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XLRI CASE BOOK

2023-24

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Edition 13 [th]

Case Book, Consulting and Research Undertaking, XLRI Jamshedpur

Foreword

Greetings!

The Consulting and Research Undertaking of XLRI is excited to introduce the thirteenth edition of the XLRI Case Casebook. The primary aim of this casebook is to provide aspiring management consultants with a comprehensive resource for tackling the diverse range of cases encountered in the recruitment processes for both summer and final placements.

This casebook serves as a concise handbook for cultivating the crucial analytical approach required to excel in case interviews, a skill highly sought after by leading consulting firms. It has been meticulously compiled with insights from the 76th batch and earlier ones, featuring a compilation of cases encountered on the D-day interviews and in various buddy programs across different firms.

We have made this casebook available in the public domain to aid students in their preparations. However, we emphasise that it should be used as a supplementary resource alongside the valuable contributions made by our institution and other schools in their previous casebook and interview experience compendia. We strongly encourage you to rely on something other than this resource.

We hope you find this casebook informative and beneficial for practising cases with your peers. Remember, the journey of preparing for consulting roles can be just as enjoyable as the destination!

Team CRUX,
XLRI

Note from the Editors

As we delved into the realm of business cases, we initially envisioned a process akin to mastering a competitive examination – something precise and executable with absolute precision. Having undergone over 100+ rounds of case interviews and extensive preparation across various companies, our perspective has evolved significantly. We now firmly assert that there's no fool proof method for mastering management consulting cases, and the approach is inherently subjective.

This realization struck us hard about a week into our preparation, confronted by the vastness of the subject matter. Understanding that the interview experience is highly individualistic, we've chosen to share insights from our personal journey, shedding light on what collectively proved effective and what didn't.

Relying solely on frameworks has limitations. It's crucial to grasp structuring at a fundamental level beyond what's covered in this case book. Tackling diverse problems from various sources, within and beyond textbooks, honed our ability to structure real-world issues. Simultaneously, having a repertoire of simple and widely applicable segmentation methods proved invaluable for moments of conceptual challenge.

Recognizing that MECE isn't just jargon but a powerful organizing principle, we appreciate how it efficiently organizes thoughts through extensive case practice. Applying it to everyday situations, like deciding what to wear, and adhering to MECE while structuring scenarios naturally uncovers more solutions, expanding problem-solving horizons.

Above all, maintaining composure is the ultimate key to success, both in preparation and during actual interviews. Stay calm, have confidence in your abilities, work towards your desired outcomes, and hope for the best. It's the mental makeup that ultimately matters on D-day, realizing that with this in place, everything else falls into perspective.
Wishing you the best of luck on your journey!

Best,
Aryan Bharadwaj & Anshuman Maharana
Editors, XLRI Casebook (13th Edition)

How to use this Casebook?

Dear Candidate,

As you embark on your journey through this Case Book, we encourage you to actively engage with the materials. Utilize the interview transcripts as a tool to construct case scenarios involving two individuals or groups. After successfully solving a case, take a deeper dive by examining not only the transcripts but also the case's structure. This comprehensive approach will help you gain a broader understanding of the problem-solving process and areas where you can enhance your skills.

The provided frameworks are designed to serve as an initial roadmap, particularly for those new to case solving. However, it's important to view them as flexible guides, adaptable to your unique logical structure for each specific case. This flexibility encourages creative thinking and problem-solving.

We'd like to stress that the journey of case preparation is just as crucial as reaching your ultimate destination. It's not only an individual effort but also a collective one, involving group exercises and individual self-preparation. Both aspects contribute to your growth and success in mastering case interviews.

We extend our best wishes to you as you embark on this enriching journey of case preparation.

Team CRUX,
XLRI

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Case Interviews

Case Interviews– Decoded

What is a case interview?

Case interview – involves solving a business case where the candidate is expected to drive towards a solution by asking for relevant data and structuring their approach and solution.

The overall flow of a case interview

~3 min.	~1-2 min.	~12-15 min.	~3 min.
Understand the question	**Plan your approach**	**Probe for information**	**Assert a conclusion**
▪ Listen actively ▪ Ask clarifying questions ▪ Take judicious notes ▪ Organize notes as slides ▪ Formulate an initial hypothesis about possible solution which should not be presented until you have drilled down some levels ▪ Write down the key questions ▪ Take your time!	▪ Mention you will take a minute to plan your approach ▪ Draw out a framework as a checklist of topics to explore ▪ Select 3 to 5 major mutually exclusive collectively exhaustive topic areas ▪ Identify relevant sub-topics ▪ Present a plan of attack to the interviewer – start with the most important	▪ Follow your plan! ▪ Ask specific questions to test the hypothesis ▪ Adjust hypothesis and plan as data emerges ▪ Organize notes as slides ▪ Highlight insights from any numerical calculations ▪ Note conclusions	▪ Showcase case solving and critical thinking skills rather than rushing to a conclusion ▪ Answer the question ▪ Take a definite stand ▪ Make the best conclusion with data on hand ▪ Make recommendations and follow them with supporting evidence ▪ Address “risks” and “next steps”

Most firms during the interview will evaluate candidates based on problem-solving, analytical thinking, data-driven decision-making, communication, and practical implementation capabilities, typically using real-life cases.

Case Interviews– Evaluation Criteria

Structure	• Does the candidate have/follow a structure while tackling a problem? • Is the structure relevant to the case? • Does the candidate have a structure that is both concise & flexible?
Math / quantitative skills	• Is the candidate comfortable with numbers? • Do they approach complex calculations in a systemic and organized manner?
Creativity	• Is the candidate able to generate good, practical ideas at short notice? • Is the candidate able to identify which of those ideas would be the best to pursue in the context of the case?
Business acumen	• Does the candidate quickly identify a list of issues that are most relevant to the business problem at hand? • Can they prioritise/organise issues or is it more like a laundry list?

Case Interviews– Consulting Case Types

The following case themes are the most frequently examined subjects, and they are listed in decreasing order of occurrence. It's important to keep in mind that there are numerous other case topics beyond those mentioned below–

PROFITABILITY– Examine possible reasons for profit reductions and suggest strategies to enhance overall financial performance

MARKET ENTRY– Assess and measure the total addressable market, determine the price of the product(s) in consideration and feasibility of entering the new market and/or the product

GROWTH– Evaluate the client's potential for revenue growth and quantifying the available market for new product offerings

PRICING– Determining the optimal price point for a product or service to strike a balance between maximizing value for customers and maintaining a competitive edge in the market

UNCONVENTIONAL– These cases challenge problem-solvers to create custom approaches for unique and open-ended scenarios

Case Interviews– Behavioural Basics

In addition to case preparation, consulting firms evaluate your teamwork skills and your grasp of their company and self-awareness using standard HR/behavioural inquiries.

Introductions

1.) Walk me through your resume

- Convey motivations for each career move you've made – use story-telling skills to create a *compelling and consistent narrative*
- Communicate key consulting skills (project management, client engagement, quantitative analysis, etc.)

2.) Why consulting?

- Spend time developing a genuine answer - a good introduction can help answer this question before it comes up
- Be tactful - firms know that consulting is not the final career destination for many, but they invest heavily in their talent and will want to see at least short-term commitment

3.) Why us [Firm A]?

- Prepare a deep understanding of the firm
- Be structured in your answer - give two or three strong reasons, with some elaboration
- Talk about differences in work (practice areas, career paths), culture and people Don't confuse firms

Leadership & teamwork

- Tell me about a time you had to lead a team without authority
- Tell me about a time you had to persuade people under challenging circumstances
- Tell me about a time when you handled conflict at work

Impact

- Tell me about a time you made a significant impact
- What achievement are you most proud of?
- Tell me about a time that you faced a very complex problem

Self-reflection

- What are your top strengths and weaknesses?
- What feedback did you receive at your last performance appraisal?
- Tell me about a time you failed

Value & Judgment

- Tell me about an ethical dilemma that you faced in your previous role
- Tell me about a time you struggled to make a decision

THE STAR METHOD

The STAR method is a structured manner of responding to a behavioural-based interview question by discussing the specific **S**ituation, **T**ask, **A**ction, and **R**esult of the situation you are describing.

Situation

- Describe the situation that you were in or the task that you needed to accomplish.
- You must describe a specific event or situation, not a generalized description of what you have done in the past.
- Be sure to give enough detail for the interviewer to understand.
- This situation can be from a previous job, from a volunteer experience, or any relevant event.

Task

- What goal were you working toward?
- Describe your responsibility or role in the situation or challenge?
- Like the situation portion of your answer, this part should also be brief and to the point.

Action

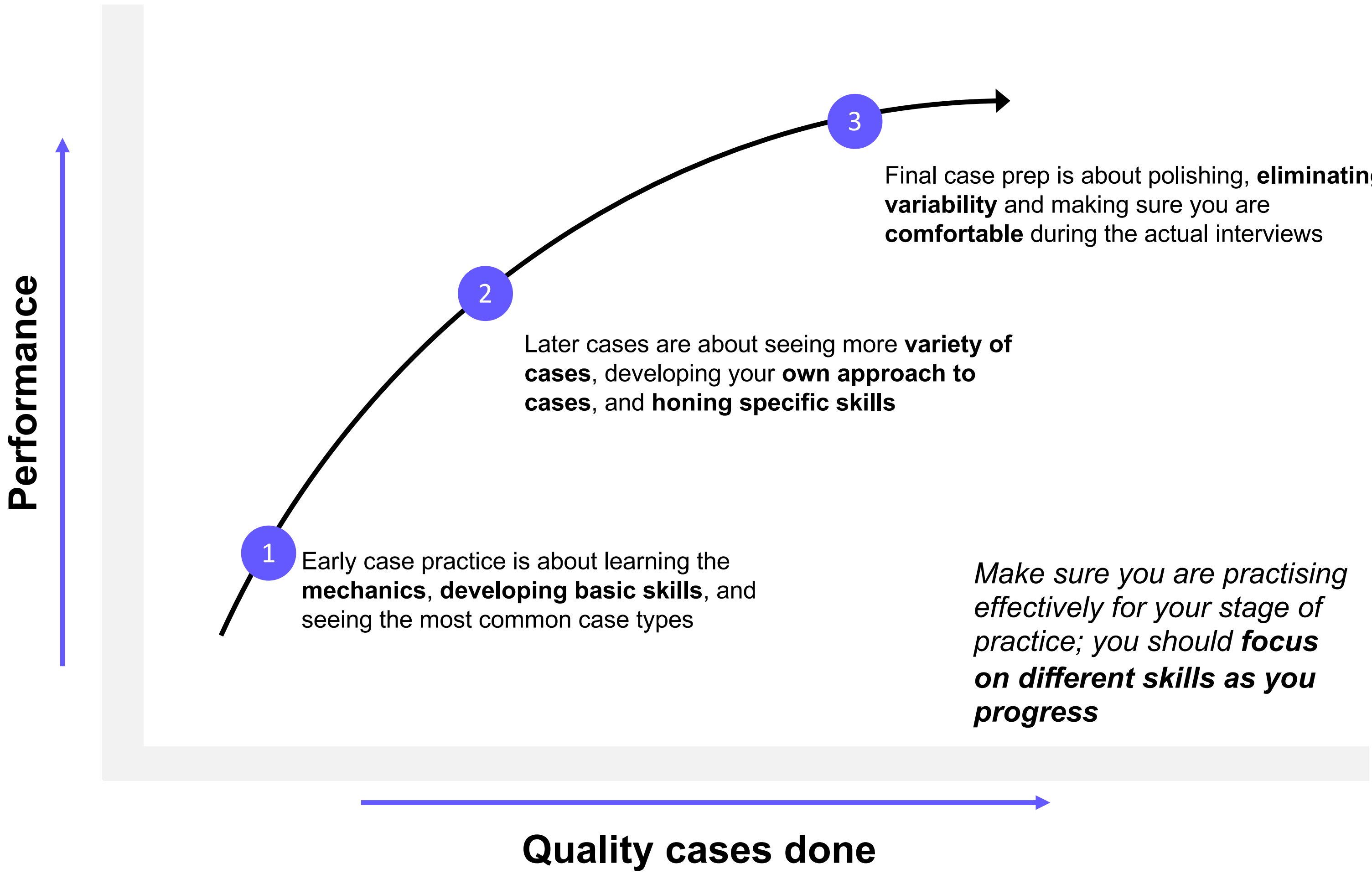
- Describe the actions you took to address the situation with an appropriate amount of detail and keep the focus on you.
- What specific steps did you take and what was your contribution?
- Be careful that you don't describe what the team or group did when talking about a project, but what you did. Use the word "I," not "we" when describing act

Result

- Describe the outcome of your actions and don't be shy about taking credit for your behaviour.
- What happened? How did the event end? What did you accomplish? What did you learn?
- Make sure your answer contains multiple positive results.

Case Prep– Relationship of practice and performance

Case preparation is a journey where early practice builds foundations, later cases foster variety and skills, and final prep ensures polish and comfort in interviews.



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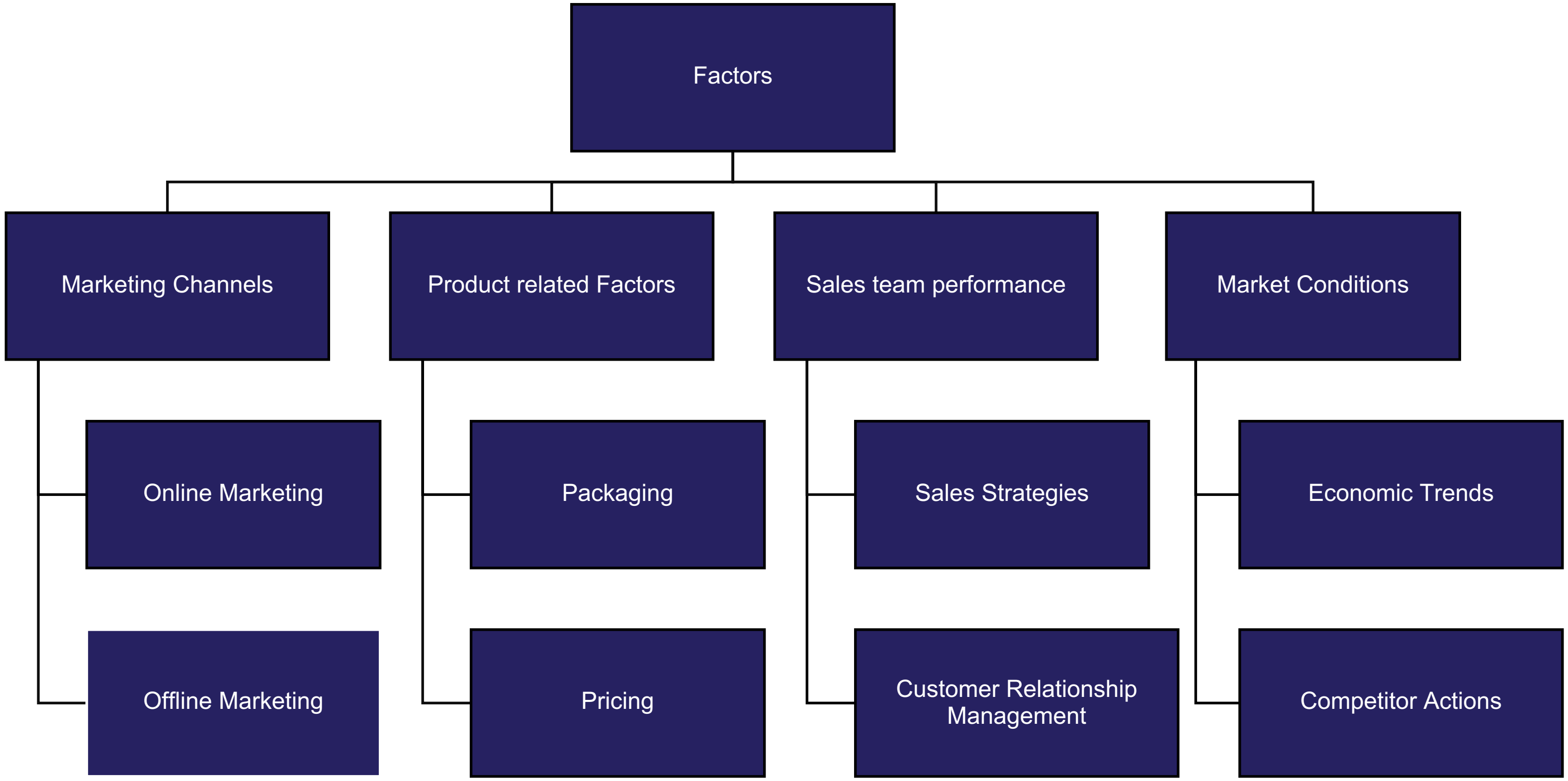
Frameworks

MECE Structure

It is very important to be MECE (Mutually Exclusive Collectively Exhaustive) to give your thoughts a proper direction. This includes being exhaustive and listing down all possible alternatives without any overlapping at each step.

Example: Applying MECE in Sales Performance Analysis

Scenario: Imagine you are analyzing the factors influencing the declining sales performance of a product. Applying the MECE framework will help you systematically break down the problem.

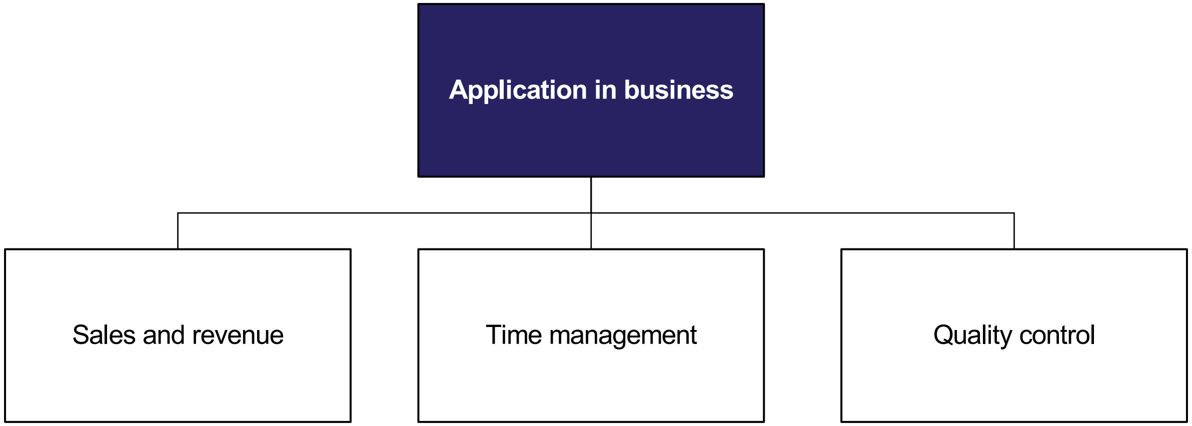


The 80-20 Rule

The 80/20 Rule, also known as Pareto’s Principle, is a guiding principle in business that suggests that, in many situations, roughly 80% of the effects come from 20% of the causes.

Background Information

- **Need** – It helps in identifying and prioritizing the critical 20% that contributes most significantly to the desired outcomes.



Rule Explanation

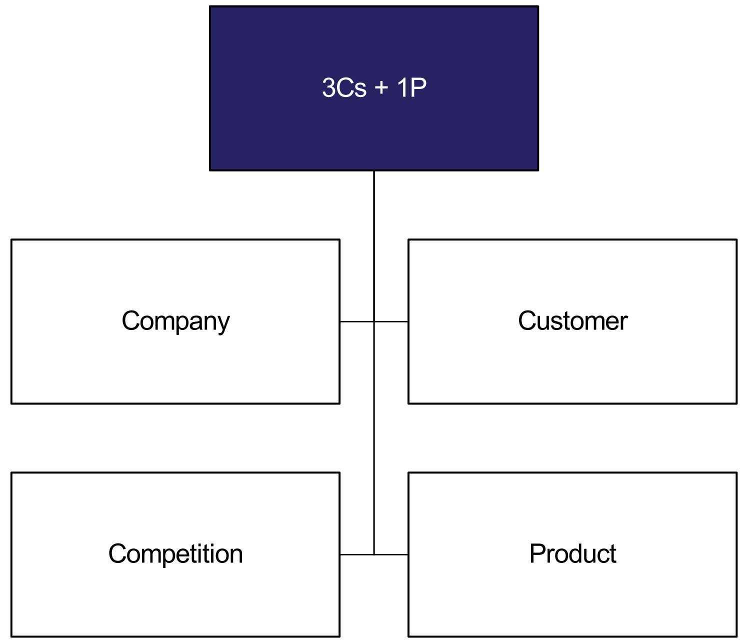
- **Sales and revenue** – In sales, a significant portion of revenue often comes from a small percentage of customers or products.
- **Time Management** – In time management, 80% of the results may stem from focusing on the most critical 20% of the tasks.
- **Quality Control** – In quality control, a majority of issues may arise from a small fraction of defects and errors.

3Cs + 1P or Business Situation

This is used as the core of any case. Start almost every case with this.

Background Information

- **Need** –. Essential stakeholders identified for a business.
- **Business Situation** –.Tells about the current circumstances of the business from all major stakeholder perspectives.



Recommended Questions

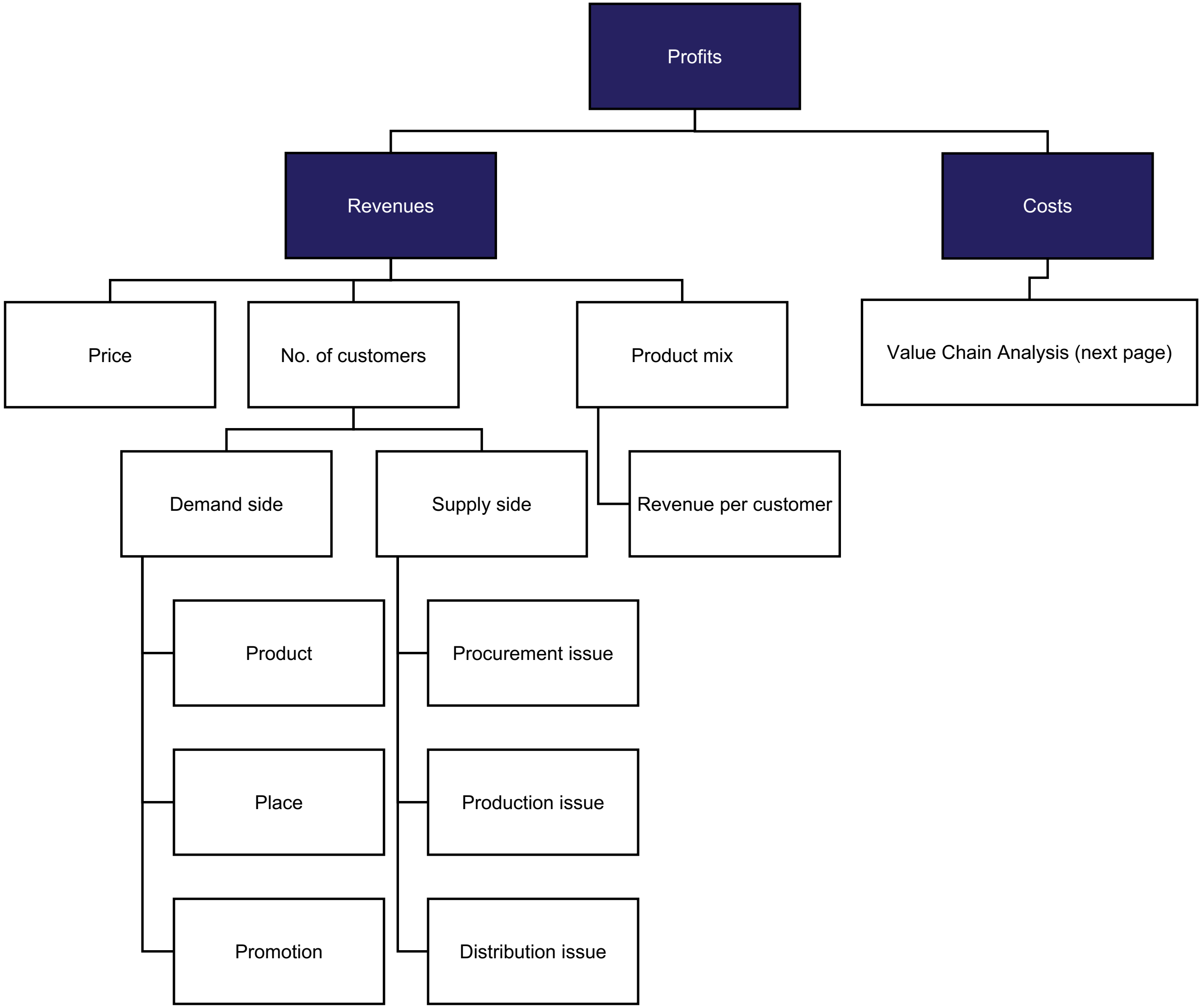
- How is the **company** doing? What business is the company involved in?
- Who are the **customers**? Who are the target customers? What is their demographic?
- Who are the **competitors** in the market?
- What is our **product**?

