-focused. Others (e.g., printing, steel) purchase mainly systems or solutions
- System integrators increasingly key for systems and solution business. Economical in providing engineering services
- Preference for suppliers offering broad product portfolio (conditional on good price-performance)
 - Synergies in purchasing and technical support
 - Technological synergies for customers using systems

Assessment

- No usage of distributors
- No participation in components business
 - Narrow product portfolio
 - Strong on providing systems. However, function of integrating components partly served by system integrators



WHAT SHOULD I EXPECT AFTER THE SLIDES SUBMISSION?

To the Finalist...

- All submissions will be reviewed carefully by Oliver Wyman and top teams will be invited to a final presentation
- The invitation to the Final Round will be released around **End of April**
- The Final Round Presentation will take place around **Mid May**

How will my slides be judged?

- Judges will evaluate submitted documents based on such factors as the breadth and depth of analysis, relevance, originality, persuasiveness and overall presentation
- A panel of judges will evaluate your document mainly based on the following criteria:
 - Accurate and deep fact-based analysis
 - Clear logic in developing recommendation
 - Impactful business recommendation
 - Reader-friendly document

1. Teams invited to the final round will be notified on further details.

LAST BUT NOT THE LEAST...

Good Luck!

See you at the Final Round

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