

Case 26: Healthy Foods Co.

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Case Question

- Our client is Healthy Foods Co, a wholesaler serving a variety of clients with Food products. The client is profitable but they want you to help them find revenue growth opportunities from their current business.
- *How can we help Healthy Foods Co. drive their revenue growth?*

Case tracker

- **Industry:**
CPG
- **Level of Difficulty:**
Medium
- **Case Format:**
Growth Strategies
- **Concepts Tested:**
 - Creativity
 - Marketing Strategy
 - Customer Strategy

Fit Questions

Spend first 15 min on fit

- Tell me about a time when you failed.
- Share me a time when you faced a difficult situation in a team and how you solved this .

Guide to interviewer

- This case tests growth opportunities identification, and share of wallet analysis.
- It tests conceptualization skills as the interviewee needs to formulate prioritization criteria. The case is mainly qualitative.

5

Quants.

6

Structure



Creativity
Mkt. Stgy
Cust. Stgy

Clarifying answers and case guide

Clarifying answers to provide

▪ Customers

- The client serves various customer categories (shown in **Exhibit 1**).
- Customer sensitivities are (highest to lowest):
 - Price
 - convenient delivery
 - help with location planning
 - help with menu
 - web site development
 - inventory
 - Help with management optimization

▪ Competition

- The client is one of the market leaders and is not losing the market share

Guide to case / Guide to handouts

- **Exhibit 1:** Hand out when interviewee asks about customers or revenue by customer type. Interviewee should notice that independent restaurants are the largest customer category and revenue source, and that there is a number of other customer types of similar revenue contributions comprising the rest.
- **Exhibit 2:** Hand out when interviewee identifies share of wallet as a relevant parameter, in search of revenue growth from existing customer types. Interviewee should generate a key insight that Healthy Foods Co's share of wallet is already large for the customers who bring in the largest revenues. The opportunity for growth therefore is in the smaller revenue-generating customers.
- **Exhibit 3:** Hand out when interviewee recognizes that in order to find the smaller customer types with highest revenue growth potential, (s)he needs the plot of the size of the wallet vs. the current client's share of wallet for that customer. The customers with large wallets, where the client has small share of wallet, are at the moment the best candidates to achieve increase in revenue from. Interviewee should identify hospitals and hotels as the customers with largest potential for revenue growth.

Key elements to analyze

Topic 1 being tested

- Identify the main customer types and their current contributions to the client's revenues, using **Exhibit 1**

Topic 2 being tested

- Share of wallet analysis, using **Exhibit 2**

Topic 3 being tested

- Wallet size vs. share of wallet

Notes to interviewer

- The interviewee will probably explore opportunities for growth in the independent restaurant category. If they inquire about customer satisfaction and sensitivities, provide information from the "clarifying information" section, and emphasize that **the needs of this segment are already met**.
- The interviewee should inquire about the share of wallet in the customer categories to get a better idea on where the growth opportunities lie.

Notes to interviewer

- The interviewee should recognize that share of wallet in the highest-revenue-generating customer categories is already high, and that the client is already a primary provider for a lot of them.
- The key insight here that you can help interviewee to reach, is the growth opportunity in the smaller revenue-generating customers, where client's share of wallet is smaller. Now the interviewee should formulate the criteria for prioritization among the smaller revenue-generating customer types: the bigger their wallet and the smaller client's share of wallet, the better.

Notes to interviewer

- The bigger their wallet and the smaller client's share of wallet, the larger the revenue growth opportunity for the client.
- Using **Exhibit 3**, the interviewee should identify the hospitals and the hotels as the most promising candidates for revenue growth given their large wallets and small client's share of wallet. The interviewee should identify the strongest sensitivities these clients would have and suggest ways to increase client's share of wallet there.

Solution and recommendations

Solution & Recommendations

- In the current business, the largest growth opportunities lie in customer segments:
 - hospitals and hotels.
- The interviewee should suggest ways to better serve those customers and increase client's share of wallet there, capturing significant new revenues due to the large size of those clients' wallets.

Bonus/Guide to an Excellent Case

- An excellent interviewee should identify share of wallet as an important parameter, quickly recognize that there is little opportunity for growth in the largest-revenue-generating customers, and come up with the size of wallet vs. share of wallet plot as a good prioritization tool for identifying promising customer categories for the client's revenue growth.