Profitability Framework

Used to identify reasons for the decline in profits/profitability. They require thorough analysis and understanding of the revenue and costs of the company to bring out key insights and reach valuable recommendations.

Initial Questions

- **Company Overview** – What products or services does the company offer? Which geographical regions does it cater to?
- **Problem Analysis** – Is the issue specific to this company or a broader industry concern? Consider the quantum of profit/losses and the relevant time period.
- **Profit vs Profitability** – Understand that profits result from the difference between revenues and costs. Profitability, on the other hand, gauges profit as a proportion of sales.
- **Units Sold** – Break down unit sales into internal and external factors. Internal issues align with the supply side breakdown. External issues can be explored through various frameworks. Eg. PESTEL, 4As, 5 senses
- **Demand Evaluation** – View demand as the product of market size and market share. This provides insight into the company's position in the market. Understand how Product, Place, Price and Promotion play a role in demand of a product.



Cost Reduction Framework

Evaluate expenses, identify efficiencies, negotiate with suppliers, optimize processes, align strategies with goals. Implement changes, monitor results for ongoing savings, and adapt as needed.

Initial Questions

- **Cost Analysis** – Distinguish fixed and variable costs. Evaluate economies of scale in capital-intensive industries.
- **Revenue Assessment** – Consider MRP, discounted price, and net sales accounting for returns.
- **Breakeven Calculation** – Utilize the formula Breakeven Quantity = Fixed Costs / (Price - Variable Cost).
- **Value Chain Analysis** – Examine the entire value chain for cost optimization opportunities.
- **Questioning Approach** – Pose queries about direct and indirect costs, completing the value chain.
- **Implementation** – Execute identified cost-cutting measures, monitoring and adjusting strategies for ongoing efficiency gains.

R&D	Raw materials	Processing	Storage and transportation	Distribution (sales force)	Marketing	Customer service
Equipment	Cost of raw materials	Machinery	Transport to warehouse	Sales channel	Marketing channels	Repairs
Human capital	Contract and bulk deals	Factory rent	Storage and inventory	Sales force	Strategy	Spare parts
	Quantity used	Labour hours	Transport to customers	Training		Returns
		Technology				
		Capacity planning				
		Packaging				

Market Entry Framework

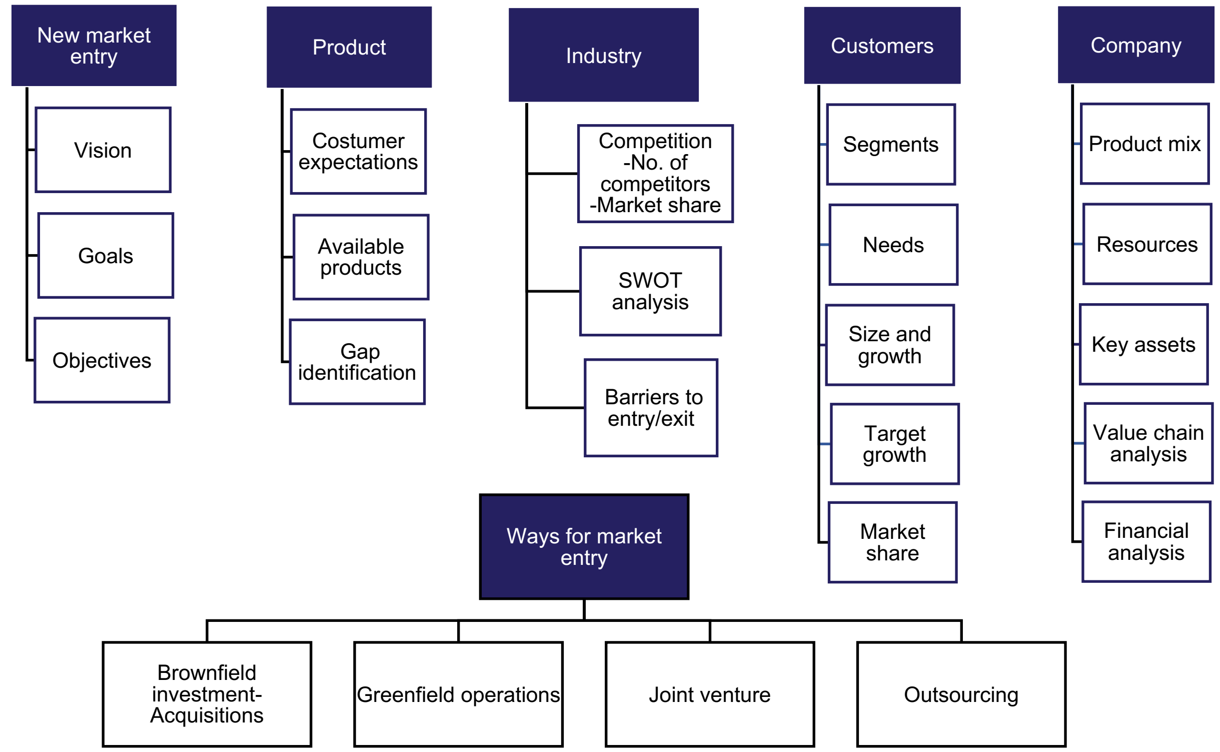
A market entry case (whether new product launch or entry into new geography or both) is hinged on two basic questions: Is it worthwhile entering the market (economically and strategically) and if yes, what would be the best way to enter the market?

Initial questions

- Always ask about company's objective to enter that particular market
- Get primitive understanding of company: what it does? What product to launch? Previous history with launches and why this particular geography/product launches
- What part of value chain does it want to set up

Analysis

- It can also be done using Economic Analysis - Market Size * Market Share * (Price – Variable Cost) – Fixed Cost
- Operational Feasibility – Regulatory/other barriers in setting up a value chain



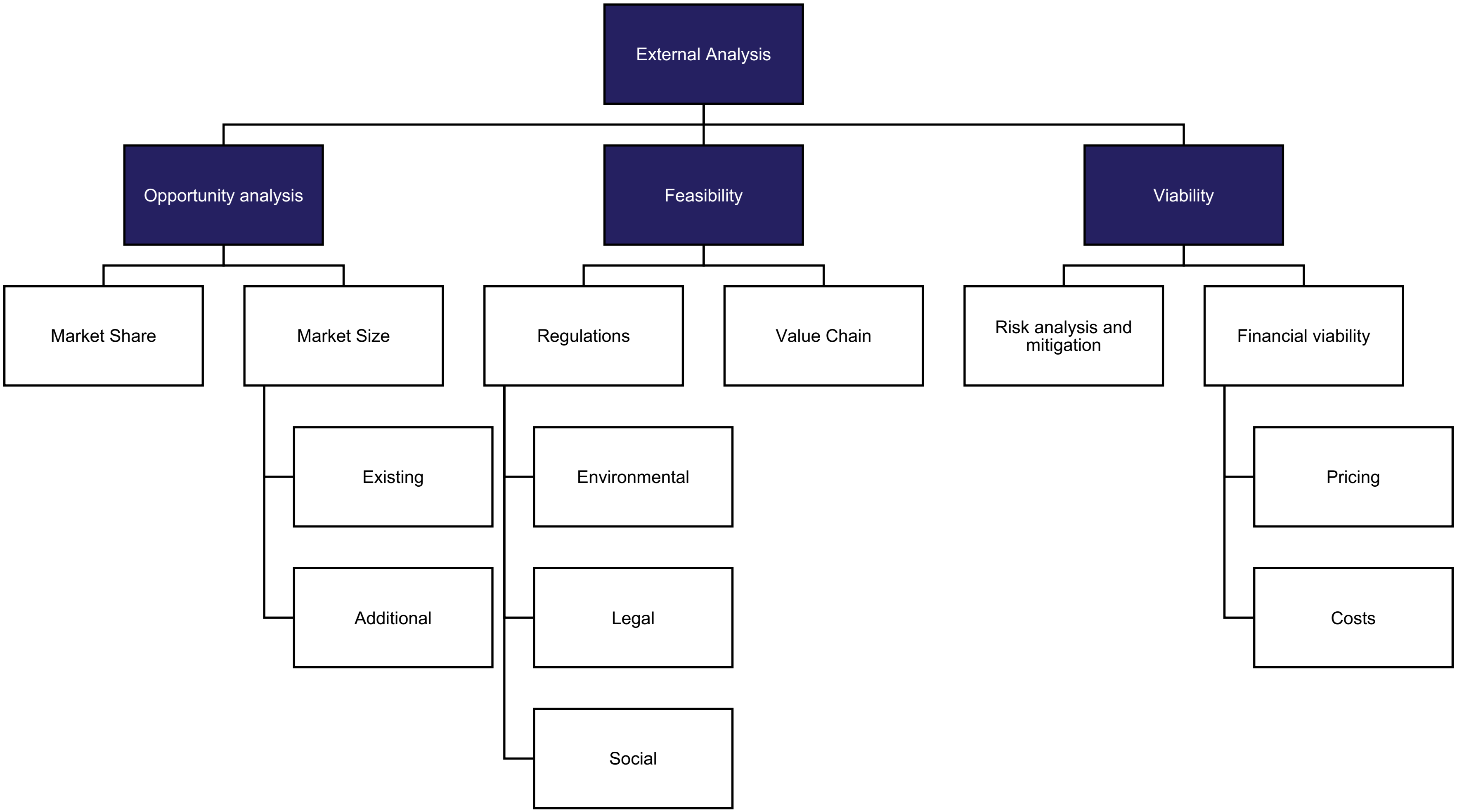
Summary

- Analyze the market, recommend whether to enter or not, and how to enter

Recommended questions/tips

- Start with the approach/framework to analyze the situation.
- Collect all the facts about the relevant variables.
- Perform external analysis to estimate the relevant factors
- Look for synergies with the existing portfolio and market of the firm.

Market Entry Framework



New Product Introduction

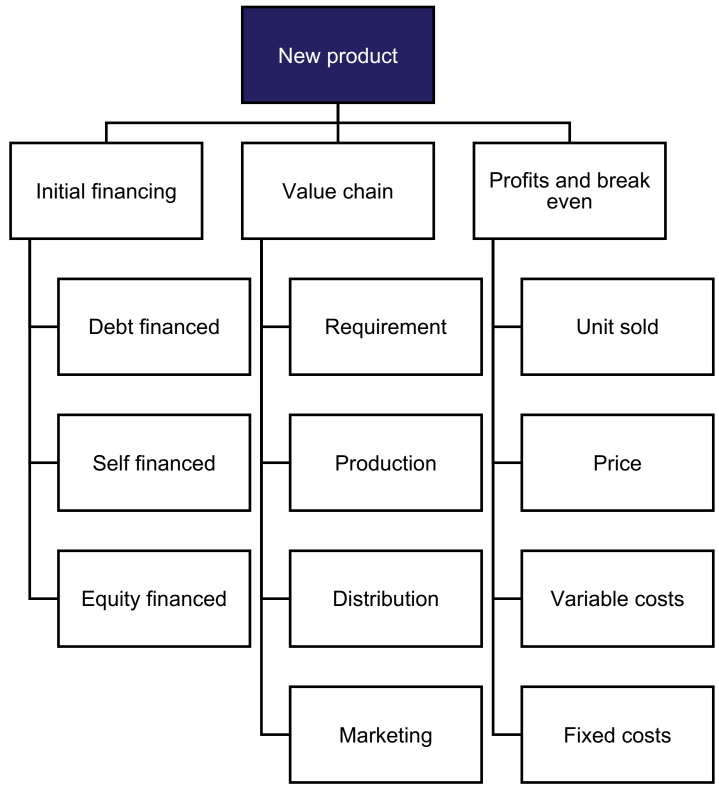
In the case of a new product entry, a company is likely to aim for introducing a completely new product in a market or expand its existing product's reach in a new geography. An interviewee is expected to first align on the product's viability to succeed in the market followed by identifying the correct price point and target market and finally recommend levers that can drive product success in the market.

Initial questions

- While asking about the company, it is great to have the following checklist in mind to get a comprehensive overview of the exact scenario and objective with which the company wants to launch this new product:
- Product – What type of product this company has developed
- Price – What price (and thus market segment) this company has set as a target
- Geography – Where do they want to enter
- Business Model – Getting an overview of the business model of the company that they are targeting
- Objective when launching a product

Analysis

- The pros and cons associated with each bucket have to brought out in the analysis, with having ready suggestions on how to overcome the possible challenges



Summary

- Used to explore if a product launch is feasible and lucrative enough for the client or not, by combining financial, operational and risk metrics. Since these cases are extremely broad and diverse, covering elements from most other types of cases, segmentation should be of paramount importance when solving these.

Recommended questions/tips

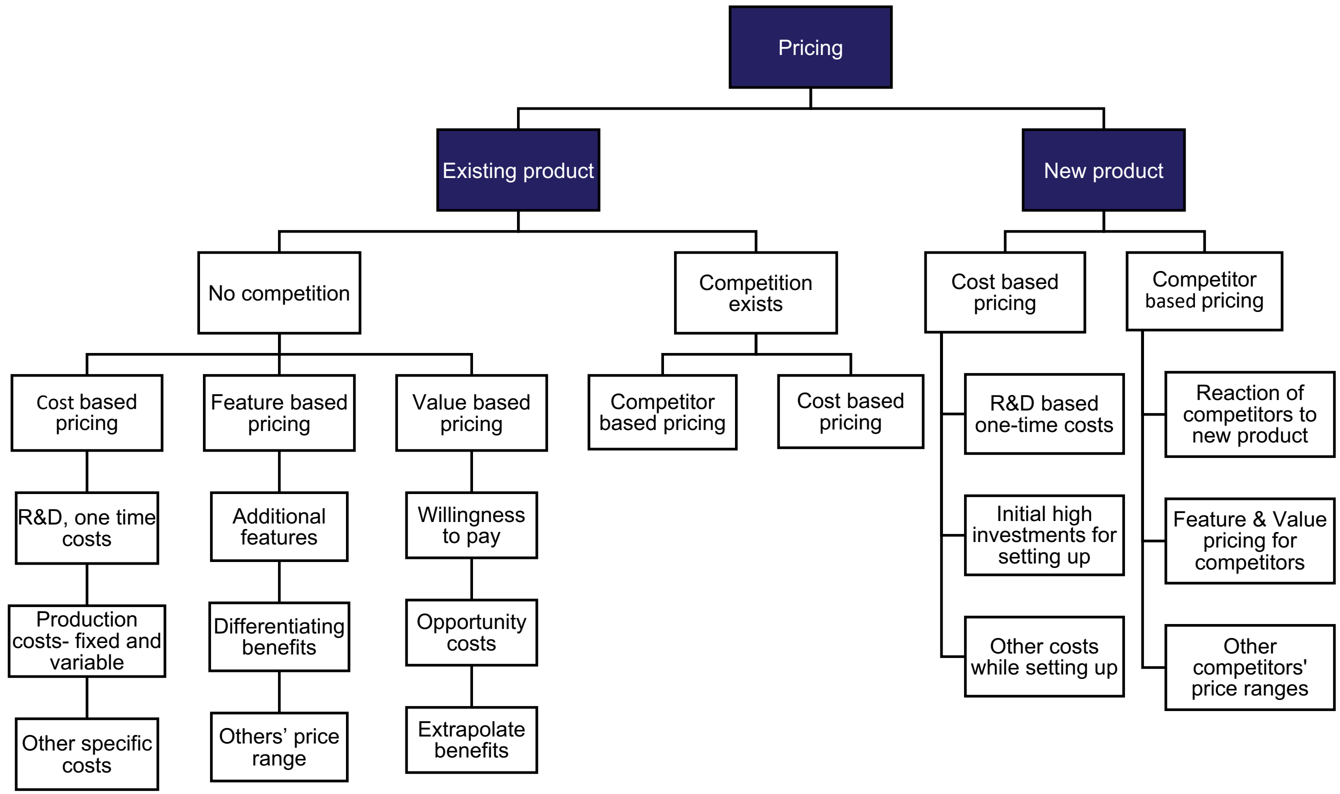
- Start with analyzing the type and unit economics of the product
- Assess the market requirement of the product
- Understand the company's existing model

Pricing

Pricing tends to be the most quantitative case study, one where the company has to try to reconcile the various methods available in order to come to a realistic price of a new or existing product. It is a combination of theoretical frameworks with an analysis of market forces.

Preliminary Questions

- What business is the client operating?
- What is the product or service being offered?
- What are the various uses of the product?
- How is it different from what is being offered by the competitor?
- Who are the competitors and what are their prices?
- Expected margin.
- Substitute products.
- Capital investment and payback period.



Analysis

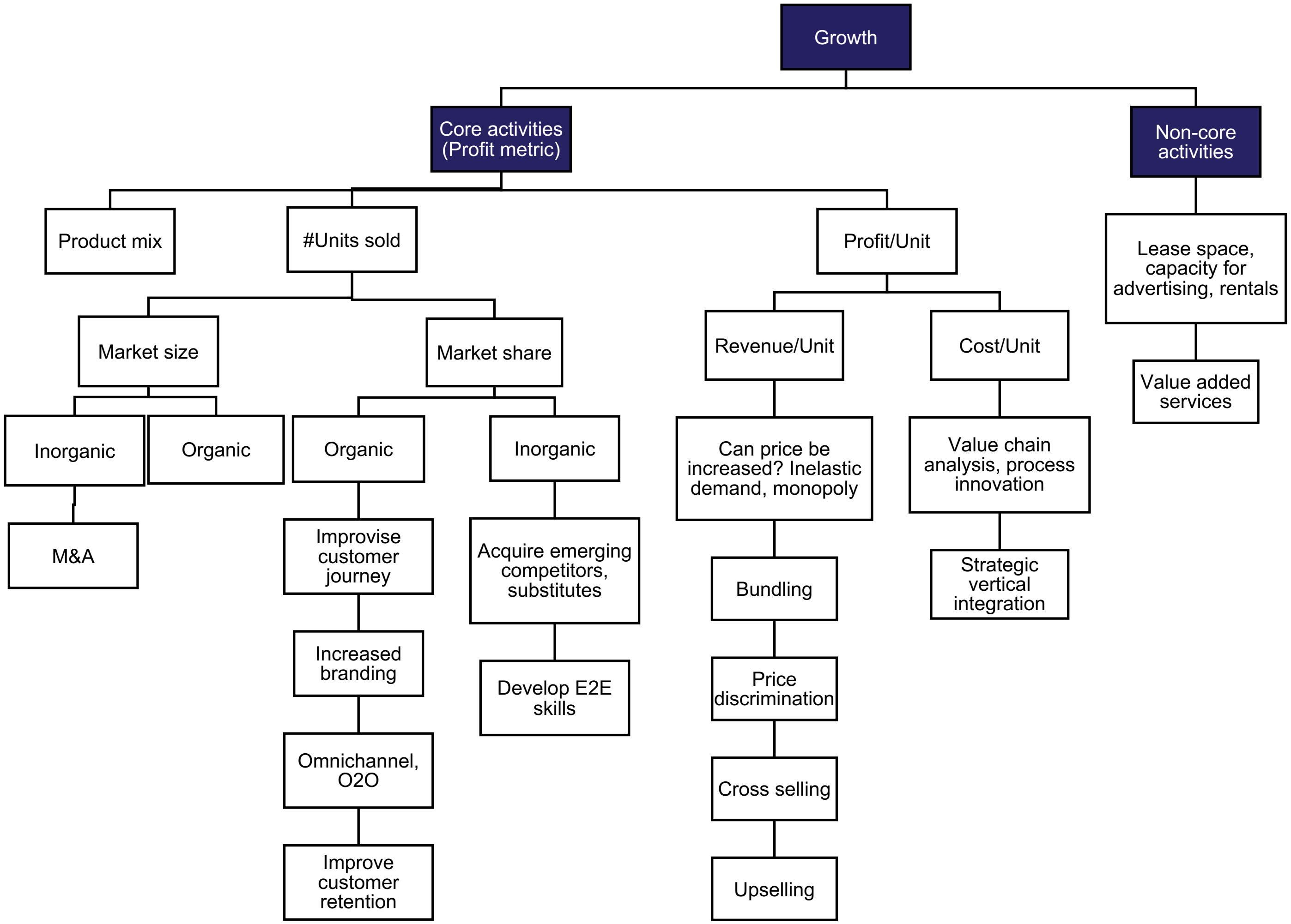
- Some parameters like Willingness to pay, opportunity cost of having no products might not be directly provided by the interviewer, so try to develop creative proxies for the same which would determine the accuracy of your recommendation

Market Growth

The client wants to accelerate growth and it’s up to the interviewee to look across various frameworks and analyses in order to recommend the method to be undertaken in order to recommend the strategy to be undertaken. It’s all about analyzing the business in different ways and identifying impediments to growth.

Preliminary Questions

- Clarify objective and quantum of growth, timeline
- Business model- where does the firm lie in the value chain? What are its revenue streams and distribution channels?
- Understand customer segments
- What is the product mix? Any differentiating/new features In products?
- What is the competitive landscape?



Mergers & Acquisitions Frameworks

These are cases designed to answer the question: should the client company undertake a particular merger/acquisition or not? Keeping in mind the client objectives, the industry and geography analysis and the financials, these cases require a significant amount of strategy combined with finance.

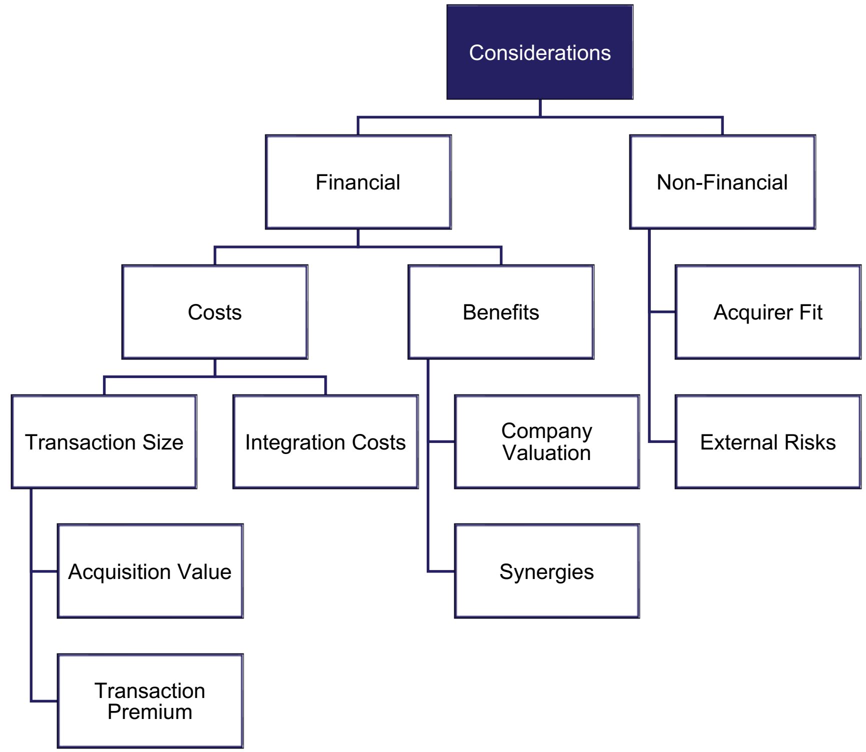
Initial Questions

- **Understand Client's Company**

Questions can be asked to learn about client's company, its current state, industry in which it operates, growth strategy and aspirations.

