

**LET'S SOLVE A
CONSULTING CASE**

BANK

PROBLEM STATEMENT

Your client is a public sector bank that has faced a 30% decline in revenues. You need to analyse why this is happening and recommend a turnaround strategy.

INTERVIEW THREAD

Interviewee: Got it. Where is our client located? Since when have we been facing this problem?

Interviewer: Our client is based out of Delhi and has been facing this problem for 1 year now.

Interviewee: Interesting. Have other public sector banks been facing a similar fall?

Interviewer: Some of the banks have been facing this problem and some have not.

Interviewee: Understood. Is there a specific branch of the bank that has been facing this problem?

Interviewer: We are facing this problem in all branches across cities.

Interviewee: Alright. Do we have any information on which revenue stream has been the most affected? From what I know, the revenue streams are:

1. Interest on loans
2. Fees and Penalties
3. Interest on forex investments
4. Locker storage facilities
5. Ancillary services.

Interviewer: Good breakdown of the industry levers. You can look at interest on loans.

Interviewee: Sure. Here, I would like to look at:
 $\text{Interest on loans} = \text{Amount of loans given} * \text{Interest Rate} * \text{Percentage Collected}$

Under the number of loans, we can look at:

1. Availability of funds to lend (Supply-side) or
2. Limited demand for loans.

Interviewer: Great. We have realized that we don't have enough money to give as loans because our deposits have gone down.

Interviewee: Amount deposited = Number people depositing * Amount deposited per person.

Interviewer: Good. You can look at the amount deposited per person.

Interviewee: Here, do we have information on whether there is a particular customer segment that has not been depositing as much? Perhaps, based on gender, age, etc.?

Interviewer: Yes Indeed. We have realized that people between the ages of 21 and 35 have reduced the amount they deposit.

Interviewee: Interesting.

Amount deposited = Amount earned by the depositor* % deposited. It is unlikely that everyone in this age bracket has started earning less.

Interviewer: Yes, correct. You can look at % deposited.

Interviewee: % deposited can be affected by:

1. Alternate opportunities, such as investments in securities
2. Policies (collaboration with companies, etc.).
Example: HDFC Bank may be preferred for salary accounts
3. Increased consumption expenditure resulting in lower savings

Interviewer: You have reached the solution.

Interviewer: People are now investing in mutual funds and SIPs more than they are depositing in banks.

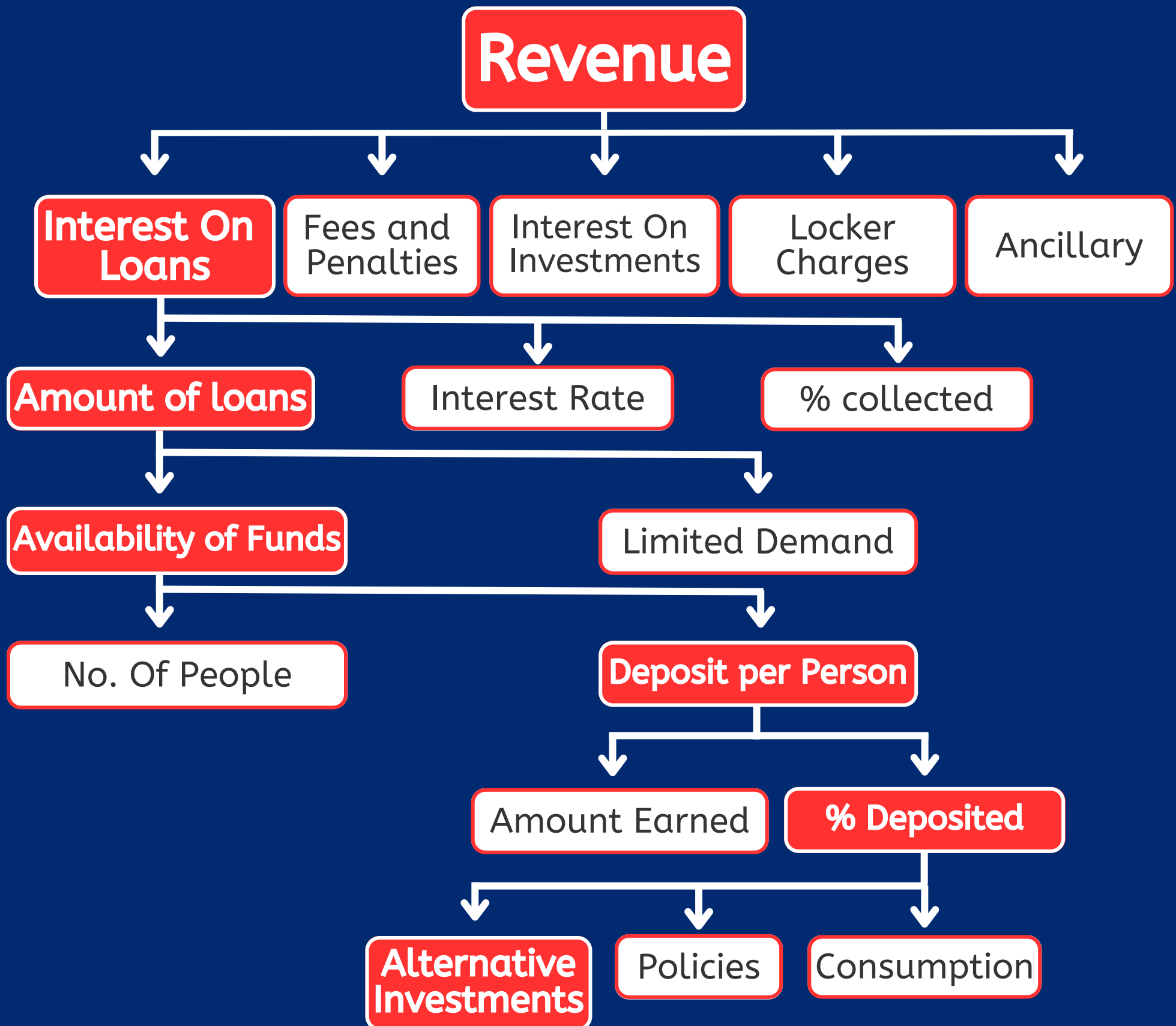
Interviewee: Interesting. Let's look at what we can do:

1. Implement a mutual fund and SIPs division in our bank
2. Have alternative investment options like gold, etc.
3. Look at targeting people of other age groups.

Interviewer: Good suggestions. We can close the case now.

THAT'S A WRAP!

FRAMEWORK



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- 1 **2.5 or 6 months, 10 mentors, and 30+ hours of live mentorship on Consulting careers, CV making (including 1:1 edits), Guesstimates & Case Interviews.**
- 2 **Rigorous interview practise through real-time guesstimates solving & buddy teams for mock cases.**
- 3 **Placement Assistance through employee referrals by our MBB & Dalberg mentors. Regular job updates from consulting firms. Industry Breakdown for cases.**
- 4 **Live case project (& certificate) with a real life client & business problem. CV templates & interview preparation resources along with 1:1 Mentorship.**

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