Exhibit #1: Total Market Revenues by Customer Type

Revenues by Customer Type

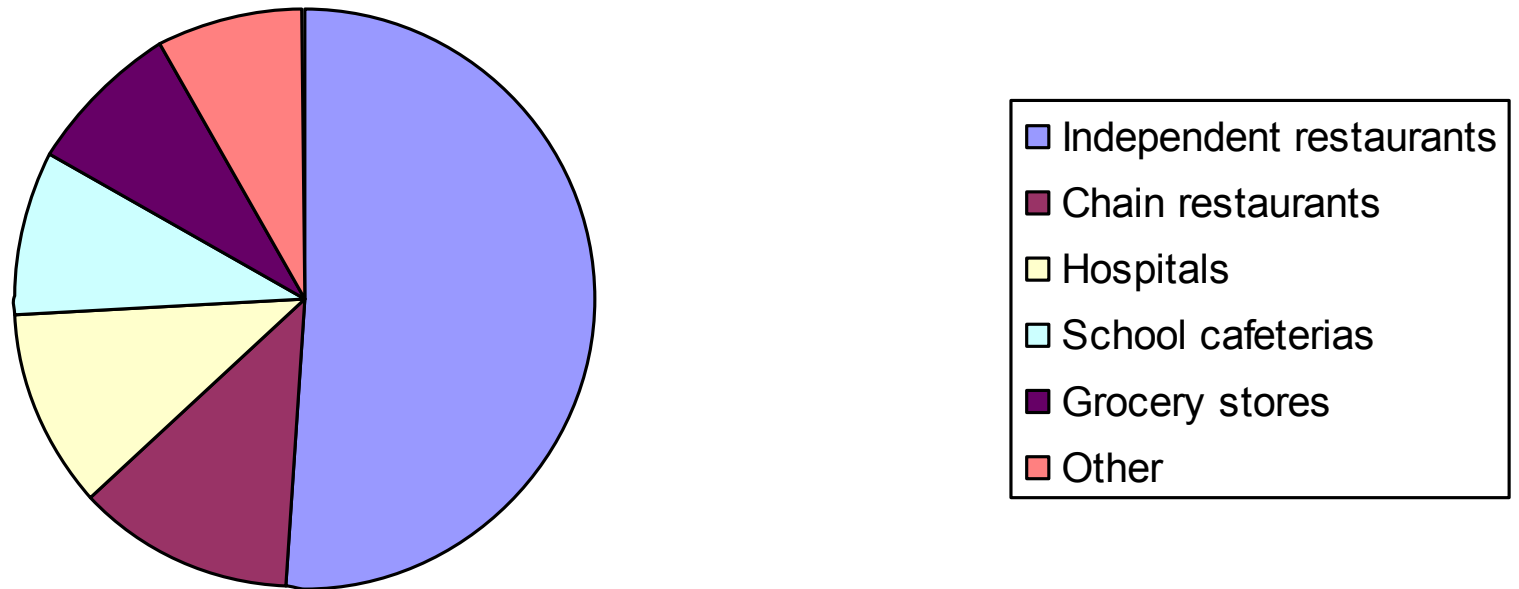


Exhibit #2: Client's Share of Wallet

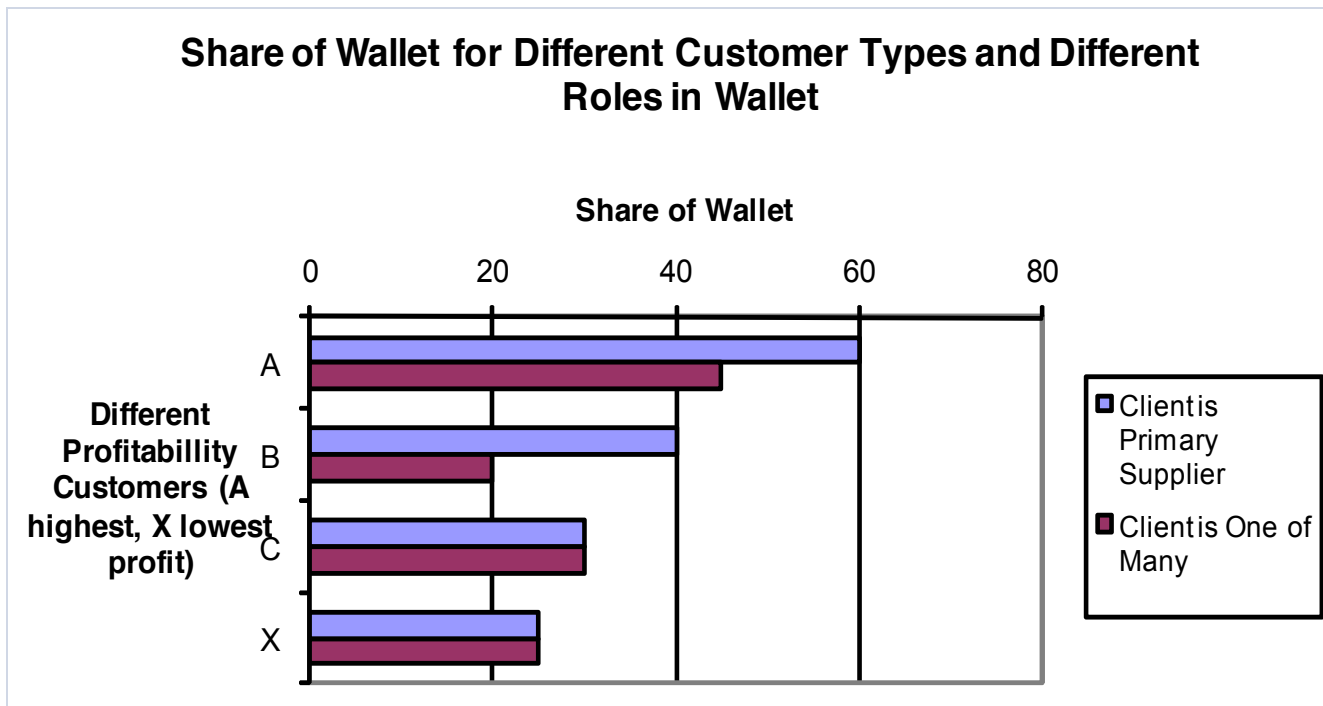


Exhibit #3: Wallet Size vs. Share of Wallet

Wallet Size vs. Share of Wallet for the Smaller-Revenue-Generating Customer Categories