- **Understand Target Company**

Questions can be asked to understand the target's market, market share, profitability, and its competitors.



Financial

Benefits

- Company Valuation: Target company's valuation indicate the present value of cash flows it can generate in future based on its current capital structure.
- Synergies: Synergies are additional benefits derived from combined assets of acquirer and target.

Synergies

- Operational:
  Cost: Economies of scale/scope, savings in R&D or selling (SG&A) costs.
  Revenue: Selling more quantity or higher pricing along with cross-selling.
- Financial: Possibility of tax savings, increased leverage ratio, and capacity for debt.

Costs

- Acquisition Price: This price is quoted to the acquirer for M&A. It will be given by the interviewer.
- Integration Costs: Cost incurred during M&A process.

Non-Financial

Acquirer Fit

- Cultural Fit: Working norms, working culture, entrepreneurial v/s corporate.
- Organizational Fit: Resemblance in org. structure, skill set & talent overlap.
- Strategy Fit: concord in long-term growth

External Risks: Use PESTEL framework for broad risk and Porter's 5 Forces for industry analysis

Miscellaneous Frameworks

4Vs of Data

The characteristics of Big Data are commonly referred to as the four Vs: Volume, Velocity, Variety, Veracity.

Used to gain more insights into Big Data and determine the value of collected data

VOLUME	Scale or size of the data is being generated
VELOCITY	Speed at which the data is being generated & processed
VARIETY	Number of different forms or categories of collected data
VERACITY	Accuracy and truthfulness of the collected data

AMO

AMO is used to assess employee productivity and effectiveness in a firm. Typical applications involve assessing the effectiveness of a salesforce personnel.

The AMO framework assesses Awareness, Motivation, and Ability to understand and influence behavior change, guiding interventions for positive outcomes.

ABILITY	Hiring, Training, Learning, Skill Development, Talent Management
MOTIVATION	Expectancy, Clarity of goals, Control over Performance
	Instrumentality, Incentive structure, Performance metrices & evaluation
OPPURTUNITY	Career planning, fair appraisal process, recognitions, empowerment

STP

STP is a three-step marketing model that helps businesses segment their audience, target the right buyers and position their products. It helps deliver more relevant, personalized messages to target audiences and is used to gain more insights into big data and determine the value of collected data.

Segmentation

- Market is divided into distinct groups based on factors such as gender, religion, culture, income education, ability to spend, etc.
- Different market segments are created for evaluation.

Targeting

- The segments are analysed and narrowed down based on which can be served by the brand.
- Targeting marketing ensures that the ads are more effective and reach the right people.

Positioning

- Brand positioning is achieved by creating a unique place in the mind of the consumer.
- Positioning helps the consumer eliminate the need for evaluating alternatives and straight away jump to a specific brand.

VRIO

VRIO analysis is a framework that helps evaluate how an organization's resources contribute to its market position. Resources that are valuable, rare, inimitable, and that the organization is organized to use will contribute most to its market position.

V Valuable	R Rare	I Inimitable	O Organized	
NO				Competitive Adv.
YES	NO			Competitive Parity
YES	YES	NO		Temporary Competitive Adv.
YES	YES	YES	NO	Unused Competitive Adv.
YES	YES	YES	YES	Sustainable Competitive Adv.

SWOT and PESTEL

SWOT analysis is a framework used to evaluate a company's competitive position and to develop strategic planning. It assesses internal and external factors, as well as current and future potential. PESTEL analysis is a strategic tool that businesses and organizations use to assess and analyze the macro-environmental factors that can impact their operations and decision-making.

SWOT

	Facilitative	Prohibitive
Internal	**Strengths** ▪ Key factors giving the company a competitive edge over its rivals. ▪ This may include a loyal customer base, strong brand, skilled employees, proprietary technology, etc.	**Weaknesses** ▪ External threats that could pose a risk to the company's financial performance or overall business operations. ▪ This may include increasing competition, natural calamities, limited labor supply, upcoming regulations, etc.
External	**Opportunities** ▪ External conditions that present opportunities for the company to develop a lasting competitive edge. ▪ This may include a shift in corporate taxation, falling raw material prices, market trends, emerging technology, etc.	**Threats** ▪ Barriers that may hinder the company from achieving peak performance in the marketplace. ▪ This may include a lack of capital, high leverage, higher than market attrition, weaker brand image, etc.

PESTEL

P	E	S	T	E	L
Political	**Economic**	**Social**	**Technological**	**Environmental**	**Legal**
Government related actions such as elections, fiscal policy, corporate taxation, etc.	Factors in the economy such as inflation, interest rates, exchange rates, unemployment, etc.	Societal factors such as demographics, cultures, beliefs, lifestyle trends, etc.	Factors relating to technology: adoption, automation, tech infrastructure, R&D, latest trends, etc.	Physical Environment related factors: Govt. regulations, carbon footprint, risks for raw materials etc.	Laws affecting business, like Intellectual property, industry regulations, licenses, permits, etc.

Porter's Five Forces

Michael Porter's Five Forces is probably the most famous framework used in preparing for case interviews. It has endured as one of the frameworks most talked about by many in and out of the consulting field.

An analysis of all five competitive forces gives you a comprehensive view of the factors affecting profitability in your industry. When you understand each force, you can formulate a strategy that will allow the company to better cope with competitive forces and increase profit potential. Let's take a closer look at each force:

Threat of New Entrants

- Low barriers to entry attract new entrants, threatening profitability.
- High barriers to entry deter new entrants, protecting profitability.

Bargaining Power of Suppliers

- Few suppliers with concentrated power can raise prices and reduce quality.
- Many suppliers with dispersed power offer lower prices and better quality.

Bargaining Power of Buyers

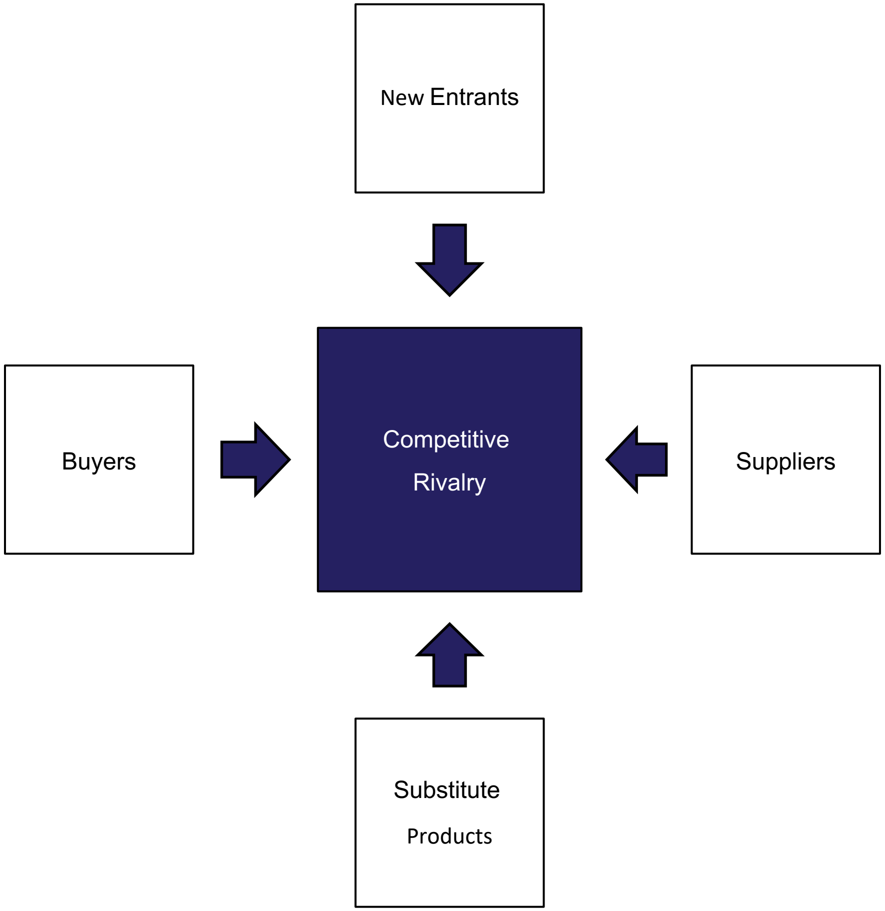
- Few buyers with strong leverage can demand lower prices and higher quality.
- Many buyers with limited power face limited options and competitive pricing.

Threat of Substitute Products or Services

- Readily available substitutes limit price increases and reduce profitability.
- Few or unattractive substitutes allow for higher prices and increased profitability.

Competitive Rivalry

- Intense competition from similar rivals drives down prices and reduces profits.
- Weak competition from differentiated rivals allows for higher prices and greater profits.



Marketing Mix (4As and 7Ps)

The key purpose of a Marketing Mix Model is to understand how various marketing activities are driving the business metric of a product. The approach was typically structured around the four pillars of marketing: product, price, location, and promotion. Later, it was expanded to 7Ps of marketing strategy with the inclusion of People, Process, and Physical Evidence.

7Ps of Service Marketing

Product

The **characteristics, unique selling factors**, overall **quality** of the service being offered.

Promotion

Methods used to **advertise the product** through many channels are referred to as promotion.

Price

The service's **long-term price plan**, including **promotions, discounts, and special offers.**

Process

How you will **deliver the product** to clients and provide them with **the finest experience possible.**

Place

Where do customers find your product, **learn about it, and then buy it.**

People

Those who came into **direct and indirect touch** with your target client.

Physical evidence

Tangible experiences that **convince clients that your product is genuine,** in the case of digital this includes website visits, confirmation emails, testimonials, client feedback etc.

4As

4As approach helps managers see a business's every action through the eyes of its customers. This approach is organized around the values that matter most to customers- Acceptability, Affordability, Accessibility and Awareness. It is derived from a customer-value perspective based on the four distinct roles that customers play in the market: seekers, selectors, payers and users.

4As of Marketing

Awareness
Making the customer aware of the product.

Affordability
Enabling the customer to purchase the product.

Availability
Getting the product to the customer.

Acceptability
Encouraging the customer to adopt the product.

Awareness	▪ **Product Knowledge** – Customers should have sufficient knowledge to trigger a purchase. ▪ **Brand Awareness** – Customer’s ability to recognise, recall and remember the brand name.
Affordability	▪ **Economic Affordability** – Customers should have sufficient economic resources at disposal to purchase. ▪ **Psychological Affordability** – Customer’s willingness to pay for a given product or service offered by the company.
Availability	▪ **Customer Availability** – Company should have sufficient stock to cater to market demand. ▪ **Customer Convenience** – Ease of access for a potential customer to the product or service.
Acceptability	▪ **Functional Acceptability** – Objective in nature, based on product specification, performance, durability, etc. ▪ **Psychological Acceptability** – Subjective in nature, based on product aesthetics, brand appeal, etc.

Common Matrices

BCG (BCG) Growth-Share Matrix: It is a portfolio planning model based on the observation that a company's business units can be classified into four categories based on combinations of market growth and market share relative to the largest competitor.

Importance

- **Need** – Market growth serves as a proxy for industry attractiveness (cash usage) and relative market share as a proxy for competitive advantage (cash generation).

Element Explanation

Dogs

Low Share, low growth. Companies should liquidate, divest, or reposition these "pests".

Question Marks

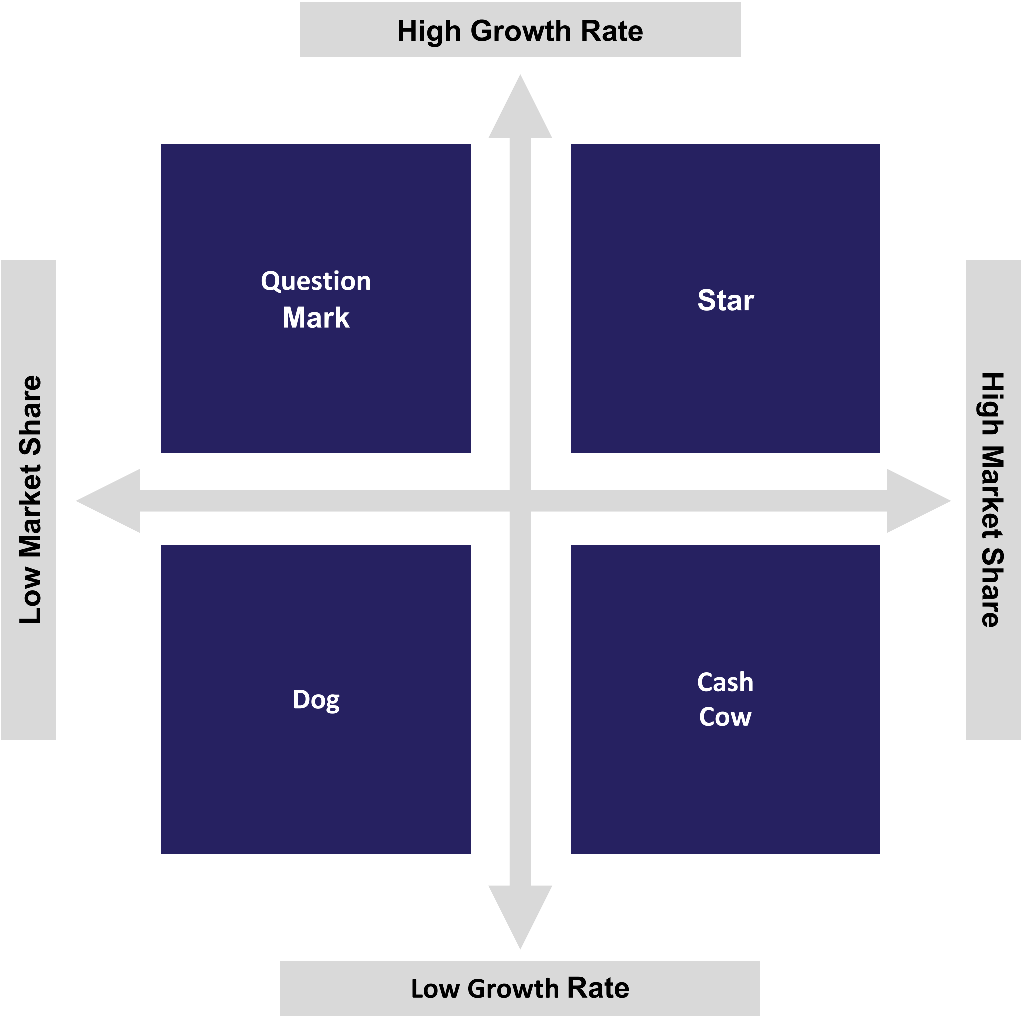
High growth, low share. Companies should invest in or discard these "question marks", depending on their chances of becoming stars.

Stars

High growth, high share. Companies should significantly invest in these "stars" as they have high future potential.

Cash Cow

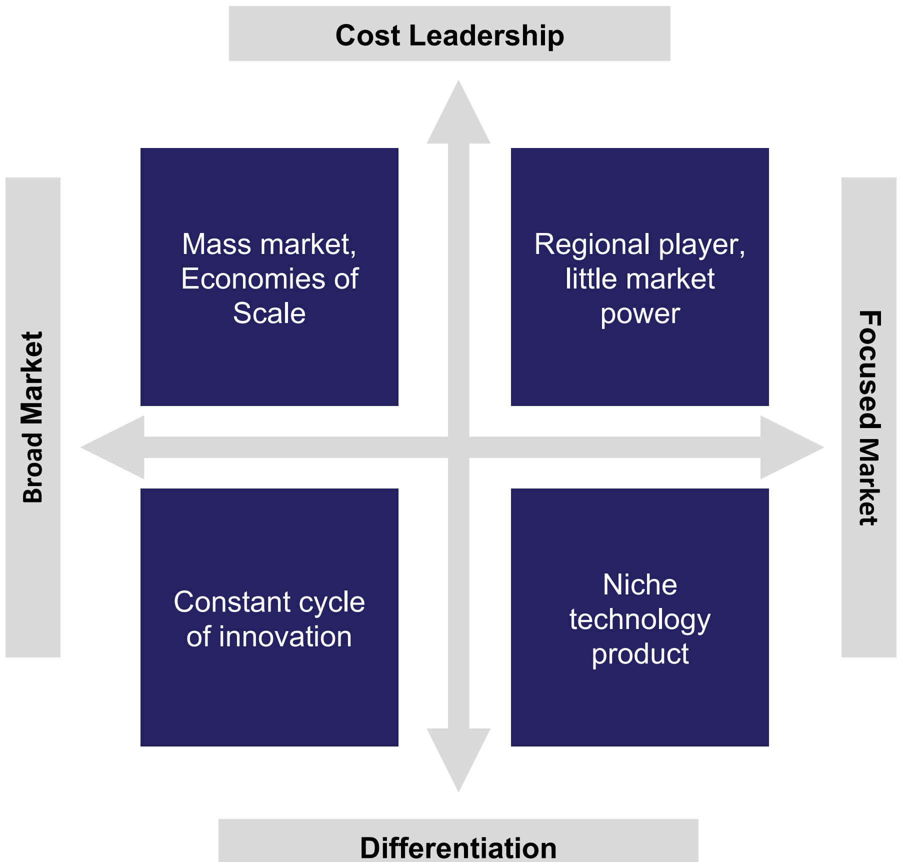
Low growth, high share. Companies should milk these "cash cows" for cash to reinvest.



Common Matrices

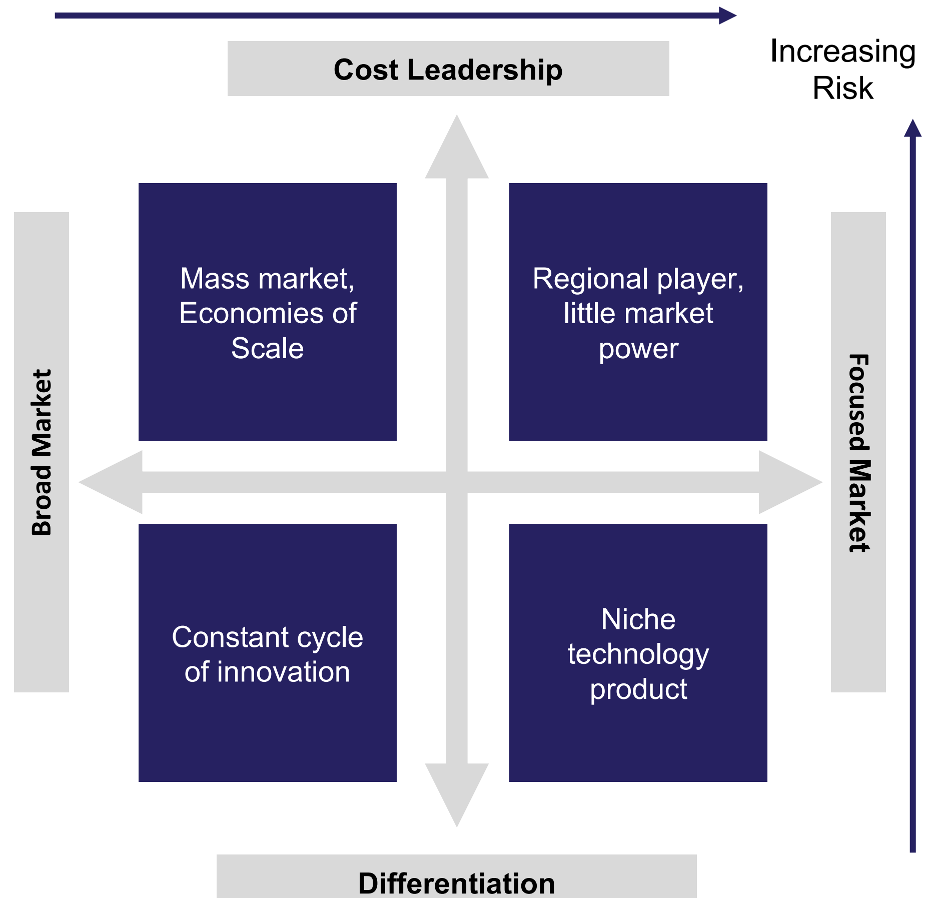
Generic Strategies Matrix (Michael Porter): It outlines 3 core business strategies.

- **Importance** – Outlines three core business strategies: Cost Leadership (being the low-cost producer), Differentiation (offering unique products), and Focus (narrowing focus on a specific market segment).



Ansoff Matrix: It is a strategic planning tool.

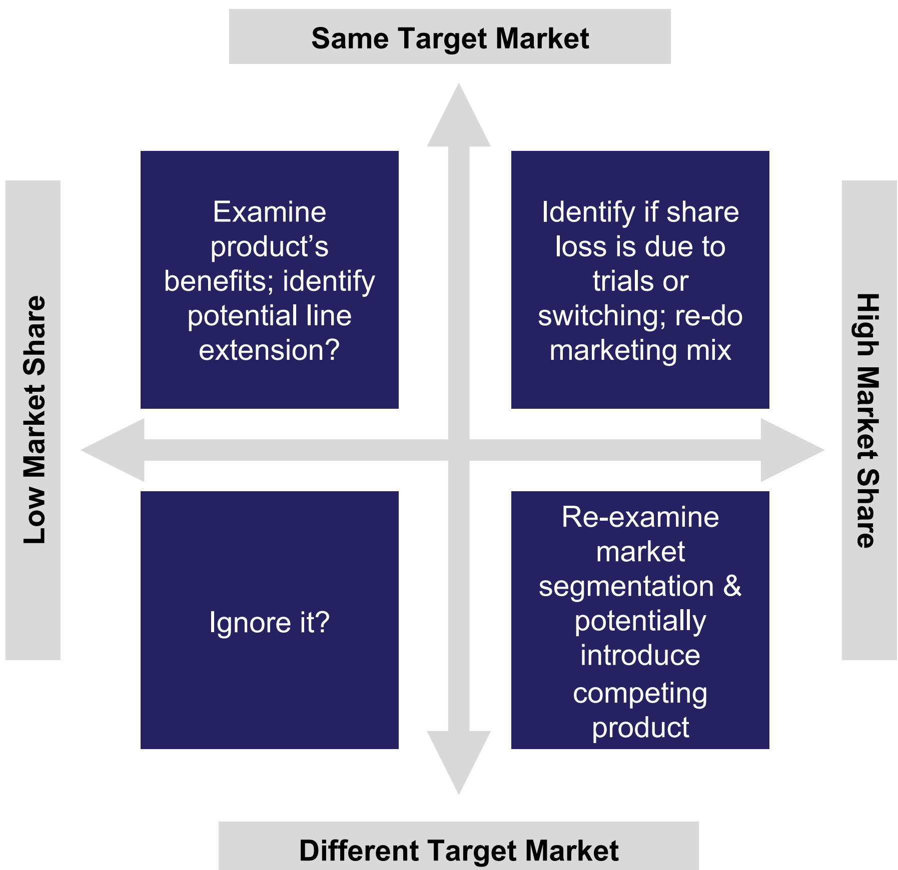
- **Importance** – It helps businesses decide on growth strategies by exploring four options – existing markets, existing products, new products and new markets.



