



Practice Case 19 (Consumer Products)

Case Situation

It's Monday morning and as a new Principal/Engagement Leader, you've just gotten a call from a well known and respected French-based Consumer Products company. The company has offices in the US and has been selling through traditional channels throughout its history. It designs and manufactures plastic products like pens, pencils, disposable razors, etc. It's an old company that's been around for about 60 years and wants to take advantage of the Internet, starting with the US sales.

Company Background

You talked at length with the President of the dot-com part of the company and this is what you learned:

- This company now wants to sell directly to consumers through their Internet site.
- Their current online business is nothing more than a small catalog and is not doing very well: sales and hits are less than expected.
- It offers:
 - More convenience than their other channels. It is open 24x7 and has more product information.
 - But, limited selection: only high margin items.
- The President's strategy is to add key functionality to the online business to increase the hit rate and improve revenue.
- She reports directly to the CEO
- She wants your consulting team to create:
 - A multi-ship-to-functionality,
 - A site-wide search functionality,
 - An ability to add checkout sales (e.g. impulse buy items similar to end caps in grocery stores next to the register).
- She wants your consulting team to build this immediately.



Your Challenge:

This coming Thursday, you will meet with the President and her team.

Her expectation is that you will present a plan for your consulting team to build the functionality ASAP.

- What will you do on Monday?
- What will you prepare?
- What questions will you ask the President?
- What is your goal for that meeting?

Candidate Response:

There are many ways to answer this challenge, but the candidate should at least know not to accept the client at face value, realizing that the functionality the President wants will not materially improve the hit rate or revenue, at least as far as the information provided indicates.

The candidate should want to create a conversation with the President and her team to present the plan for delivering the functionality (or state that there is a plan), primarily to gather additional information to better understand the online company's business issues and goals. In other words, the candidate should want to open the eyes of the President and her team through questioning. The candidate will want to offer the notion that the additional functionality will not solve the pressing problem.

The candidate's questioning of the President should follow a logic path that includes asking about the value proposition of the line store; for instance:

- Who is the store trying to target?
- What is the store's value to the customer—its real offering (e.g. convenience, price, selection)?
- Why is it a unique and attractive offering?
- How will the online store deliver on the promise?