

## Task 2: Data Analysis

BCG experts from other case teams think that the handset leasing business model has potential and should be explored further. The Principal, Elisse, wants you to assess the potential impact of the handset leasing business on the client's financials by looking at the impact it has had in other markets.

One BCG expert sent some financial data. The market he suggested is at a similar stage of development to Company X's home market. There are two main operators who form an effective duopoly. Company A launched handset leasing 2 years ago, but its competitor, Company B, did not. This allows us to isolate the impact of handset leasing on profitability. Elisse hands you a partially completed excel model and some financial statements from the two companies and asks you to complete the analysis.

Within the workbook, Elisse has also added in a guiding sheet for you to follow. If you find yourself stuck, you may want to refer to the sheet for guidance on how to complete the tasks. There is also a list of technical terms that you may find useful in the resources section below.

Here is your task

### **Sub-Task 1:**

Analyze the data from Company A and Company B to determine the impact of leasing handsets on financial performance. State and apply your own assumptions, and identify the metrics you would use to perform a financial forecast for Company X.

### **Sub-Task 2:**

Apply the metrics and performance impacts you have identified to forecast the upside in terms of the key metrics for Company X. To do this, first assume that Company X will grow at the industry average, then assume it will grow at the same rate as Company A, which introduced leasing. Comparing the two forecasts will allow you to calculate the net impact of leasing.