Common Matrices - Examples

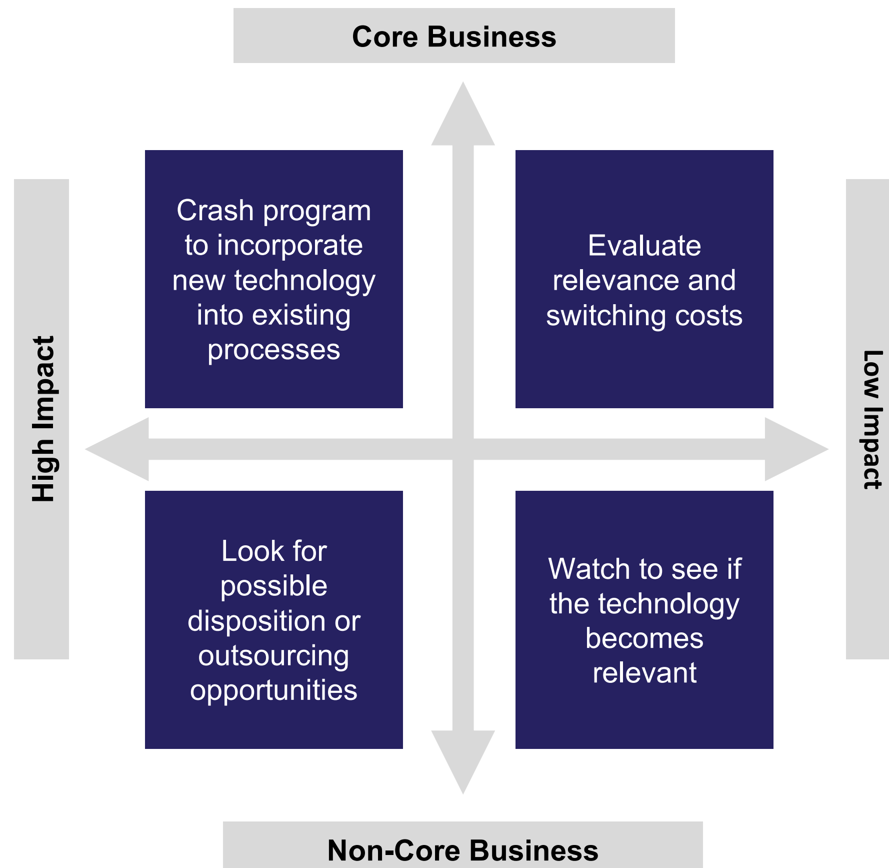
Example 1

"You are a brand manager for P&G in the Health and Beauty Aids category, and a competitor just introduced a new toothpaste that is gaining market share...."



Example 2

"You are head of R&D for a large pharma company, and a new process has been created as a result of the work done to sequence the human genome...."



Profitability

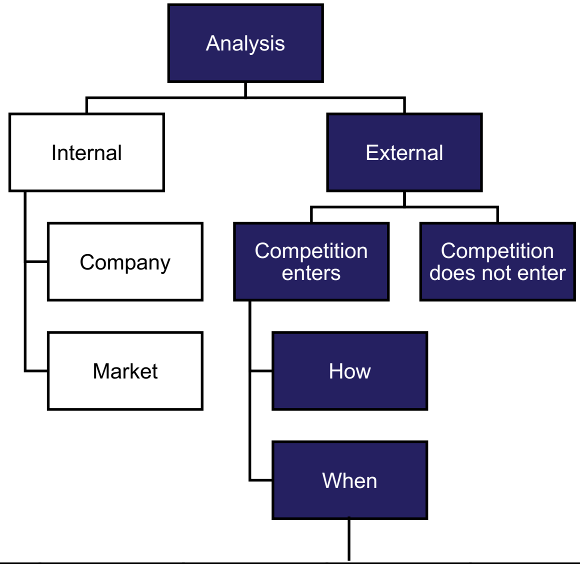
Profitability | Automobile | Bain & Company | ★★★

Tyre Manufacturer

Your client is a tyre manufacturer in Vietnam. He is the only player in the market. Vietnam had 50% tariff on import of tyres but off lately, they have introduced a policy to gradually reduce tariff y-o-y to take advantage of globalisation. Your client has hired you to assess the situation.

Background Information

- **Company** – Makes tyres for all kind of vehicles. Is a monopoly in Vietnam.
- **Competitor** – No major change in landscape. Company-specific issue
- **Consumer** – Individuals and automobile companies
- **Product** – Only one product – tyres. There are different kinds of tyres suited for different kind of vehicles.



Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Cost	34 * 1.5	34 * 1.45	34 * 1.40	34 * 1.35	34 * 1.3	34 * 1.25	34 * 1.2	34 * 1.15	34 * 1.1	34 * 1.05
	Rs. 51	Rs. 49.3	Rs. 47.6	Rs. 45.9	Rs. 44.2	Rs. 42.5	Rs. 40.8	Rs. 39.1	Rs. 37.4	Rs. 35.7

Case recommendations

- For an immediate action, the client should evaluate when and how the competitors would enter the landscape given the change in tariff scenario.
- The client should focus on creating brand loyalty among the existing market to maintain their market share under changed competitive landscape.
- The client can also lobby with the government for relaxation in the tariff regime to ensure growth of in-house companies.

Case tips

- This was a very tricky case. Identifying the exact time when a competitor would enter on the basis of cost-benefit analysis is hard to strike. Always try to look at the case from different dimensions.

Tyre Manufacturer

Okay, just to reiterate my client operates a monopoly of tyre manufacturing in Vietnam. I need to assess the changes that will affect my client if the government gradually reduces tariff on imports.

Yes, that's right.

Is there anything specific that the client wants to observe, say top line or bottom line?

No, he wants you to paint the entire picture for him.

Okay sure. I would like to know a little bit about my client to understand the situation better. Where exactly does our client lie in the value chain- does it only manufacture or also performs other functions in the value chain? Secondly, you mentioned it is a monopolistic market, can I safely assume that there are no other smaller players either? Lastly, are there currently any foreign players in the market?

It only manufactures and outsources distribution to third party as well operates own outlets. Yes and No to your last two questions.

Sure. And what kind of tyres does it produce? Does it operate in the premium segment?

All kinds. Given it's a monopoly, it does enjoy a price advantage.

Understood. Lastly, who are the target customers- B2B, B2C?

Both. It supplies to businesses via distributors as well as sells tyres through own outlets to end consumers.

Okay. Now I'd like to dig deeper into the case since I have the required background information. What is the current rate of tariff and how is the government planning to implement the reduction strategy?

Current rate is 50% and the plan is to reduce tariff by 5% each year. Thus, in 10 years, the tariff will reduce to 0%.

Right. I'd like to analyse the situation from two perspectives- internal and external. In internal I'd like to further bifurcate into company specific and customer specific. In external I'd like to analyse the competitive environment.
I could consider different timelines-say 0-1 years, 1-5 years and lastly, 5-10 years to understand the changes and the likely effect. Does this sound fair?

Do you think we should analyse by dividing into different time frames when the change is happening every year?

Yes got it. I will take each year at a time.

Yes, you may proceed now.

As I understand this, tariff of 50% is high and given that the rate is likely to reduce each year, the competitor will enter only when it is able to atleast break-even. Once we know when players will enter, we can analyse how the situation would change in Vietnam. To start with, I'd like to do a cost-benefit analyse of the potential entrants with different tariff rates.

Seems fair!

Before proceeding, I'd like to know if we have information about the players who may enter? Specifically, is there information on average cost per unit incurred by other players in the global market who might enter Vietnam? Will the entrant also charge the same price?

The average cost per unit is $34 and for us it is $40. The price will be same.

Okay. In year 1, tariff is 50%, hence the cost will be 1.5*34 i.e. 51 which is greater than $40. Hence, they may not want to enter the market. Following the same analysis, the cost will be 49.3, 47.6, 45.9 …. In the following years. When the tariff rate will be 20%, the cost will be 40.8, hence player may want to enter with tariff 15% which is in the year 7th year.

That's right. What would you do next?

Next steps would be to analyse how the situation would change within the country- i.e. the internal scenario. Following this, I'd like to propose a few recommendations to our client basis the situation

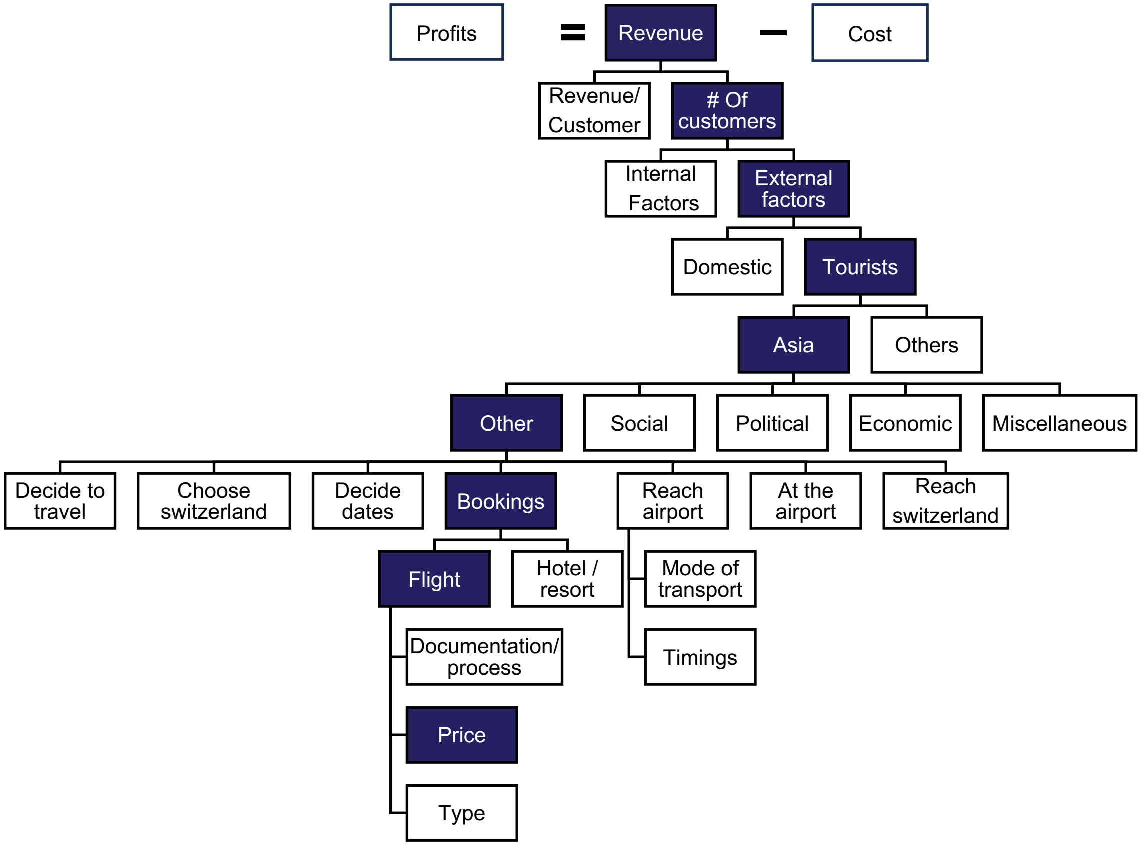
That's fine. We can end the case here.

Ski Resort

Your client is the owner of a ski resort in Switzerland. The resort has noticed a decline in the profits in the last 6-8 months. You have been hired to analyse why.

Background Information

- **Location** – Switzerland
- **Offer** – Resort and skiing activity
- **Product** – Resort
- **Industry** – All players affected
- **Customers** – Tourists and Domestic



Case recommendations

- The client should focus on increasing promotions and decreasing profit margins for easier customer retention.

Case tips

- This was a very tricky case. Doing the chain analysis of going to Switzerland is not simple. Always try to look at the case from different dimensions.

Ski Resort

Okay. I'd like to reiterate the problem statement- our client is the owner of a ski resort in Switzerland. The resort has noticed a decline in the profits in the last 6-8 months and I have to analyse why, right?

Yes.

Sure. To start with, is it a company specific problem or can it be noticed across the industry too?

Across the industry but we have borne the biggest brunt.

Understood. Now I'd like to know more about our client to understand the situation better. What is a ski resort and does it operate as a single outlet or as a chain of resorts?

It's a single resort in Switzerland. The main highlight of all resorts in the area is their offering of ski activity in the high ends of Mont Font Glacier.

Right. And who are the customers of our clients- domestic customers, tourists or both? Is there any additional service that they provide besides lodging and skiing activity? Lastly, do our competitors offer any additional service?

We are open for all but mainly our customers are tourists. No, mainly lodging and skiing with additional add-on activities like business halls, meals etc. The same is true for our competitors as well.

Thanks a lot for that information. I'd like to dig deeper into the problem now. You mentioned that there has been a decline in profits. Profits is a function of Revenue and Costs. Has any of the two faced any changes in the last 6-8 months?

Yes, revenue has seen a decline.

Now, I'd like to break revenue into two components- number of customers * revenue per customer. Please let me know if I should focus on any of these?

Revenue per customer has remained more or less the same. However, the number of customers has seen a decline.

Okay. I'd like to further bifurcate the reasons by looking at them through internal and external factors. Given that the decline is across the industry, there might be external factors at play. However, since our client has seen a higher decline, I'd like to first look at the internal factors to the client.

Um, I think you can look at the external factors first. Maybe then we can see what factor is responsible for the higher intensity specific to our client.

Sure, sounds good. Can I please know the split between domestic and tourist customers (in % revenue or number of people). Which of them has faced a major decline- for us and our competitors?

Let's say of the total people we serve, 70% are tourists and only 30% are domestic residents. The decline is majorly from tourists. This is true for other players as well.

Right. I'll focus more on the tourist segment presently. Which countries form part of our customer base and is there any specific change in any of them?

Tourists flow in from multiple countries. However, those from Asian countries have seen the major decline.

My hypothesis is that since all resorts in Switzerland have faced a decline and major change happened from the Asian countries, there is something specific to Asia that has caused a decline in revenue for our clients. Thus, I'd like to focus on that aspect now. I would like to consider the following levers- political, economical, social and miscellaneous.

Okay.

Firstly, under the political bucket, has there been any change in political relations between Switzerland and any Asian country? Is the government proactive in maintaining relations and is the foreign government eager to promote tourism? Lastly, I'd also like to know about the visa and documentation process.

Secondly, in economic lever- I'd like to take into account people's disposable income, rate of exchange, taxation policy, inflation etc.
In social factors, I'd like to know if there has been a shift in culture, religion, level of education, or mere preferences of people.
Please let me know if you want me to focus on any of them in particular.

None of them actually.

Alright. I missed out on the miscellaneous factors wherein I'd like to see if any legal changes have happened with respect to changes in law, travel documentation, travel journey etc. I'd also consider if any environmental change is taking place that is pushing people away from flying to Switzerland.

Umm, not really.

Ski Resort

Sure, I have two questions- one, is there any change in any of the previously mentioned questions with respect to Switzerland, and second- are Asian people travelling in general but not to Switzerland?

No changes in Switzerland because that might also impact people flying from other countries, which is not happening. And yes, people are still travelling but not to Switzerland.

Right. I would like to map the entire customer journey to see if any step in the process is causing this change. A person would first decide if they want to travel, then choose location, choose Switzerland, look for probable dates to travel, book tickets, reach airport, take flight (non-stop or layover), reach Swiss airport, travel to the resort, check-in, and so on.

Yes, you can look at the process before a person typically takes a flight.

Sure, after choosing Switzerland, a person books tickets for the desired dates. Are resorts open all year round, do they have enough capacity? Are flights frequent? Is there any change in flying rate or the surcharges?

Yes, the rate of flights have increased i.e. it is digging a bigger hole in customer's pocket. You can move on to the recommendation.

Sure. I will propose a few recommendations for our client that can be implemented in short term and in the long term. In short term, the client can increase promotion, reduce its profit margin and incite people to travel, offer discounts for off-season travel. They can also focus on increasing flyers from other countries so as to offset the decline from Asia. Next, they can also put efforts to increase domestic residents through active marketing and attractive offers.
In the long term, firstly they can lobby with the government regarding the flight rate. They can also talk to the bureau handling air travel norms. Both of these parties shall be incentivized to reduce the rate because it is adversely affecting the tourism revenue for the country as well as revenue for the flight operators in Switzerland. Also, they can collaborate with travel agencies who might buy bulk tickets and avail deeper discounts. These can then be sold to end consumers at lower rates.

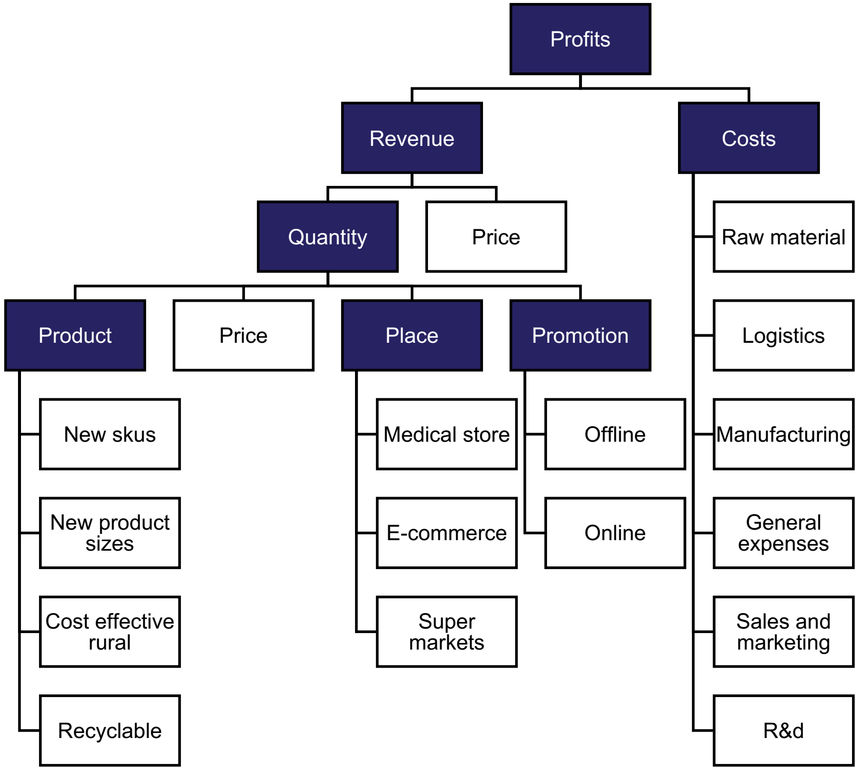
Thank you. That'll be all.

Diaper Manufacturer

Your client is a US based paper manufacturer. Their Indian business of Diapers is suffering. The CEO has consulted with you on this. You have to – (a) Suggest them whether they should exit Indian market (b) If they decide to stay what should they do to turn the things around

Background Information

- **Company** – In Paper business. Global revenue 20Bn. Indian Revenue 100 Mn. Facing a 15Mn loss. First diaper company to enter India
- **Competitor** – There are two major competitors who have a combined market share of 85%. Our market share is 10%. Remaining 5% is fragmented.
- **Consumer** – Young children (majority) and old age people (negligible)
- **Product** – Diapers. There are two types. The pant type and the tape type. Initially there was only the tape type. Competitors introduced the pant type and were successful, we haven't been able to make much progress in it



Case recommendations

Short Term

- Introduce more SKUs
- Create more awareness among rural and tier 2 and tier 3 cities

Long Term

- Invest in cost effective diaper technology for ensuring more penetration into rural areas
- Develop recyclable diapers that are more sustainable

Diaper Manufacturer

Before we start off with the case, can you tell me a bit about the company?

The company has a revenue of 20Bn and is in the paper industry. They were the first company to enter the Indian diaper market. However, its Indian revenue is only 100 million. The company also has been facing a 15 million loss in India.

Who are our competitors, and how are they faring?

Two major competitors have a combined market share of 85%. We have a market share of 10%, and the rest 5%, is fragmented.

What all products do we have?

We have two major types of diapers, the pant type and the tape type. Initially, we focussed only on the tape type. Then the competitors introduced the pant type, which was a major hit and successful. We also adopted this style but wasn't very successful. The products focus mainly on young children, with very few products sold to old age people.

Where are they located in India?

Pan India operations and manufacturing is in Pune, and they operate via distributors.

How is the Industry behaving?

The industry is growing on a year- on- year rate of 20%

Do we have any other constraints in this problem ?

No, they have a huge business. The company doesn't mind bleeding money for a while if they can be profitable in the long run.

Based on the above facts I think the company should stay in the Indian Market.

Are you sure, the Indian market is quite small as compared the global market and we are making a loss here.

Because the market for diapers in a country like India is very big and the market is continuing to grow at 20%, we should continue in the business.

How can the company breakeven and make it a profitable business in the future?

We can look into possibilities of join ventures with existing players.

No, the existing players are very big and wouldn't want to enter any joint ventures, the fragmented part accounts for only 5% and that is very small. Let's just focus on the organic growth.

We can look into entering markets in tier 2 and tier 3 cities where the penetration for diapers is not very high.

Can you give a structural way of how we can do it?

We can give door to door tutorials to raise awareness about diapers and hygiene and improve our current market.

So our distribution channels have medical shops. They give us highest margins and a quarter of our sales happen through this. Its growing at 5-6% year on year. Our e-commerce segment has the second highest margins and has 18% growth rate(fastest). Then there is supermarkets. If you were to focus your efforts in growing one, which one would you pick.

We should focus on the e-commerce segment as it is growing at 3 times the rate of medical stores.

What do you think are the major risks associated with the e-commerce channel.

1. Developing of inhouse brands by the e-commerce sites.
2. E-commerce segments have heavy discounts part of which is borne by the manufacturer.

If they want to become profitable and wants to increase their profits by 15% what should they do.

We can look at increasing revenues and decreasing costs.

Lets just focus on the cost side. Give me the major costs that would be relevant in this industry.

Raw materials, Logistics, Manufacturing, Outward logistics, Sales and marketing, General Administrative Expenses, Research and development.

What do you think is the most important cost heads here?

Logistics, R&D and sales and marketing. Where do we get the raw materials and how do we transport it.

We import it, and it comes to the Chennai port.

As out manufacturing plant is in Pune, it makes more sense to import it either to Mumbai or set up a new manufacturing plant closer to Chennai. Then we can look into optimising R&D. We have to introduce cost effective diapers in the rural

Diaper Manufacturer

market and have sustainable and recyclable products for the tier 1 market. We should also look into revenue leakages in R&D on non-profitable products. We can do more targeted marketing in tier 1 cities through social media marketing.

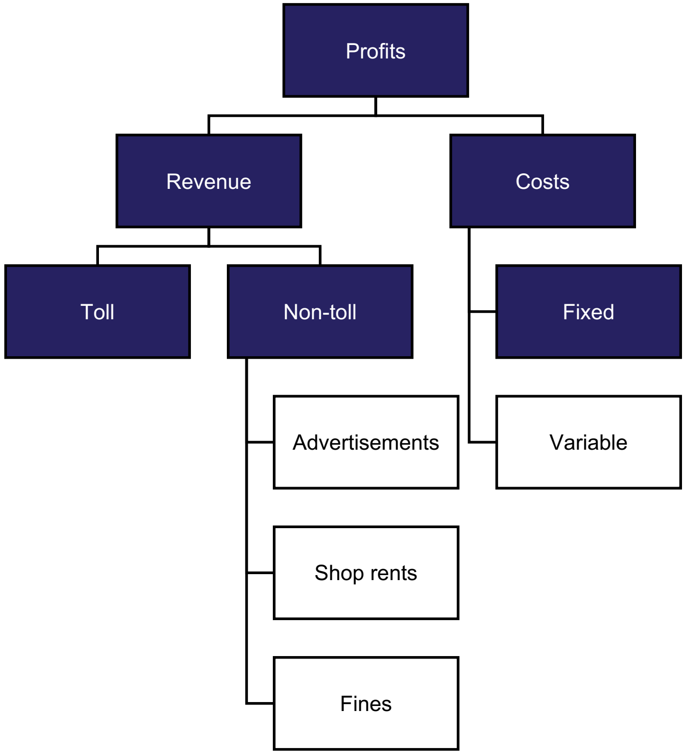
This looks good. We can close the case now.

Privatizing Highway

Your client is the Government of Germany, deliberating on privatizing the highway between city A and B. They want you to suggest if it is a good idea to go ahead with.

Background Information

- **Client–** Government of Germany privatizing the highway
- **Customer–** 2 million commuters from City A to B
- **Competitors–** Other routes from City A to B
- **Product–** Highway from city A to B



Case recommendations

- The case focused on whether it would create a positive NPV by introducing toll on the highway between the two cities. By analyzing the fixed investment cost, and expected cash inflows from highway users, the recommendation was to go ahead with privatizing the highway if the government expects to earn more revenue than the costs.

Case tips

- Case highly depends on the right scoping questions, like the presence of alternative routes and share of commuters is significant in calculating the price. It is also important to consider return trips, and accordingly calculate both the number of commuters, and the price to be changed for a one-way trip.

Privatizing Highway

Can I get clarity on what privatizing the highway exactly mean here?

