

# Case Study

Source: Mondelez International

## Instructions

1. You may take 10 minutes to read the case study.
2. You will have 15 min to discuss the case as a group.
3. At the end of 15 min, one of you will be asked to summarize the group's discussion.
4. After the summary, the panelists may put their questions to the group.

All names used in this document are entirely fictitious. Any likeness or perceived connection to any real character, whether past or existing, is entirely coincidental.

You are working with a leading FMCG organization that is a market leader in the snacking industry, thanks to a strong base of brands and loyal consumers. The organization has a diversified portfolio with manufacturing footprints across the country with a strong vendor base. Manufacturing footprint is a mix of own plants and Third-Party Units (TPO).

Your organization faces a sudden surge in demand for Snacking Portfolio due to the increase in in-house consumption because of the ongoing COVID pandemic. But to serve demand surge, there are capacity challenges with existing manufacturing capacity.

The supply chain is looking for additional capacity on an urgent basis. Possible options under evaluation and their pros and cons:

- New Capacity addition in own plants can tap through an increase in efficiency but can high lead time. Loss of opportunity in the short term
- New TPOs with available capacity: Reliability and Intellectual Property Concerns
- New capacity addition in Existing TPOs: high lead time (comparatively lower than In-house). Exit liability in in-case of the drop in demand

Business is uncertain about long-term growth with Pandemic easing out. In the case of lower capacity utilization, it adds to manufacturing cost inefficiencies. But capitalizing on current demand will be a substantial competitive advantage and help the brand in the long term.

You have been appointed as a special task force team to develop a strategy to look into this matter in detail and come up with a concrete action plan. As a team, please arrive at a consensus and present a solution to the panel.