It means the government is planning to introduce toll on the highway.

Okay. What is the objective of introducing such toll booths?

The NPV should not be negative.

What is the usual traffic on highway?

There are 2 million commuters between city A and B.

Okay, is there any other route between the two cities?

Good question. Yes, there are other routes.

What share of them usually use the highway?

You can assume that 10% of the commuters use the highway. Can you tell me what would be the sources of revenues and costs for the highway?

Sure. The costs can be divided into fixed and variable costs. Fixed will include infrastructure and maintenance cost for setting up Toll booths, shops, restrooms etc., on the highway. The variable costs will include labor, electricity and technology. The Revenue can be divided into Toll and non-toll revenue. Non-toll revenue will include a major portion from advertisements, and shop rents.

Fair enough. Can you now tell me what would be the toll price per one way trip to achieve a payback.

Sure. Do we have any data on the estimated costs incurred for the project?

The Fixed investment amounts to Rs. 8 million. You need not worry about the variable, as that can be covered by the non toll revenue.

Okay. Given there are 2 million commuters between city A and B, and 10% of them use highway, that makes it 0.2 million commuters using the highway. But out of these, there must be some who would take a round trip, so we have any data on that?

Good observation. You can assume 50% go for a two-way trip.

So that makes it 0.6 million commuters for two years. Therefore, a fair price would be 8million/0.3 million, i.e., Rs.13 approximately for a one-way trip.

Fair enough, we can go ahead with that. So, what will be your final suggestion, should the highway be privatized?

As discussed, by charging the price of Rs. 13, the government can recover its costs, and can have a positive NPV thereby achieving its objective. Thus, I will recommend the government to go ahead with privatization if it expects to earn more revenues than the costs.

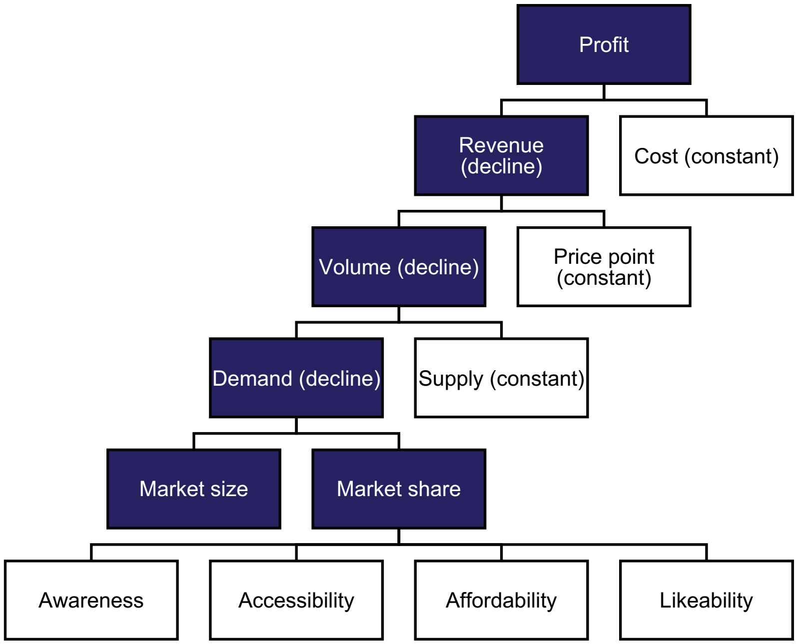
Okay, we can close the case here. Thank you.

Fairness Cream

An FMCG has come to us asking for help in understanding why their profits are declining.

Background Information

- **Company –** Indian FMCG, with operations across the country
- **Competitor – Competit**ors have seen a decline but not as significant as ours
- **Product –** All kinds of products ranging from food products to personal care. Facing a decline in our fairness cream segment
- **Trend for decline –** 2-3 years



Case recommendations

- This case revolves around a decrease in both market size and market share. By analyzing the various factors at play, the Fairness Cream company would be recommended to work better on targeting younger customers as purchase decision-makers, rather than just end-users. In the long term, it would also be recommended to rebrand to a cream which does not directly promote fair skin as a standard of beauty.

Case tips

- A good understanding of how to apply the customer journey framework would help in such a case. The division into market size and market share is key to this case, and so is the division into the various factors affecting them.

Fairness Cream

Okay. Our units have been declining. This could be a result of either a fall in demand or problems on the supply side. Is there any one bucket you would like me to explore?

Yes, the demand for creams has gone down.

Right. Demand is a function of Market Size x Market Share. Can you tell me if we have seen a fall in these?

Yes, both the market size and our market share has reduced.

Okay. So, it seems like the reduction in market size is responsible for industry wide profitability decline while we are facing further decline due to reduction in our market share. Is that a fair deduction?

Yes.

Okay. Would you like me to explore both of these reductions?

Yes, you can start with the market size.

Okay. I think that the market size could have declined because of the following reasons–
1. Govt regulations around skincare products
2. Natural or better substitutes
3. Change in tastes and preferences of consumers
4. Change in consumer demographic

Can you help me understand if any of these factors are at play or is there something I am missing?

No, these sound fair. We have seen that both our demographic has changed, and their tastes and preferences have. In terms of demographic, we have more younger consumers/ millennials now. Can you tell me why they are not demanding fairness creams?

Okay. I can say from personal experience that fairness creams peddle white skin as a standard of beauty and that discrimination on the basis of skin color is slowly being rejected by Indians. Is that what's happening here?

Yes, that's exactly the problem. Now we can look at why our market share is decreasing.

Sure. So, our market share can be a factor of the following–
Firstly, the need for fairness creams. But I am assuming that that has been addressed via the market size. Therefore, I will look at the following–

1. Whether the consumers who purchasing are Aware of our product
2. If they are Aware, whether they can Access it
3. If they can Access it, whether they like what is on offer
4. If they can Afford what they like

Is this a fair way of going about the problem?

Yes, sure. We are seeing that new consumers, especially younger people, are not aware of our product.

Okay. Is there any particular reason so or would you like me to explore?

Yes, we aren't targeting younger consumers as much. Can you think why?

Right. I think it is because we still believe that the purchasing power rests with the parents or senior members of the family and we aren't considering younger members as decision makers. However, younger consumers, as we discussed, seem to be the primary consumers today.
Is that a fair hypothesis?

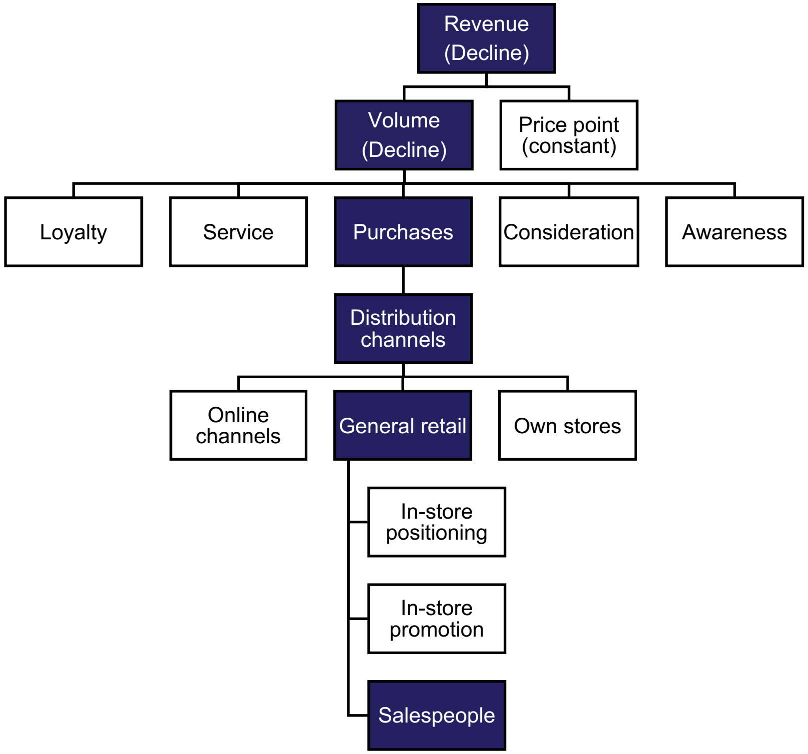
Yes, you have hit the nail on the head. We can close the case here. Thank you.

TV Manufacturer

I was having lunch with the CEO of a TV manufacturer, and he mentioned that their sales have been declining but they don't know why. Can you help him identify a way to reverse this trend?

Background Information

- **Trend for the decline** – 6 months
- **Company details** – Pan-India presence
- **Product** – Mid-range TVs; most advanced being competitively priced
- **Customer** – Middle income customers
- **Competitor** – Only the client has been affected



Case recommendations

- Short Term– Provide incentives to top performing employees, Advertisement Campaign aimed at getting people to general retail stores.
- Long Term– Expand its own retail stores and reduce reliance on general consumer electronic stores.

Case tips

- This is a tricky case. Attempting a MECE Analysis by including loyalty would be tricky for the candidate.

TV Manufacturer

Sure. When you mention sales, I assume you're referring to the revenue of the company. Am I right?

Yes.

Great! I would like to know a bit more about the company and the type of TVs they manufacture. For starters. Where are they based and which market are they witnessing this decline in sales in?

They're based in India and hence facing the same in Indian market.

This decline in sales is recent, or is it part of a wider trend?

It has been observed only in the last six months.

I see. And what about the type of TVs the client manufactures? What are their price ranges and are they sold under the clients own brand name?

The client sells mid-range TVs, not high end and not low end. They sell it under their own brand name. Additionally, our client's offerings are the most advanced while also being priced competitively in the mid-range segment.

And also what is the state of the economy and the wider market? Should I take into consideration the Covid-19 induced economic condition? What is the state of my competitors? Are they experiencing a similar decline?

This is happening in the pre-Covid-19 days. The decline in sales is specific to the client's company. In fact their market share has decreased and that of their clients has increased.

The decline in market share is in terms of value or volume?

Both.

Decline in revenue can be broken down into a function of price and number of units sold. As there has been a decline in market share in terms of volume, Other than that, have there been any changes in price of our client's offerings?

You're right. There's been a decline in the number of units sold. There hasn't been any changes in prices.

I'd like to delve deeper into this decline in units sold by exploring the supply and demand factors. I would first like to begin by the demand side and analysing if there are changes in the buying behaviour of customers. Beginning from customer awareness, was there any change in the marketing and advertising of the client 6 months ago? Conversely, did any of our client's competitors launch a new campaign or marketing strategy at that time?

No, there haven't been any changes in the clients marketing and advertising changes, nor has there been any shift in the marketing strategies of the competition.

Moving on to customer consideration, since you mentioned that our client's TV provide the most advanced technology while being competitively priced, would it be fair to assume that our client's products offer the best value for money in the market and there is no reason for our customer's to prefer out competitor's products over ours?

That's a fair assumption to make.

Then I would like to move onto the customer purchase decision. Here I would first try to consider the accessibility of the product to the customer. Which distribution channels does the client use?

The client sees most of its sales happening through retail channels. It has its own stores and also sells its products via general consumer electronic stores. It has an online channel as well, but for now you can consider its contribution to be negligible. Currently, the decline in sales is limited only to sales through the general consumer electronic stores.

In the general consumer electronic stores, some factors I see influencing the consumer decision making process. First is the in-store promotions, the physical positioning of products within the store, and lastly the guidance provided by salespeople for customers.

So it seems that our competitors have begun offering incentives to the in-store salespeople for every unit of their product sold. Now I would like to quickly offer some ways in which the client can tackle this. Our client has smaller margins and hence can offer incentives to salespeople at the same level as our competitors.

There are a couple of ways our client could approach this. In the short term, while they can't offer incentives on every unit like their competitors, perhaps they could reward the top performing salespeople in a particular district or region. Additionally, they could create an advertising campaign specifically aimed at getting consumers to view our products within these general electronic stores. In the long term, the client can expand its own retail stores and reduce reliance on general consumer electronic stores.

I think that covers it. Thank you.

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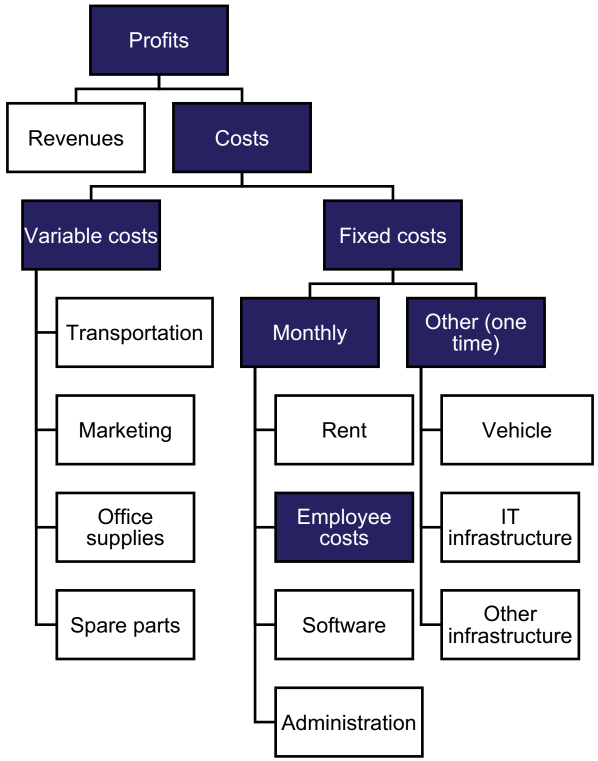
CCTV Installation & Maintenance

Your client is a CCTV installation and maintenance service provider and their profits are not comparable with their competitors. Diagnose the problem and suggest ways to turnaround the situation.

Background Information

- **Company** – Located in Mumbai, Do not manufacture CCTVs
- **Product** – Service. Involved in installation & maintenance of CCTVs
- **Customer** – Office complexes and commercial buildings
- **Competitors** – Client specific issue



Organizational Level	Client	Market Leader
High Level	5	30
Middle Level	30	120
Lower Level	100	800
Total	**135**	**950**

Case recommendations

- Forecast the future demand and look into alternative areas of expansion that could make the middle level managers instrumental in the near future.
- If such expansion is not foreseen, then the company might need to take a tough decision to lay them off.

Case tips

- This case was related to understanding that comparisons are made relatively and not on absolute numbers when working with companies of different sized.
- Its important not to suggest laying off managers without providing an alternative route.

CCTV Installation & Maintenance

For how long has this been an issue?

Since the inception of operations.

Could you tell me a little about the company and which part of the value chain do they lie in?

The client has one office situated in Mumbai. It is involved only in the installation and the maintenance of the CCTV set up but do not manufacture the cameras.

Who constitutes our customer base?

We majorly cater to office complexes and other commercial buildings which have continuous demand for our service.

Alright! So, in order diagnose the issue, I would like break profits into revenues and costs. Do we know if our revenues are not comparable with the competitors or our costs?

We can start with looking at costs.

So, we can segment costs into fixed costs and variable costs. The monthly fixed costs would entail a) Rent b) Employee costs (consisting of full time and on demand employees) c) Software costs if any d) any other administration costs. Other fixed costs a) IT Infrastructure b) Vehicle c) Other Infrastructure

The variable costs would include a) Transportation (like fuel, repair etc.) b) Marketing c) Office Supplies d) Spare parts
Do we have any information about which cost head is not comparable?

Okay! Could you look deeper into full time employee costs.

The employee costs would depend on number of employees and the average amount paid per employee. Are both the components comparable to our peers

There is an inherent assumption and flaw in your analysis could you figure that out?

Alright! So since different competitors would have different scales of operations comparing based on absolute numbers will not be right.

Exactly! So how do you want to proceed?

Okay! So, based on per client basis are we employing more employee-hours than the competitors?

On per client basis, we are efficient in the installation and maintenance part and there we do not employ more employee hours.

I would now like to look into the organizational structure. So dividing based low middle and high-level employees, do we know how many employees do we have on each level and how much do we pay them?

What is your hypothesis behind asking this question?

I would like to understand the employee mix and compare it to a competitor to see if there are any anomalies in our employee hierarchy structure.

Alright! So, we have 100 employees in the lower level, 30 in the middle level and 5 in the top management. The market leader has 800 employees in the lower level, 120 in the middle level and 30 in the top management. The amount we pay them is comparable to the industry standards.

The Market leader has a lot more employees that is indicative of a higher scale of operations. The interesting thing to note here is that the ratio between the middle to lower-level employees in the case of our client is 3–10 and the same for the market leader is 3– 20. Clearly, we seem to be overstaffed in the middle level.

Bingo! What would you suggest the client?

We have 2 options either retain the number of employees or reduce the number of employees. First, we should forecast the future demand and look into alternative areas of expansion that could make the middle level managers instrumental in the near future because of the improvement in the scale of operations. If such expansion is not foreseen, then the company might need to take a tough decision to lay them off.

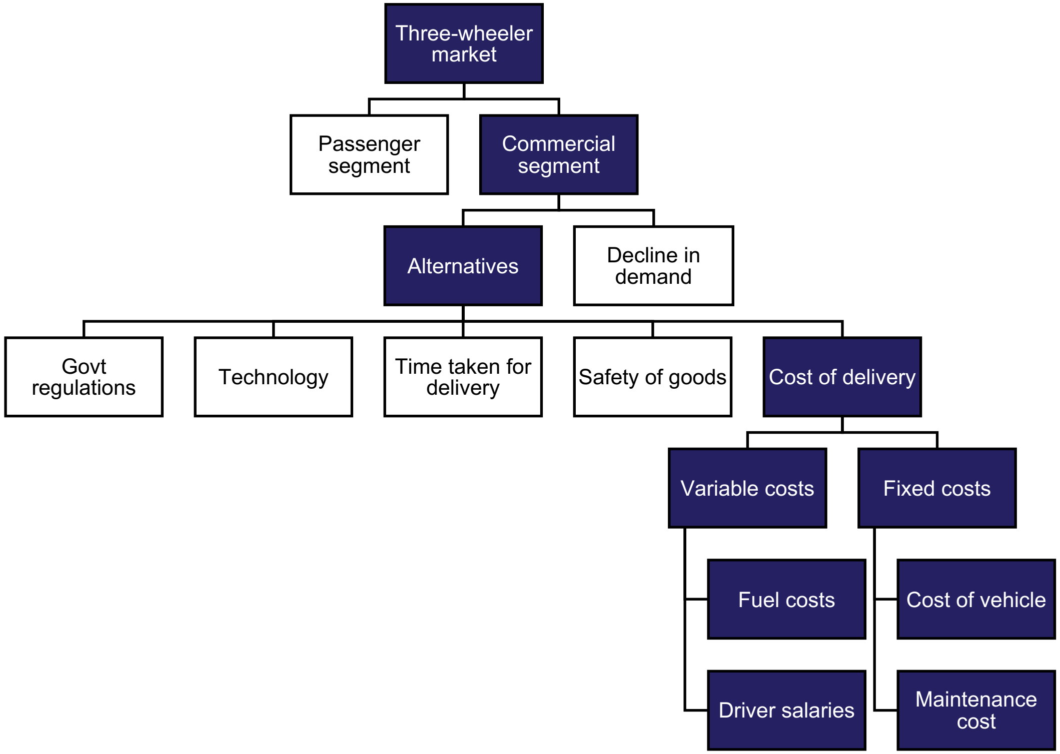
Good! Thank you for your time.

Diesel Engine Manufacturing Company

Your client is an Indian Diesel engine manufacturing company who only caters to the three-wheeler market. They are seeing softening in their topline growth. Figure out the reasons for the same.

Background Information

- **Client** – Indian Diesel engine manufacturing company
- **Customer** – Caters to three-wheeler market
- **Product** – Diesel engine, no major variants



Case recommendations

- Removing excess drivers to decrease the salary costs.
- Restructuring the organization would prove to be useful while targeting growth.

Case tips

- The case is structured around topline growth so it is relatively unconventional from the regular profitability cases, it is important for candidates to study these types of cases as well to crack interviews.

Diesel Engine Manufacturing Company

I believe that the three wheelers are primarily used for passenger transportation and goods transportation. Does the client cater to both the segments?

Yes. It caters to both the segments and the commercial segment is a larger chunk of the two.

Have both the segments seen a softening in the topline growth or is it concentrated to one segment?

It is concentrated to commercial segment. It was a high growth segment in the past years, but the growth is now seeing a decline.

To understand the situation better, within the commercial segment, is there a specific region/industry the three wheelers cater to?

You can assume the vehicles are used primarily to transport FMCG consumer goods from Distributor to Retailers.

Great. I believe there could be two reasons of the decline in growth. One is that the overall consumer goods segment is seeing a decline, which seems slightly hard to believe given the Indian landscape. The second reason could be that there are some better alternatives introduced in the market to transport those goods?

Great. You've hit the right spot. Mini Trucks like Tata Ace are replacing the three wheelers which is translating to softening of topline growth. Can you think of the factors through which you'll evaluate the two alternatives?

Sure. I believe there could four factors based on which I would evaluate the options. First is the cost of delivering the goods. Second is safety of the goods while transportation. Third is the time taken per trip. And the fourth is the better technology including refrigeration that might be available in mini trucks.

Okay. This primarily covers the factors, but can you also think of a reason which is broader and macro in nature.

Could it be due to imposition of the government regulations?

Yes, perfect. Okay, so let's explore one of the options you mentioned earlier about the cost of delivering goods. How would you compare the cost between the two alternatives?

Sure. We can do a split between no. of trips and cost per trip?

What factors would you consider under cost per trip?

We can further split it into Variable Costs and fixed costs. Under variable costs we would consider fuel costs and driver salaries. Under the fixed cost, we would consider price of the vehicle and maintenance charges.

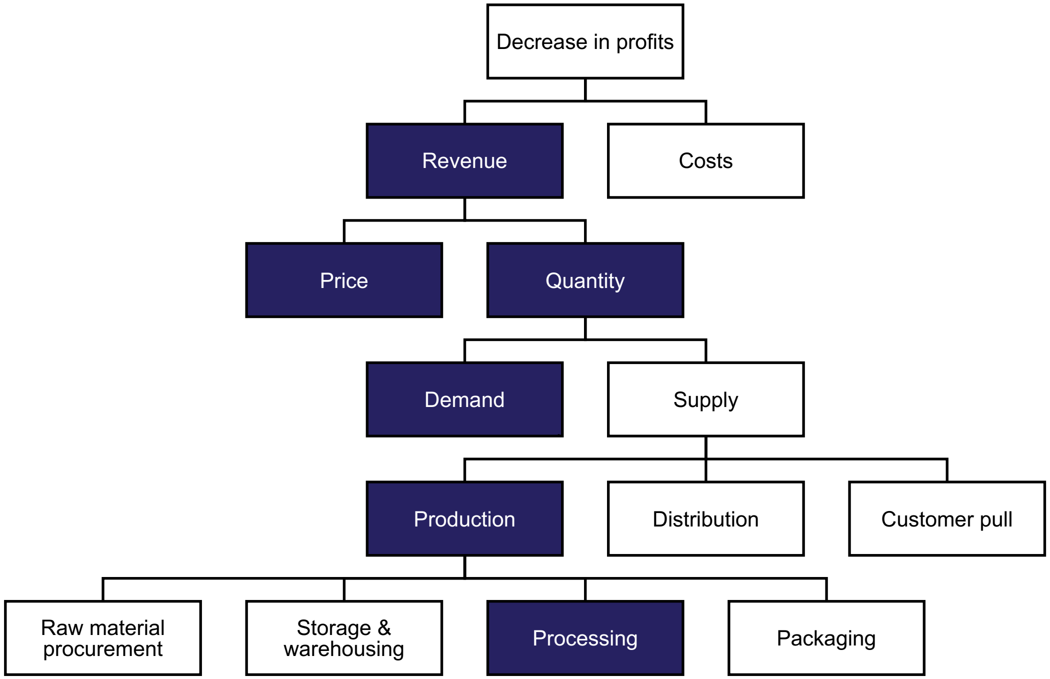
Great. We can close the case now.

Pharmaceutical Company

Your client is one of the pharmaceutical companies, which is witnessing a decline in profits. Find out why?

Background Information

- **Company** – Pharmaceutical company
- **% Profit Decline** – 30%
- **Value Chain** – Manufactures and sell to retailers
- **Consumer** – Retail – Individuals and small businesses, institutional customers
- **Location/Geography** – Plant in Madhya Pradesh, sells Pan India
- **Product** – Pills for lung diseases
- **Timeline** – Recent decline in last 7-8 months



Case recommendations

- Look at the case from both Supply and Demand side and dig deeper into both.

Case tips

- The key point here was breaking the factors affecting processing into a formula. That formula would help in analyzing cases pertaining to manufacturing.

Pharmaceutical Company

Since the revenues have fallen, has the volume decreased or the price?

The price has remained uniform; the volume of sales has decreased.

I would like to look at the issue from both demand and supply side. In supply side, have we been able to produce enough for the demand, or has there been any trouble in our supply chain?

There has been no change in the demand.

Ok. So, from a supply perspective, I want to know if there has there been a fall in production levels? Are we able to produce as per the demand?

Yes, the production has fallen and we are not able to cater to the demand.

I'll look at the supply chain to analyze the reason of fall in production. Based on my understanding, the raw material is procured, which is stored then processed, packaged and eventually distributed. Can you confirm if these are the right steps of the supply chain process, before I go ahead with delving deeper into each stage?

Yes, please go ahead.

Has there been a change in the raw material procurement process, with respect to the vendors involved, the quantity procured and the quality and cost of raw material and time taken for delivery?

No, there hasn't been any change in the raw material procurement process.

Okay. Has any change occurred in storage and warehousing facilities?

No.

To analyze any changes in the processing, I would like to write production as a function of following –

Capacity * Utilization rate * Efficacy (yield)

That is correct. Among these factors, the yield has fallen.

So, yield would be driven by the interplay between labor and machinery. I would be looking at both these factors to find the reason for fall in yield.

Sure, go ahead.

Does the plant employ in-house labor or outsources them? Also, has there been a decline in the labor employed lately?

Our labor is in-house. Further, there have been no changes in labor employed.

Has there been a change in wages?

No, it has been the same.

So I believe there has been no changes in labor and I would look at the machines now. Has there been a change in the number of machines recently?

No, the number of machines have been constant.

Has there been any upgrade or decline in term of technology used in machines?

Yes, the technology has been upgraded. Our machines have been digitalized with new technology.

Since the labor has remained the same, is it right to infer that the existing labor does not have the skill to operate the new technology, due to which the yield has fallen.

Yes, you are right. Can you give some suggestions for this?

In the short run, the client can look at outsourcing labor which is skilled to operate the machines. At the same time, the client can conduct skill training workshops for the existing labor so they can operate these machines in the long run.

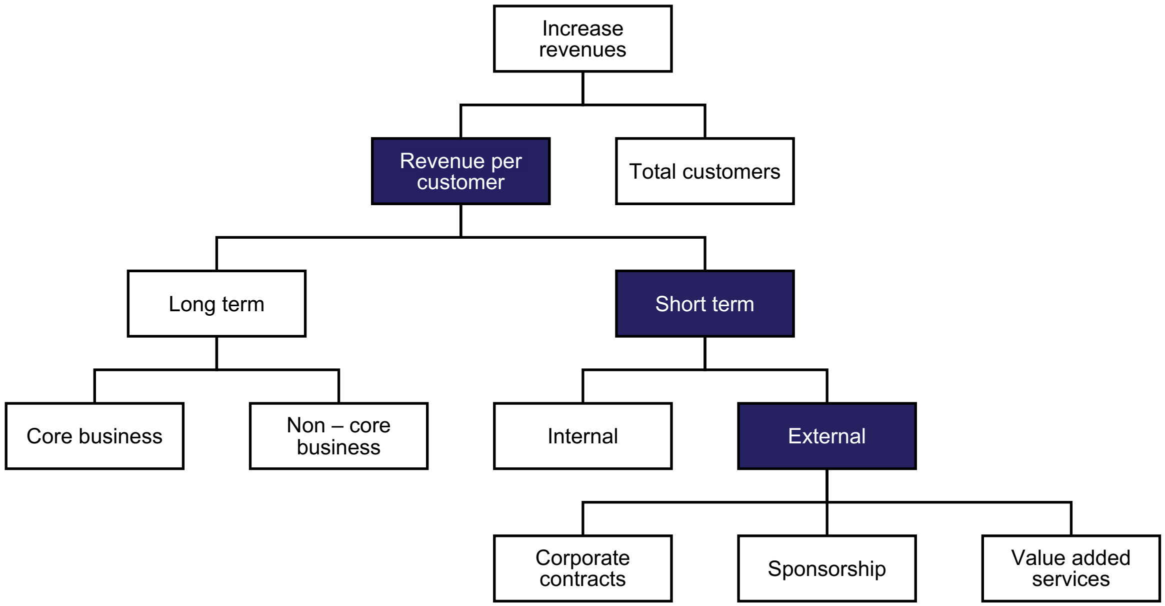
Yeah, sounds good. We can close the case here.

Visa Company

Your client is a founder and CEO of a visa facilitation company. Centre governments around the world require details for travel, currently facing a decline as international travel is down because of COVID-19. You have been hired to give suitable suggestion to turn around the situation.

Background Information

- **Company** – The company gathers biometrics and other information and put it in a dossier verified and send it to the embassy. It has 50-60 such companies around the world.
- **Customer** – Retail – Individual and corporates.
- **Product** – Visa services
- **Competitors** – Other Visa Companies, faring worse than the client here.
- **Timeline** – Since onset of COVID-19
- **Location** – Headquaters in Middle East and otherwise offices are all around the world.



Case recommendations

- Think of alternative revenue streams and tie ups that can be created.

Case tips

- The case focuses on stating the recommendations rather than finding the root cause of the problem.
- Mapping the customer journey and finding improvement areas at each stage is a good way to show the structured thinking in such a case.
- Further the candidate has used various metrics like long term – short term, internal-external to have a MECE approach, which helps in delivering the case recommendation comprehensively.

Visa Company

Could you elaborate on the business model of our client?

The client has offices setup in the source country so applicants who have to travel to a particular country can schedule their appointments online. After the appointments are given, candidates visit the centre in the home country. Client then collects information and sends it out to the destination country. Once they receive the visa they send it to the applicant.

Sure, and I would want to understand what are the sources of revenue for client you like how exactly do they charge the client?

The charges are different for each customer depending upon the country to which they are travelling. There are several routes over the world and the charges differ depending on the route.

So currently for our client the Total revenue = Revenue per customer * Number of customers. Since number of customers cannot be increased due to Covid, we can focus on revenue per customer to help our client meet the break even in the short term. Is that a correct assumption?

Yes. Go ahead.

I would like to look at the entire value chain for a client and the ways to increase revenue at each step. Will that be a fair strategy?

Yes.

We can have two solutions - internally and externally implemented at this stage for the short term. For internal, we can look to acquire customers from more profitable route. For external, we can look at value added services, corporate contracts and sponsorship. Do you want me to focus on anything particular here?

Client can't change their internal model. Users and governments directly pay and we get a service fee which has a cap. It cannot be changed. And we were servicing all possible routes right now. You can look into the external factors.

For corporate contracts, the client can cover all visas for a given company and provide end-to-end service for which they'll get an extra fee from the company. Sponsorship in terms of advertising the sponsor in their brochures, offices and documents. Does this sound feasible?

Looks okay. But what can you do in the value-added services?

For that, we can provide assistance with foreign exchange, travel/ lodging/ boarding assistance, and tour packages for our current clients. This way, we will be a one stop solution for them. In these options, is it safe to assume that there won't be a cap on the fees levied from services?

Yes this seems good. Now what can we do for the long term?

For the long term, they can improve the core business or focus on non-core businesses. Under core business they can do 3 things– Get more customers, increase revenue per customer and look for new routes.
On the non-core side, they can look into new investments since they are in a good financial position. Is there anything I am missing, should focus on?

Look at the investment opportunities. Considering there is a pandemic happening, where should they invest? What changes would happen?

Owing to covid majority of the work has shifted online. Hence, the appointments which they conduct in person could be online too and the client can look into investing in that domain.

Correct. But what would be required to go online completely? What should they invest in?

They would need a good infrastructure for setup and processing. For the setup, they will need strong servers, networks and maybe IaaS. For processing they can invest into machine learning and AI algorithms. During the appointments they would have to process information and biometrics. So text recognition, image recognition and processing software could be acquired. They will have to ensure a robust cyber secure system

Yes, that's correct. We can end the case here.

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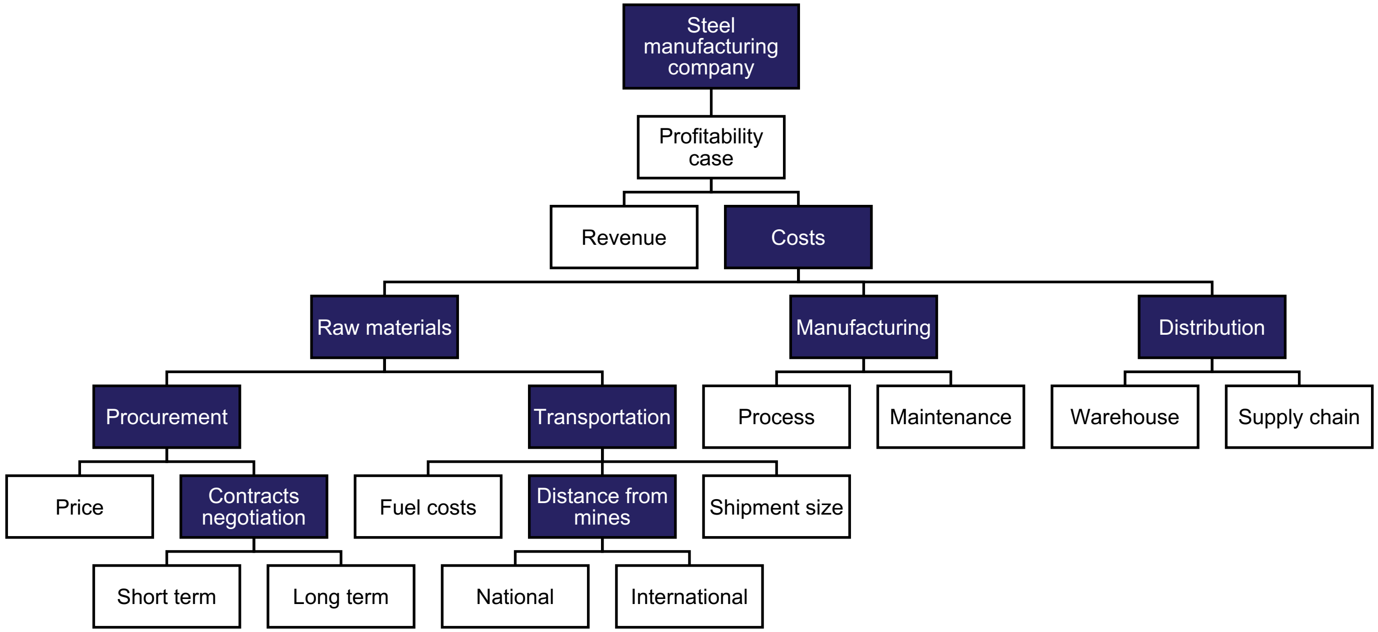
Bankrupt Steel Manufacturing Company

Your candidate has acquired a steel manufacturing company which went bankrupt. It needs your help to turn it around.

Background Information

- No background information given by the interviewer.



Case recommendations

- Search for alternative in India or nearby countries.
- Try to optimize shipping costs by managing order quantities.

Case tips

- This was a tricky case, try looking at the case from various perspectives and angles.

Bankrupt Steel Manufacturing Company

Your client has acquired a steel manufacturing company which went bankrupt. It needs your help to turn it around.

Thank you for the question. Before I attempt to understand the problem, I would like some preliminary information on why the company wanted to acquire this asset and what industry they are in.

Lets work without those facts for now and focus on the company that has been acquired.

Sure. Before structuring the case, I would like to know what would be a successful yardstick for a turn around.

We are looking to improve EBITDA.

Alright, could you please tell me where the company is located, who it supplies to and the products it produces.

1 plant located in eastern India, supplying steel rods Pan India.

Given that they supply pan India, can I know the customer segments that our client caters to.

Sure, why don't you tell us what the likely customers would be?

Construction companies, contractors, standalone builders, public sector.

Those are correct, but we our split is simple, we just focus on the public sector.

That's interesting. Do we have any information as to why the company has ignored the private sector?

We value the security that comes with government projects.

I would like to structure the case here and analyze the revenues and costs to see where the issue might be arising from.

We do know that it is a cost problem.

Alright, so I would like to see where in the value chain we may be facing a bottle neck.

I just want your top 3 costs that you can identify.

Raw Material, Manufacturing and Distribution are the cost heads I would look at.

Alright, within this, which one would you start with?

I would look at Raw Materials, since iron and its procurement is quite expensive.

Exactly! That is 70% of the cost.

So, within Raw Materials, I'd like to look at 2 aspects. The procurement of iron itself and whether prices have risen, or if the contracts we have negotiated are more expensive due to short term nature. Then I would like to look at the transportation costs and distance from iron mines.

Our contracts have remained the same and so has the price of iron. But we had begun brining in iron from Australia. And the costs had significantly increased. Now that you have reached the root of the problem, what are your suggestions?

I would consider looking at the proximity and if there are nearby alternatives, be it in India, or iron rich countries nearby. If we are unable to change this, perhaps we can optimize each shipment, to make full use of each trip.

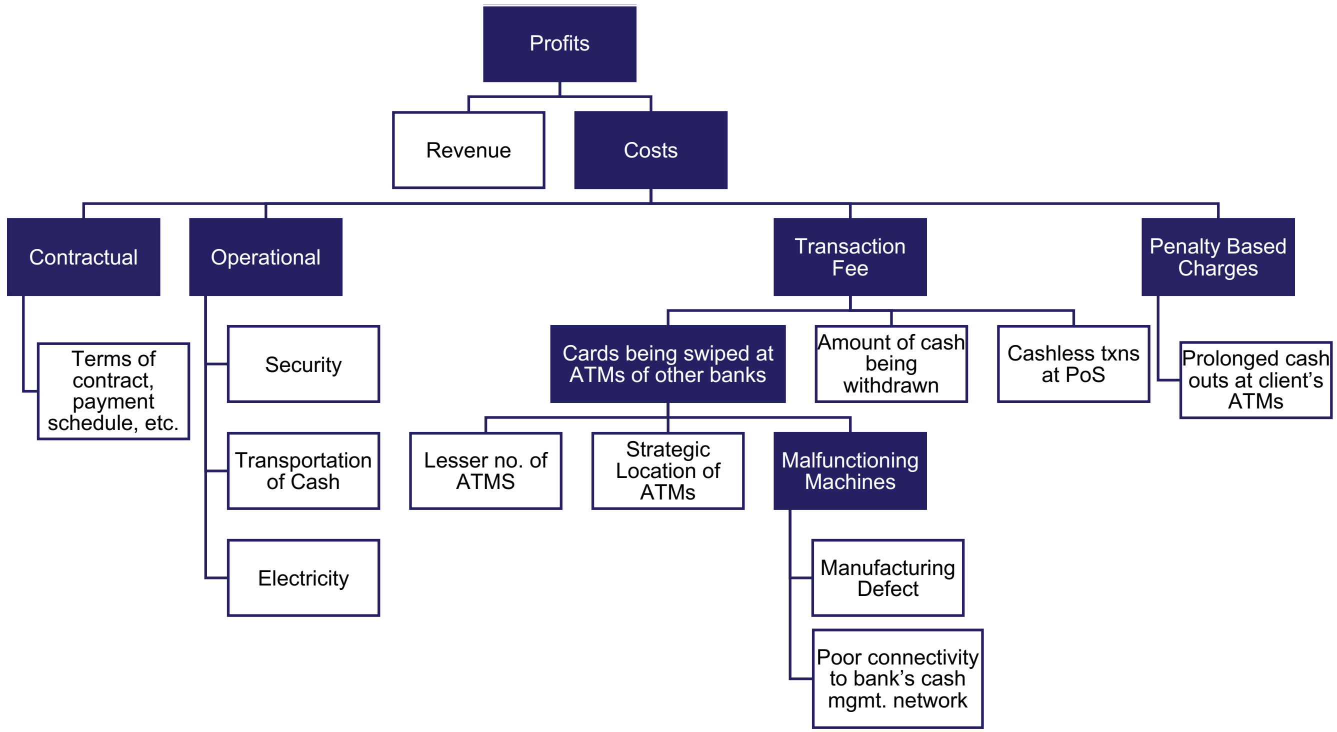
Thank you, we can close the case here.

ATM Business

Your client is a bank which is facing losses in the ATM business. Find out the reasons.

Background Information

- **Client** – Retail bank with loss making ATM business
- **Costumer** – Regular customers using ATMs for cash withdrawal
- **Competitor** –Problem is specific to the client
- **Product** – Regular Cash withdrawal only



Case recommendations

- Typical BLA of a bank business is making losses due to a cost side issue.
- Bank is paying a high transaction fee to other banks as customers are performing cross bank withdrawals.
- Probable reasons– Lesser ATMs, strategic location of ATMs, malfunctioning machines.
- Machines are defunct, this has led to irregular and improper cash dispensing and thus customers seem to be switching to ATMs of other banks.

Case tips

- Ask for some additional time to synthesize the information if you are stuck.
- Try scooping, eases the case for you.

ATM Business

Could you please share some information about the operations of the ATM business – pan India or otherwise and if the issue is concentrated on some particular region/ ATM.

The operations are pan India and the losses are being incurred cumulatively from all regions.

Is the client facing this issue for quite some time or is it a recent phenomenon, perhaps due to the pandemic and people avoiding ATM use?

The client has been facing this problem over the last few years. You may consider a general scenario.

Could you also shed some light about the model. Since we are dealing with a bank that is making losses, I think it is going to be a Brown Label ATM with the banks doing the cash management and the technology part being outsourced.

Yes. The machines are manufactured by a technology company and the ATMs are sponsored and branded by the client.

Sure. I'd like to know if all banks that are following this model facing the issue or is it specific to the client.

No. It is specific to our client.

Alright. In such ATMs a multitude of services are usually available – from cash dispensing, deposit, bill payments etc. Do we have a particular focus here?

Lets stick to the money dispensing operation only.

Sure. I'd like to explore the problem through the revenue and cost approach. Should I focus on any of these two first?

Yes. Let's look at the costs front as the revenues are similar across the industry.

Typically, costs at these ATMs might be classified into Contractual costs (with the provider– contract terms, payment schedule etc.), operational (electricity, transport, security), certain fee-based charges and penalty-based charges for prolonged cash outs.

Okay. How do you interpret the fee-based charges?

It could be related to the amount of transactions, perhaps the bank's cards are being used at ATMs of other banks or customers getting benefits of directly swiping the cards at PoS machines rather than cash.

Alright. So, the matter is that the bank's cardholders don't seem to be withdrawing money from our ATMs but swipe the card at an ATM of another bank. This results in the client having to pay a transaction fee to the other bank thus affecting the bottom line. Why don't you explore the possible reasons for this.

Sure. First, this could be due to the no– of ATMs may be insufficient, meaning customers are using our cards but at ATMs of other banks. Second, even if the no– of ATMs are sufficient, they may not be strategically located. So, customers are unable to find an ATM in their vicinity. Third, could be a history of cash outs / improper cash dispensing because of which customers are not too keen on using the client's ATMs.

Okay but the location factor is not a problem. It appears that the problem could be because of some issues with the machines. Can you elaborate on those lines.

It could be due to a history of having defunct machines, or a connectivity to the bank's network that has led to cash not being dispensed at our ATMs. It may also be due to the fact that the machines operate by sucking in the card and fail to return thereby causing hassle to the customers and them going to other ATMs.

Alright. The issue is indeed due to the malfunctioning machines. Please summarize the case now.

Our client seems to be facing an issue where the ATM business is incurring losses. The main reason behind this is the transaction fee that the bank has to pay to other banks when customers use ATMs operated by others. Given the location of the ATMs not being an issue , it may be concluded that the malfunctioning machines have been a reason for customers switching to other ATMs.

Alright then. We may close the case now. Thank you.

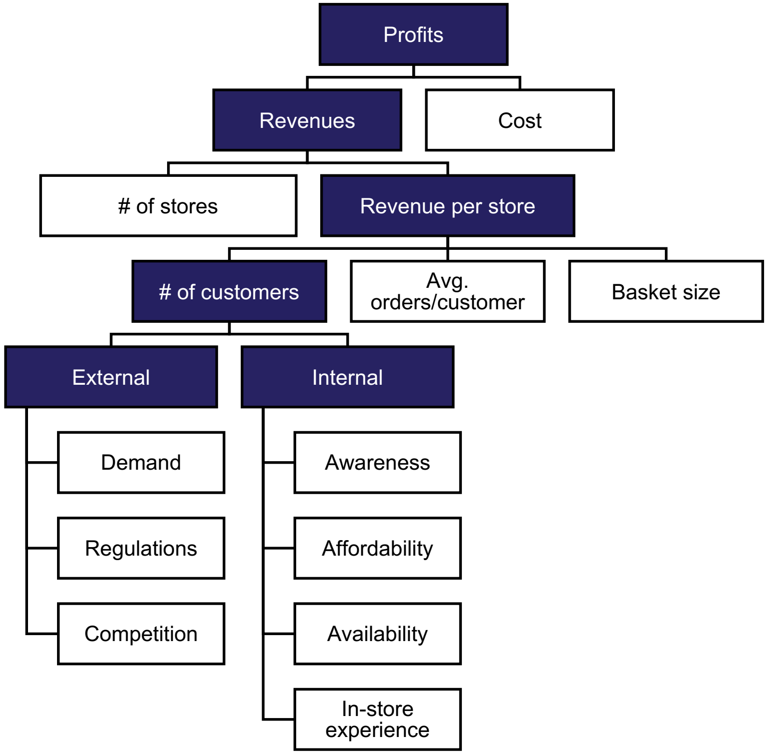
Sure. Thank you so much.

Retail Chain

Our client is a retail chain with 36 convenience stores. Since the CEO of the chain changed in 2018, the client went on an expansion spree and opened 72 additional stores, but the client is seeing plateauing sales and reduced profitability. Identify the reason.

Background Information

- **Company–** Retail chain with 108 outlets
- **Competitors–** We are the only chain which operates 24x7 (USP)
- **Product**– Most of the products are high-demand goods, available in all pack sizes
- **Customers–** The product assortment is mostly targeted towards youth
- **Geography–** stores are prominently located in the most populated areas and are spread out evenly across Delhi-NCR



Case recommendations

- For an immediate action, the client can evaluate if they can source the products from other factories and markets, where this problem is not occurring. They could also evaluate if there are time intervals where the construction does not happen, and they can choose to manufacture only then. In medium to long term.

Case tips

- Focus on the fact that differentiates our client from the competitors.
- Ask for some additional time to synthesize the information if you are stuck.
- Scoping played a very crucial role in this case.

Retail Chain

I'd like to start by understanding a little more about our client. Firstly, could you tell me a bit more about the location of the stores?

Our stores are prominently located in the most populated areas and are spread out evenly across Delhi-NCR.

Next, I would like to understand the any particular product category or customer segment we cater to?

Most of the products are high demand goods, available in all pack sizes. The product assortment is mostly targeted towards youth; however, we cater to the older age segment as well.

Alright. Do we also have any information about the performance of our competitors? This will help us understand whether the plateau in sales is happening industry wide or is isolated to our client.

All the other retail chains have seen a steady ~10-12% growth in revenues for the past few years. However, our client has only seen a ~2-3% growth despite opening the new stores.

Is there any major factor which differentiates our client from the competitors?

While there's no major difference in terms of the product portfolio or the location of the stores, we are the only chain which operates 24x7.

Hmm, that's interesting. I'll just take a moment to process this information before deep diving into the case.

Alright. So, as I understand it, we have two major causes of concern. One, that our profitability is reducing, and two that our sales have plateaued despite opening new stores.

The latter seems to be a precursor to the former, considering our costs (capital investment, utilities and other operating expenses) would've gone up too. Therefore, I'd like to start by addressing the sales issue first.

That's right, let's focus on the issue of stagnant sales only.

Sure. We can break down as (Sales per store)*(# of stores). We know that the # of stores have increased. Therefore, the sales per store would've reduced to keep the overall revenue constant. Do we know if the growth in sales for any specific stores of the 108 have reduced?

No, the issue persists for all of our convenience stores.

Alright. I'd like to further break down the sales per store as (# of customers)*(avg. # of orders per customer)*(avg. basket size per order). Do we have any information regarding the change in any of these metrics in the past year?

All of the three factors you mentioned have stayed the same.

Interesting. While I can imagine the avg. # of orders and the basket size to stay the same with the opening of new stores, I would've expected the # of customers to have gone up. I'd like to further explore into this.

Yes, that was the rationale behind opening new stores. Sure, go ahead!

I'd like to look at both the internal and external factors behind the stagnant customer base. In internal, I'd look at factors like awareness of our new stores, availability of desired products, and the in-store experience (quality standards, ambience etc.) and location of the new stores. Within external, I'd like to see the impact of change in demand, regulatory barriers and competition on our performance.

So, we've done our internal assessment, and the reasons you listed don't seem to be the issue. Why don't you focus on the external reasons for now?

Great. Do we know of any regulation changes lately, which might've caused hinderance in our operations, for example on opening stores at night etc.?

No, there hasn't been any change in the government regulations.

Alright. Correct me if I'm wrong, but I'd like to rule out the possibility of any competitive moves which might have hampered our performance, since their growth has stayed the same. This also brings me to the third aspect, which is demand. Since the competitors aren't eating up our share of the market, there might be limited demand in the market, possible say in the youth segment, which forms our major revenue source.

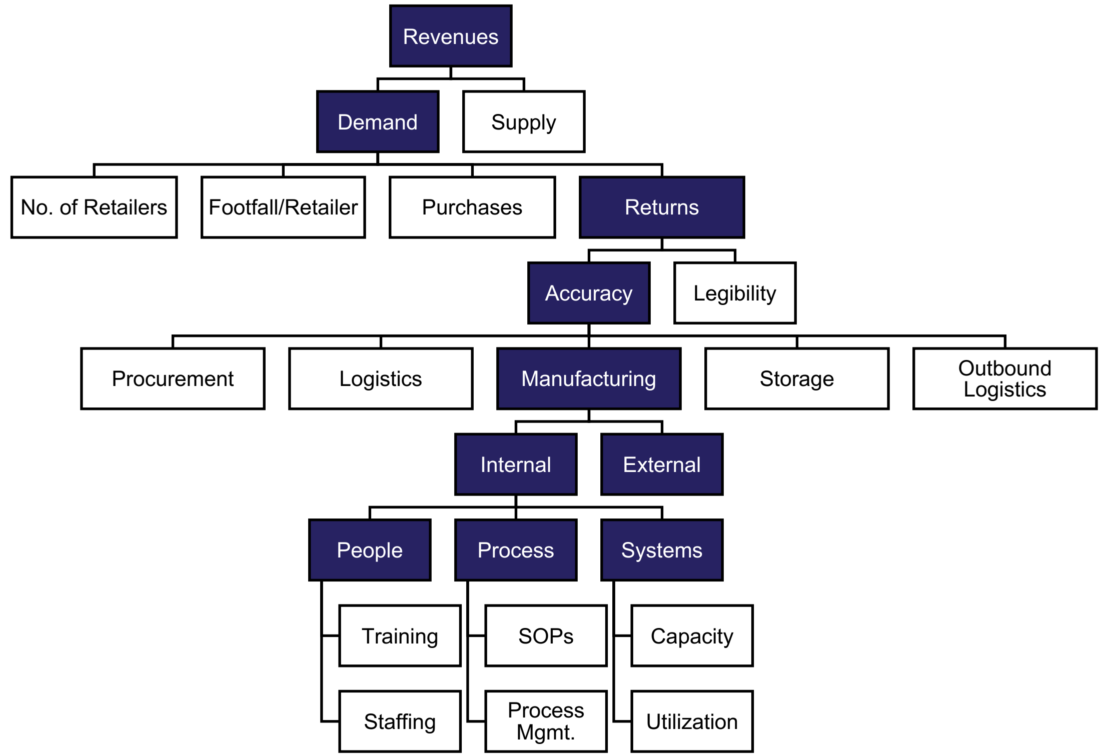
Yes, there hasn't been any change in competitors' strategies which would provide them an edge. As you mentioned, our major source of revenue is youth. More importantly, it's the youth that visits during the night time. ~80% of our revenue comes from visits between 1 a.m. to 6 a.m. However, this late-night market has been stagnant and had already been captured by us with the 36 stores we had. Therefore, opening the new stores didn't bring us a lot of new customers during the night, thereby plateauing our revenues. Thank you, we can close the case here.

Vernier Calliper Manufacturer

Your client is a vernier calliper manufacturing company and they have seen a decline in revenue for the past 3 months. You are required to analyze the reason and further suggest measures to rectify the situation.

Background Information

- **Company** – Makes only vernier calipers. Facing a decline in sales in West India.
- **Competitor** – No major change in landscape, Company-specific issue
- **Consumer** – Science labs (90%) and research schools (10%). The company owns only manufacturing, 3rd party retailers and distributors .
- **Product** – Only one product – vernier calipers. Used to measure accurately the length of objects, up to a precision of 0.01cm (for this model). (The candidate had an idea of what a vernier calliper is, so here one is advised to get more information if not clear)



Case recommendations

- For an immediate action, the client can evaluate if they can source the products from other factories and markets, where this problem is not occurring. They could also evaluate if there are time intervals where the construction does not happen, and they can choose to manufacture only then. In medium to long term, the client can start communication with the building owner where construction is happening and work out a solution. They could also explore manufacturing machines which are immune to such disturbances in physical environment.

Case tips

- This was a very tricky case. Identifying "product returns" as a cause for reduced sales was important. Reaching the final cause was difficult but being structured and calm helps.

Vernier Calliper Manufacturer

Your client is a vernier calliper manufacturing company and they have seen a decline in revenue for the past 3 months. You are required to analyse the reason and further suggest measures to rectify the situation.

Has there been a change in price, or has the volume reduced.

The volume has reduced.

I would like to consider the issue from demand and supply side. In supply side, have we been able to produce enough for the demand, or has there been any trouble in our supply chain?

Our supply side has not changed in the past 3 months. We can assume no problems exist there.

I would like to consider the sales as follows–
Number of retailers * average footfall in each store * fraction of customers enquiring about our product * fraction of customers buying our product

All these parameters have remained the same.

Have the returns of our product increased in recent times?

Yes, the returns have increased. Could you figure out why is it the case?

It seems the product is not performing as customer expects. This could be a quality issue. Vernier calipers are supposed to measure accurately. They have a caliper, a sliding mechanism and a reading scale to see the final value.

Correct. What could be wrong with the reading scale?

There are two functionalities – it supposed to be legible and it is supposed to be accurate. In case the ink fades with time, the user would not be able to read it. In case the measurements on reading line are not accurate, they defeat the purpose of Vernier caliper.

That is right. The scale is giving inaccurate readings. Could you figure out why that might be the case.

I would like to consider the value chain and understand where the error creeping in. I would consider sourcing of raw material, inbound logistics, manufacturing, out bound logistics, warehousing and finally the retailer. Should I consider any other partner in the value chain?

That's a complete picture. You can focus on manufacturing. There has been no change in our machine or raw material.

Would it be safe to assume that there is a single factory that produces for western India and only that factory has the problem?

Yes. Only one factory has that problem.

I would consider the following parameters for the factory. The people and staff – their training and expertise for job. The process – how the material flows, and other standard operating procedures in the factory. Lastly, the machines – their accuracy and efficiency for production.

None of those have changed in the past 3 months.

It seems the tasks and processes internal to the company have remained the same. I would like to consider the external conditions, how has the environment changed.

That is where the problem is. Our factory is located in a building where some construction work is going on. Due to this, there are vibrations which disturb the machine that marks the ink on the reading scale irregular. Due to this our product gives inaccurate reading. Could you give some suggestions to the client?

For an immediate action, the client can evaluate if they can source the products from other factories and markets, where this problem is not occurring. They could also evaluate if there are time intervals where the construction does not happen, and they can choose to manufacture only then. In medium to long term, the client can start communication with the building owner where construction is happening and work out a solution. They could also explore manufacturing machines which are immune to such disturbances in physical environment.

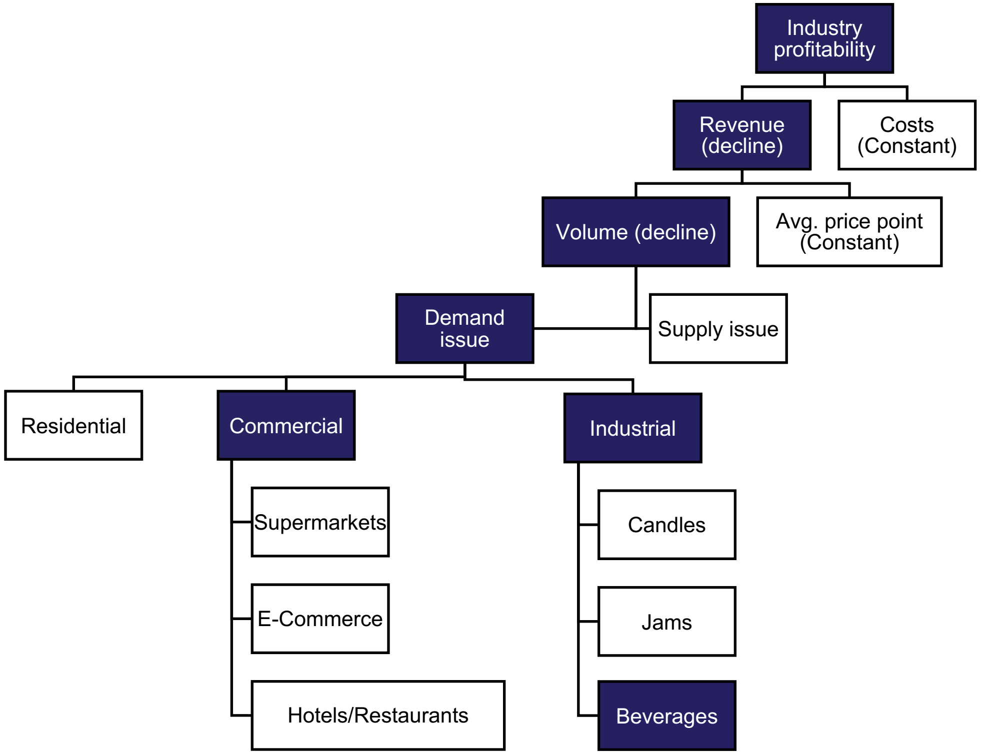
This looks good. We can close the case now.

Apple Orchard

A farmer who owns apple orchards is facing a downfall in profits. Kindly analyze and provide your recommendations for the same.

Background Information

- **Trend**– Since 2 years, the decline has been persisting
- **Geography**– North India - grown in Kashmir due to the cold weather
- **Products**– Only apples
- **Industry**– All players affected and in de-growth for the past 1 year



Case recommendations

- Short term– Go towards new channels. Focus more on the residential/commercial side of business.
- Long term– Diversify into other products if climate and expertise allow.

Case tips

- In this case, arriving at very different uses of apples was crucial. Hence, the interviewee should preferably have the required knowledge of the main industries.

Apple Orchard

A farmer who owns apple orchards is facing a downfall in profits. Kindly analyze and provide your recommendations for the same.

Firstly, I would like to analyze whether the problem is arising due to the supply side (production & distribution) or the demand side, if you could shed some light on that.

So, we have 30 acres of land having fixed number of trees implying constant supply of apples from the trees all throughout the year. Then, we provide these apples to our 2 sole distributors, with whom we have had long term relationships with, who then provide to retailers.

Okay. So next it seems that supply isn't an issue, but demand is. As it is an industry wide phenomenon, would it be safe to say that our price isn't the issue but rather volumes is, since if price was the issue, we would have been the only firm impacted and would have corrected it within 2 years?

Yes, that is a fair point. Our volumes have seen a decline.

Is there any particular distributor or retailer who has seen a decline?

Both distributors have seen a decline. Though according to you, what constitutes the demand for apples?

So, I would like to distribute the demand into 3 headers- residential, commercial & industrial. The reason why I have taken commercial and industrial as 2 different headers is cause in the former, I wish to take industries where apples are used directly- say in the hospitality industry, while in commercial the apples are processed first and then used- say in making processed foods/beverages. So, is there any particular head which has seen a decline?

The beverage industry buyers have seen a major decline, while the remaining demand channels have remained constant.

Okay so to further analyze this channel, I would look at 4 aspects–
Product- have the apple beverages seen a fall in demand?
Price- has the price for such beverages risen sharply in the past?
Place- have the retailers changed the distribution channels of the drink?
Promotion- has the messaging of the product changed over years?

So off lately, people have started to believe that apple juices have alcohol and have hence seen a decline in sales. You seem to have arrived at the problem, what are your recommendations?

In the short term, the client can go for expanding the business in the commercial and residential sectors and try to compensate for the loss in industrial demand. In the long run, he can try to diversify into other products by building the necessary technical and functional expertise.

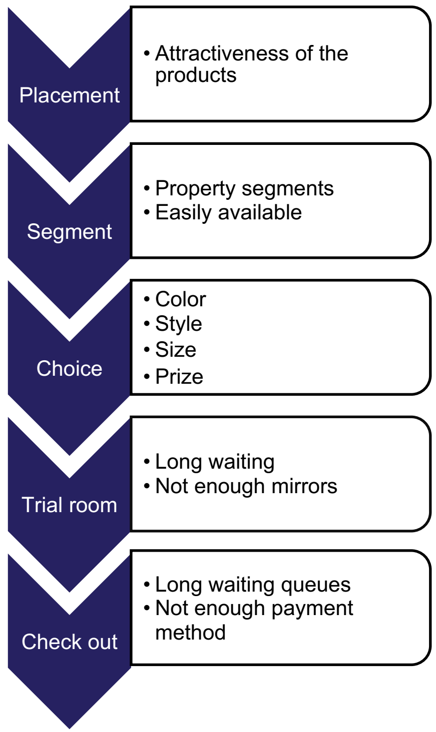
That's all, we can rest the case here.

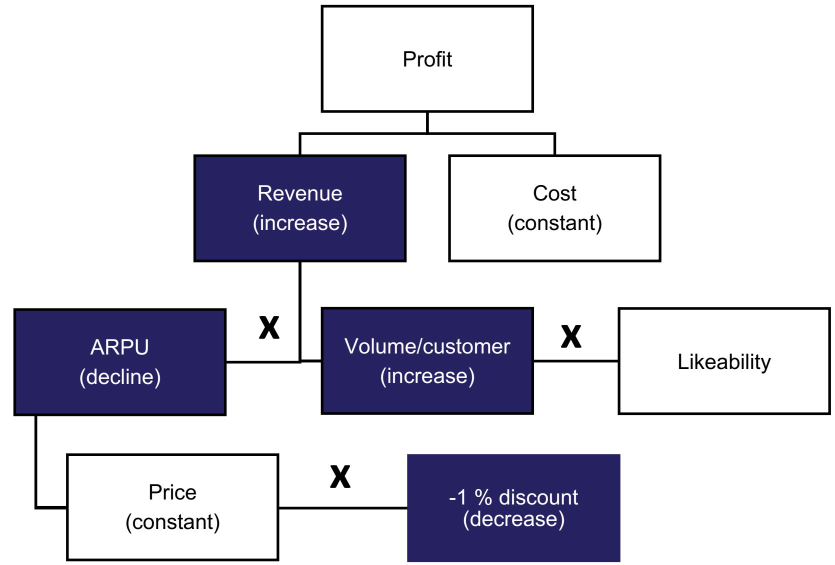
Apparel Retailer

Client is an apparel retailer in India facing decline in profitability. Find the cause and give recommendations around the same.

Background Information

- **Trend**– Since 3-4 years, the decline has been persisting
- **Geography**– South and West India – tier 1 and 2 cities
- **Products**– Only garments. 65% of the garments are multi brand while the rest are of own brand with the manufacturing outsourced.
- **Customers**– Affordable mid segment comprising a majority of women (60%) and a minority of men (30%) and children (10%)
- **Industry**– Growth of e-commerce has impacted the industry, but otherwise constant growth seen





Case recommendations

- Short term– Forecast demand in a better fashion; if possible do it store wise. Install inventory management tools. Add smaller warehouses for excess inventory (essentially further layer up the supply chain).
- Long term– Make the shop as a one stop shop for a family – from children to young teens to parents.

Case tips

- This was a very tricky case. Identification of discount was a very critical part of this case. A real profitability scenario in an actual store should be imagined to proceed with the solution.

Apparel Retailer

Could I please get bit more clarity on exactly how does our client work?

Our client is an apparel retailer who has multiple clothing outlets across cities. It carries its own brand as well as other brands as well. You could compare it to shopper's stop, but of a smaller scale.

Thank you for the clarification. Since our brand has seen decline in profits, has there been any rise in costs for the client or a fall in revenues perhaps?

The client has faced a revenue decline.

Has the client reduced the avg. price point of its goods or has there been any fall in avg volume?

Neither. Think harder.

I would like to break down revenue further into this format–

ARPU = no of stores * no of walk ins * no of customers buying goods * avg basket size (volume per basket*value)

Do we know which head has taken a hit?

Upon inspection the client realized that the basket size in terms of value has decreased. Essentially the clothing retail industry works on a very discount heavy model. Approximately 25-30% stock towards the end is sold on heavy discount but for us, 40-45% stock has been selling on heavy discount.

Why are we giving heavy discounts? Is it a demand issue or a supply issue?

It is a supply issue.

I would like to discuss the value chain – RM, inbound transportation, processing (both manufacturing and procuring from other brands), outbound logistics, at the retail shop, and lastly post customer service. Is there any particular head which has seen the issue?

Issue seems to be with the retailers.

To find the exact reason, I will try to map the customer journey

Issue happens to be that there is a stock out of common sizes very often. Due to this, we need to sell the remaining products towards the end of season at deep discounts.

It seems like we have found the problem, shall we move onto recommendations?

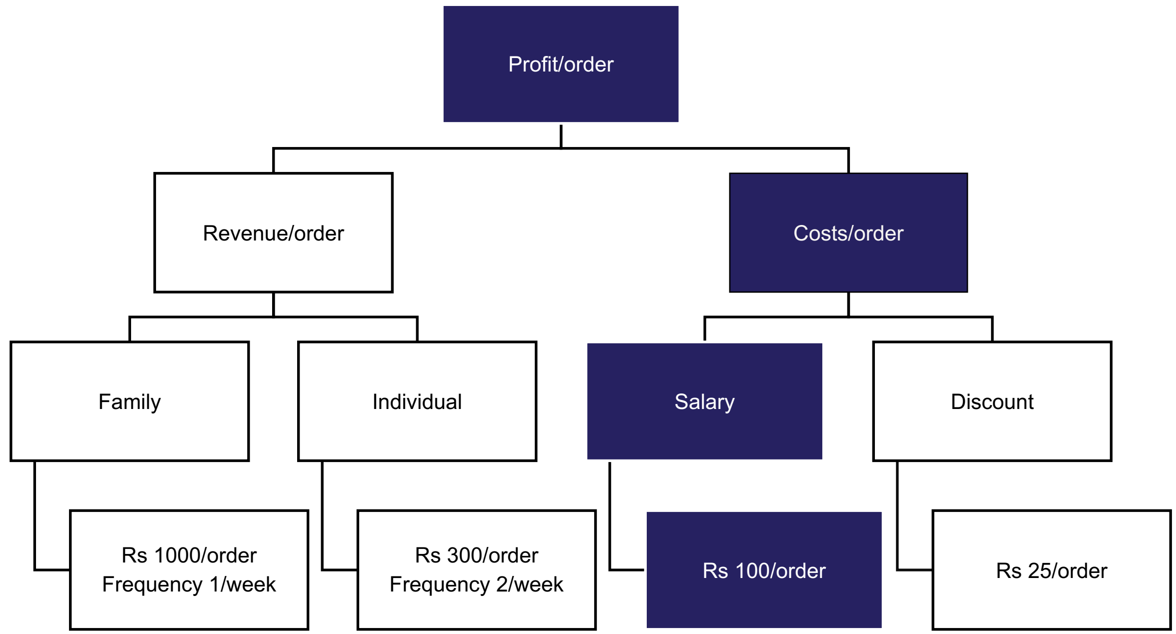
In the short term, the client can go for store-wise forecasting, install inventory management tools and add smaller warehouses to absorb the excess inventory (essentially layering up the supply chain). In the long run, the client can work towards making the stores as one-stop-shop, essentially catering to all the segments for a household consumer.

Food Delivery Profitability in India

Our client is a food delivery company just like Zomato/Swiggy, currently operating in Indonesia. He is planning to start operations in India and wants to check per order profitability in India.

Background Information

- **Geography**– Company is a market leader in Indonesia, has capital and expertise
- **Expansion**– India has enough restaurants for our client to function in with Zomato and Swiggy, client wants to start in metro cities first



Case recommendations

- Since the revenue earned per order would be same for all the competitors in India. The costs here are posing an issue. We need to reduce the costs. Since it is a new company, it would have to give good discount coupons to attract the crowd. So, that may not be reduced. We can work on the high costs of Rs 100/order as taken up by the delivery man. We can follow the structure of Uber/Ola shared cabs. The way it works as per route optimization, time reduction and maximum efficiency.

Case tips

- Understanding all the aspects of average cost structure and the calculation related to it needs to be done carefully at each step.

Food Delivery Profitability in India

The revenue streams for this business can be divided into revenue earned via orders and advertisements on app/websites.

Yes, but you may ignore the advertisement part. Revenue earned per order is 20%/order.

Ok, I would have to analyze the average order size. So, it is important to understand the customers being targeted by the company here.

What customers segments do you think?

I think customers can be divided into three categories, families, couples and people living alone. Because we are targeting metropolitan cities first, so people living alone would be a large chunk of our customers.

Yes, I agree, for now consider, family and individual.

Ok, average size of a household in an urban area can be taken as 4, right?

Yes.

So, I would like to take my family as an example. I belong to middle class family of 4. This automatically gives an average order value between upper class and lower class.

Is there any other factor which is relevant here?

The frequency of ordering food can be taken as one factor. A family will order a smaller number of times as compared to the individual living alone.

Right, how will you find out the frequency.

As I was taking my family's example. We order 1 time a week. While when I was living alone, I used to order on an average twice a week. Can I move with this assumption?

Okay.

To calculate order size. The order size used to vary if I am ordering snacks or a proper meal. So, on an average my order used to be around Rs. 300. If I consider a family of 4, I can think of 300x4= Rs 1200 as the order size.

Yes, for ease of calculations take it Rs.1000.

Okay, so the average order size after considering the frequency of ordering food online, is coming out be Rs 533.33, which is approx. Rs. 500. So, 20% of Rs 500 is Rs. 100.

Right, any other factor that could be considered.

There would also be delivery charges, like now a days Covid charges are taken in addition for safety and sanitation.

Right, so take your average order value to be Rs 125. Now think of costs.

I would like to divide costs into fixed and variable. First, I would start by analyzing the fixed component.

Ignore the fixed, as it is a food delivery company, much of the costs can be clubbed into variable.

Before analyzing the variable costs/order, I would like to understand the structure company would follow while hiring delivery people. Would the company provide the vehicles such as a bike? Would the fuel costs included in the salary or would it be given in addition? Would they be given salary based on orders delivered?

The salary of a delivery man is Rs 25k/month (fuel costs etc. included), ignore the vehicle costs/EMI etc. And the salary is not dependent on the orders delivered.

Since this cost is monthly and not per order, we have to check how much our delivery man costs us per order.

How will you do that?

I will calculate the number of orders delivered by the person per day.

Okay.

Next, I did the calculations on the orders received by the restaurant in peak (6hrs) and non-peak (6hrs) hours, and how many delivery men would be required to deliver those depending on the distance between the restaurant and the destination. I considered time as one constraint for the delivery men. And reached at an approximate 10 order/day, which means Rs 100/order (considering he works 25 days in one month). Other variable costs such as app maintenance, marketing costs, additional discount coupons are also borne by the company.

Yes, consider discount per order as 5%.

So, 5% of Rs 500 is Rs 25. Are there any other costs?

No.

So, the total costs are coming out to be Rs.125, which is a break even.

Now the company is breaking even/order. How can company make profits here? Your final recommendations?

Food Delivery Profitability in India

Since the revenue earned per order would be same for all the competitors in India. The costs here are posing an issue. We need to reduce the costs. Since it is a new company, it would have to give good discount coupons to attract the crowd. So, that may not be reduced. We can work on the high costs of Rs 100/order as taken up by the delivery man.

The salary is as per the market. Our competitors are giving same salary.

So, then we will have to increase the number of orders, a delivery man delivers/day.

How can you increase it?

I think customers can be divided into three categories, families, couples and people living alone. Because we are targeting metropolitan cities first, so people living alone would be a large chunk of our customers.

We can follow the structure of Uber/Ola shared cabs. The way it works as per route optimization, time reduction and maximum efficiency.

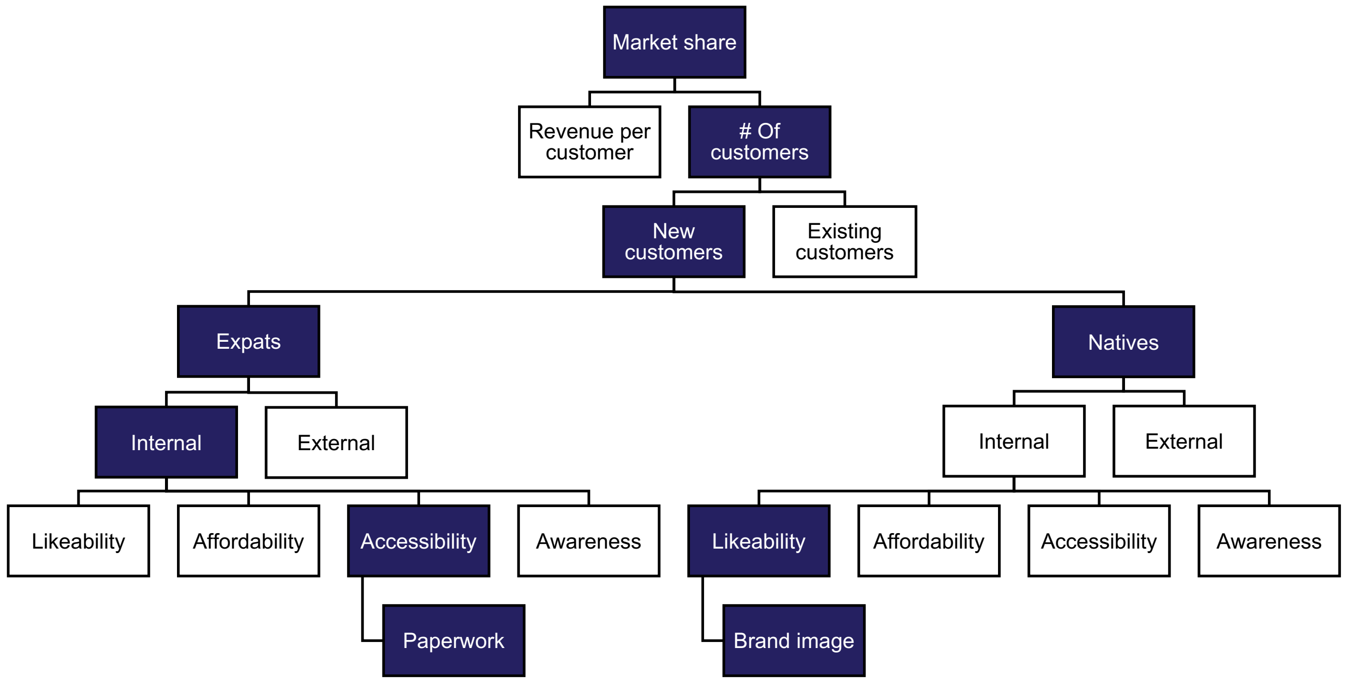
Yes, I think we can close the case.

Middle Eastern Bank

The client is one of the oldest middle eastern banks which has been losing market share recently. Find out why.

Background Information

- **Client** – Retail Bank - Assume standard retail like ICICI etc.
- **Competitors** – Mix of both old and new banks - only old ones are losing market share not the new ones
- **Customers** – Retail - Individuals and small businesses
- **Location/Geography** – UAE
- **Products** – Savings a/c, loans, think of all the basic services provided by a bank
- **Timeline** – Seeing a steady decline for the last 10 years



Case recommendations

- Reduce the paperwork needed to change the bank for immigrants. In the long term try to make the process fully online and automated.
- Invest in building the brand image of the bank by various promotional initiatives including discounts, loan offers, better interest rates.
- Tie up with governmental bodies to lobby for regulatory push of having one account in the national banks for taxation purpose.

Case tips

- Though a profitability case the structure of the case was a bit different from the traditional framework. A good understanding of how to apply the customer journey framework would help in such a case.

Middle Eastern Bank

I understand that the decline is in the number of customers, so I would like to divide this number into two parts – one– the current customers and two– the new customers. Is there any segment where we are seeing a drop?

The drop is in the new customer segment.

Further, as you mentioned that the bank is active in UAE and from what I understand UAE population has a large share of immigrants. I would like to divide the population into two major segments i.e., the natives and the immigrants? Does that sound fine? And if yes, is there any segment within which the client is seeing a decline?

The segmentation looks fine. The client is seeing a decline in both the segments, but the immigrant part is seeing a higher dip. Let's look one by one at both.

Ok. So analysing the Immigrant segment let me divide these into two parts internal and external. Internal would entail the whole customer journey and external would cover the issues related to Governmental regulations, legal issues associated with banking for immigrants, or other factors. Is there any particular segment you would like me to explore first?

There are no issues from the external factors. Let us explore the internal factors that could affect the bank.

Great. So, in terms of the internal reason, I would like to break this down into 4 parts and would like to benchmark those with the other foreign banks that are gaining customers. Does that sound fine?

Yes, please go ahead.

In internal factors I would like to see how the client performs against the competitors on these four metrics– Awareness, Accessibility, Affordability, Likeability. Is there any specific bucket in which the client is not performing at par with the competitors?

So, in terms of Awareness, Affordability the client is exactly doing the same activities as the competitors. In terms of likeability, the products/services are same for all the banks for no issues with that as well. Can you elaborate a bit here?

Got it. So, in terms of accessibility, I would like to see how accessible are services for the immigrant population. Now from what I understand these immigrants might already have accounts in their home country and if those banks are also active in UAE, they would not be willing to change them and do a whole lot of paperwork that would give them access to our client if we do not offer anything different from those MNC banks.

Yes, that is exactly the reason for the drop. Can you also take a look at what is happening with the natives? Assume no external factors are affecting that segment as well.

Okay, in terms of internal I would again divide that into the Awareness, Accessibility, Affordability, Likeability – from the previous analysis we know that there is no issue with the Awareness and affordability part. For the natives, there will not be any issue with the accessibility part as well. In terms of likeability do we see any difference?

Can you please take a guess as to what could be the reasons affecting likeability?

Ok So, in terms of likeability, I assume that the new generation of the nation is more inclined to open accounts with the MNC banks because of the brand image that they have.

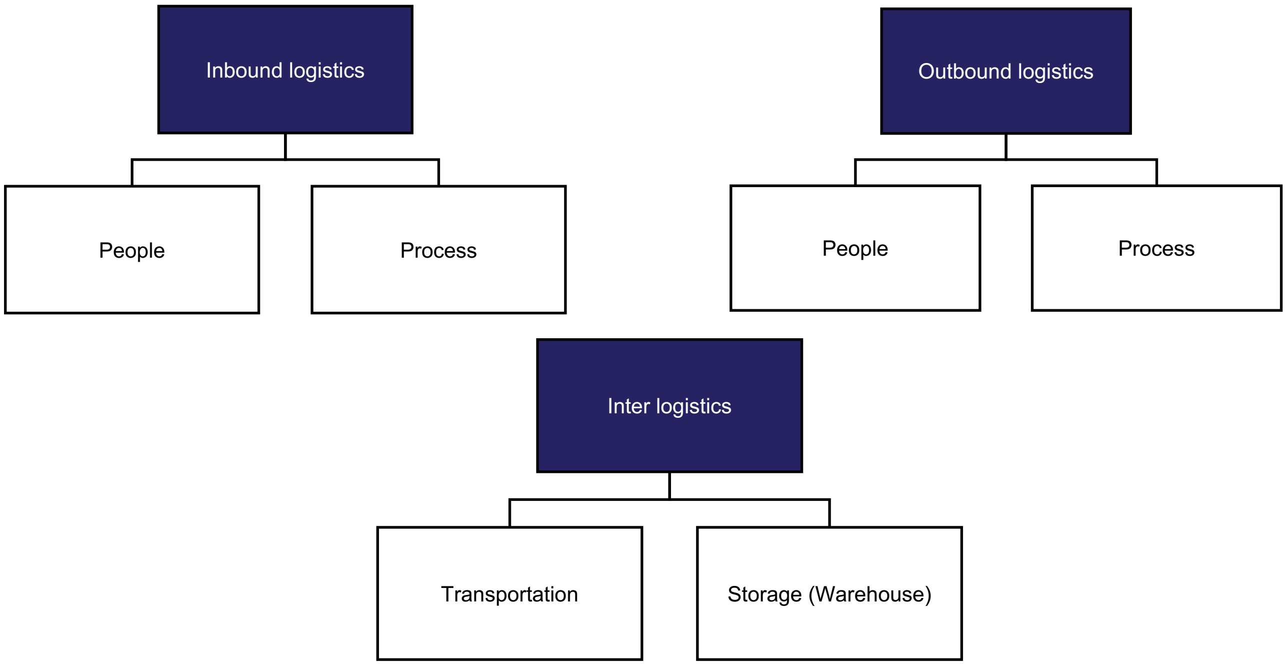
Yes, that sounds good, we can close the case.

Cement Manufacturer

A big cement player in India is looking to reduce transport and logistics cost to drive profit.

Background Information

- **Client** – Largest Indian Cement player
- **Competitors** – Fairly Competitive Market
- **Location/Geography** – Pan India sales
- **Products** – Only cement



Case recommendations

- Under the people's head, the client can optimize suppliers as per location.
- Under the process part, the client can Optimize route GPS tracking; provide better incentives to the transporters; procure fuel efficient vehicles.
- Under warehouses, client can take up Size and location optimization and trade-off between the rent of the space and the revenue generating potential; the storage process in the warehouses can also be Automated or digitized.

Case tips

- The key point to mention here was the inter-logistics bucket. Apart from that, the interviewer was mainly interested in creative answers. Brownie points for providing good content on the trending topics of digitization and automation in operations.

Cement Manufacturer

I am a bit new to the Cement industry, would be able to help me gather any insights on how the typical value chain works?

Sure, so you can assume that the client buys the raw materials which includes Limestone, coal etc. They process this by heating and convert it into clinker. Which is further processed by grinding and mixing with gypsum and made into fine grains. Once we have the grains, we then pack it in bags and send them off to our warehouses. From the warehouses the cement is transported to the end customers.

Thank you so much. That is insightful. So, in case we need to decrease the transportation cost, I would assume that there are three kinds of logistics operations that are taking place. These include inbound logistics, inter logistics (to the warehouse), and outbound logistics. Does that sound right, and do we have any specific bucket that I should look into first?

Yes, that is correct. Please go ahead. There is no specific larger cost bucket, we will need to explore each of these. Under each of these let's look at what steps the client could take to reduce the costs.

Sure, so just before moving ahead, I would also like to know what are the current modes of transport we are using?

We are using a mix of both road and railways – depending on the distance.

Understood, so in terms of the roadways do we have our own trucks or are we outsourcing that to the third party?

We are currently using a third-party logistics provider's services.

Great thank you. Let me now dig into each of the three cost buckets and generate some methods though which we can reduce the costs. For the first, inbound logistics, let me divide that into three parts people and process (route and mode) used. For people we can have a look at both the suppliers involved and people involved in logistics. We can optimize/consolidate the number of suppliers keeping in mind the impact that it could have on our cost of purchase.

Sounds good. What more can we do?

In terms of process, we can try to make use of technology extensively from ordering at an EOQ level to making our Third-party provider make use of GPS to carry out route optimization. Using these digitization tools, we can also get an understanding of how efficient are the drivers throughout the travel. Now all these points are also valid for our other two logistical cost buckets. But there might be some additional points in the "Intertravel to the warehouse" bucket.

Yes, and what would those be?

So, as I understand these inter travel will be done using our own truck?

Correct.

Ok So, I will divide this part again into two parts. One would be the issues with the logistical part – the recommendations for this would be like the ones that we discussed above. The other would be the external issues i.e., the issues related to the operations at the warehouse that could lead to an increase in the costs.

That is a great point. Tell me more about the warehousing part?

Yes, so since these warehouses are owned by the client, the client can do a trade off analysis of optimizing the location of the warehouse vs the rent that they pay so that it caters to the right demand centers and reduce the transportation cost. The client should also procure more efficient transportation vehicles. The other time-consuming part is the loading and unloading at the warehouse. These can be automated in the long term to make the process more efficient.

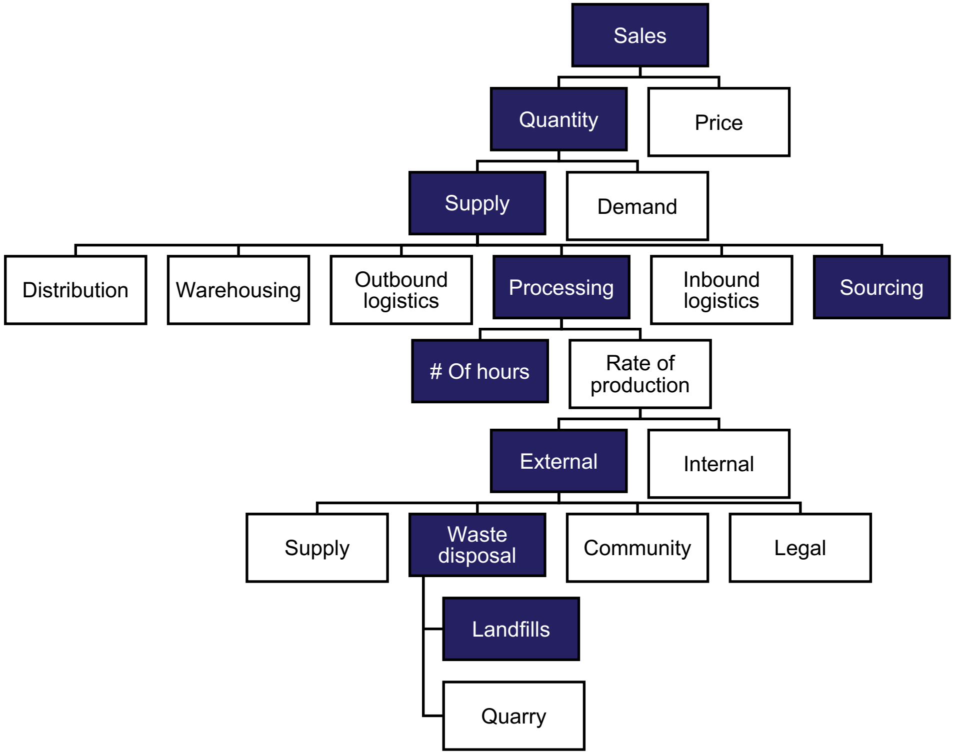
These points sound good; we can close the case here.

Coal Manufacturer

Your client is a coal manufacturer, and they have seen a decline in the sales of coal. You've to understand why and suggest.

Background Information

- **Issue** – Company specific
- **Only one customer** – Power Plant - No issues from the demand side
- **Trend** – Decline consistently increasing over last 1 year, %age decline not relevant
- **Business process** – Coal ore extracted from the mine, transported directly to plant, cured with water, waste is discarded, cured with a special chemical, waste is discarded, coal is transported to the warehouse



Case recommendations

- Reduce the paperwork needed to change the bank for immigrants. In the long term try to make the process fully online and automated.
- Invest in building the brand image of the bank by various promotional initiatives including discounts, loan offers, better interest rates.
- Tie up with governmental bodies to lobby for regulatory push of having one account in the national banks for taxation purpose.

Case tips

- Though a profitability case the structure of the case was a bit different from the traditional framework. A good understanding of how to apply the customer journey framework would help in such a case.

Coal Manufacturer

I would like to understand if anything has been affected in sourcing, inbound transport, plant, outbound transport, warehousing, or distribution.

Nothing wrong with the mine, the coal quality is same and enough for the next 1000+ years. Similarly, water and special chemical are abundantly available, and there has been no change in its quality. All transportations and warehousing are fine—nothing wrong post warehousing.

I will dive in the process directly then. I would like to understand what exactly happens in the plant and what are the labour and machine involvements.

Entire process is handled by machines, think of it to be on a conveyor belt on which the process of curing happens.

Total production = Production rate * no of operating hours. Has there been any change in these?

Our production rate has gone down.

Since it is a conveyor belt process, the production rate should be based on conveyor belt speed. Since we have factored operating hours to be constant, is it fair to assume that the speed has gone down?

Yes. Why do you think that happened?

I would broadly bucket it into internal and external. Internals would include machine maintenance, limitations from the plant building, anything that the management can change and fix. External would include supply and demand limitations, legal or community factors, etc.

Could you think of any other external factor apart from supply and demand but on similar lines. Or maybe, a different twist to supply limitation. Go through the process again.

We've discussed that nothing has changed for the coal, water, and special chemical. Only other material involved is waste. Should I investigate it?

Yes.

Before we proceed, is the decline in production a conscious business decision for the longer term?

Yes.

Okay, I think that there is some issue with the disposal of the waste. Typically, coal wastes are used as landfill in the quarry from which it is extracted.

The curing company's take a license for the same.

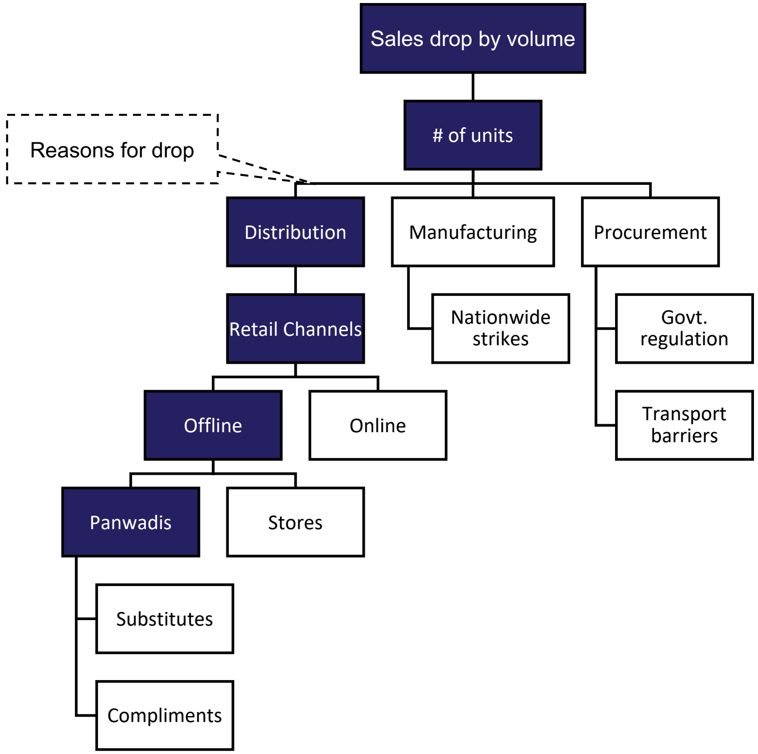
Right, the landfill we are using are about 90% filled, and the client has no other dumping ground. The business has slowed down to buy time to find an alternate landfill.

Candy and Toffee Manufacturer

Your client is a candy and toffee manufacturer who has been experiencing a decline is sales for the past 2 months. Find out the reason why?

Background Information

- **Company** – Present across the value chain i.e., procurement, manufacturing, and distribution
- **Competitor** – A highly commoditized market with little or no product differentiation. So, no competitive advantage
- **Consumer** – Across the age group. Children consume it for fun, and adults as a supplement
- **Product** – Toffees and candies like mango bite usually costing 1 or 2 rupees



Case recommendations

- Reduce the paperwork needed to change the bank for immigrants. In the long term try to make the process fully online and automated.
- Invest in building the brand image of the bank by various promotional initiatives including discounts, loan offers, better interest rates.
- Tie up with governmental bodies to lobby for regulatory push of having one account in the national banks for taxation purpose.

Case tips

- After deciphering the phenomena as industry-wide, using individual marketing techniques can help reduce the efforts as they won't change the outcome.
- While looking at the macro factors always remember to include public awareness and recent events in the field, that might enhance the appeal of the case.
- Don't be prejudiced with such cases as you might have read a similar one before. It is a trick used to judge you over the same.

Candy and Toffee Manufacturer

Sure, to reiterate the problem our client is a candy and toffee manufacturer who is facing a decline in sales for the past 2 months. Is it correct?

Yes, that is correct.

Okay, to understand the situation better, I would like to ask whether our client is only manufacturing the product, or is it present across the value chain? Also, is it dealing in the domestic markets only or international markets too?

It is present across the value chain and consider domestic markets for now.

And I assume that the products that we are offering are 1 to 2-rupee candies and toffee available in the convenience stores, am I right there?

Yes, that is correct.

Okay, so is the decline in sales an industry wide phenomenon or client specific?

Good Question, it is an industry wide phenomenon.

Interesting, and by decline in sales we mean decline in volume or decline in value?

It is decline in volume of sales.

Okay, I would like to structure my thoughts here for 10 seconds before continuing with the analysis.

Sure, go ahead.

Okay, keeping in mind that it is an industry wide phenomenon, I would like to analyze the situation across value chain made up of procurement, manufacturing, and distribution.

Please, go ahead.

So, is there any barrier in procuring the raw material for manufacturing our product like government regulations or transportation barriers?

No everything is fine on that end.

Okay, has the manufacturing being restricted in some way due to labor strikes or loss of workforce nationwide?

Good question but there has not been any phenomenon nationwide that can lead to hinderance in manufacturing.

Then I assume that the problem lies on the retail end as the cost of manufacturing would also remain same. I would like to dig deeper into the same. Is it a correct assumption?

Yes, go ahead.

Do we have any information regarding our presence in online and offline stores?

Yes, we are present both on online platforms and offline stores.

Okay, is there any particular channel that is facing the decline in these?

Yes, the offline channel has been facing all the decline.

Interesting, I would like to divide the offline stores into two sections here, one can be the large shops or convenience stores and the other can be makeshift outlets.

Sure, let's call the makeshift outlets panwadis.

So, are we facing decline in sales for both sections?

No, the convenience stores are selling them as before but the panwadis have observed a drastic decline in sales.

Interesting, here I would like to divide the sales on panwadis in two parts and look into them separately, one is the number of customers that are visiting the shop and second is the number of units of candies bought per customer. So, has the number of customers declined due to some awareness in the market or is there a decline in the number of candies bought per customer?

That is a good observation, the awareness has increased but we haven't lost any sale because of that and the number of customers visiting the shop are same.
Yes, candies bought per customer have seen a decline over the period.

Okay, since the number of candies per person has declined it can be due to the impact on complimentary or supplementary goods available in the market. So, is there any substitute available now that was not present before that people are preferring over candies?

No there is no substitute to candies that has been introduce in past 2 months.

Okay, so looking from a consumer perspective here, most of the people visit panwadi to smoke and buy candies or toffies as mouth fresheners. It seems like a complimentary good problem where there can be an issue with cigarette sales.

Candy and Toffee Manufacturer

Yes, what about them?

What I can think of either their price has changed, or their distribution has been hindered. Should I investigate any of these?

Yes, there is an issue with the price of cigarettes. Can you tell me the reason how can that impact our sales?

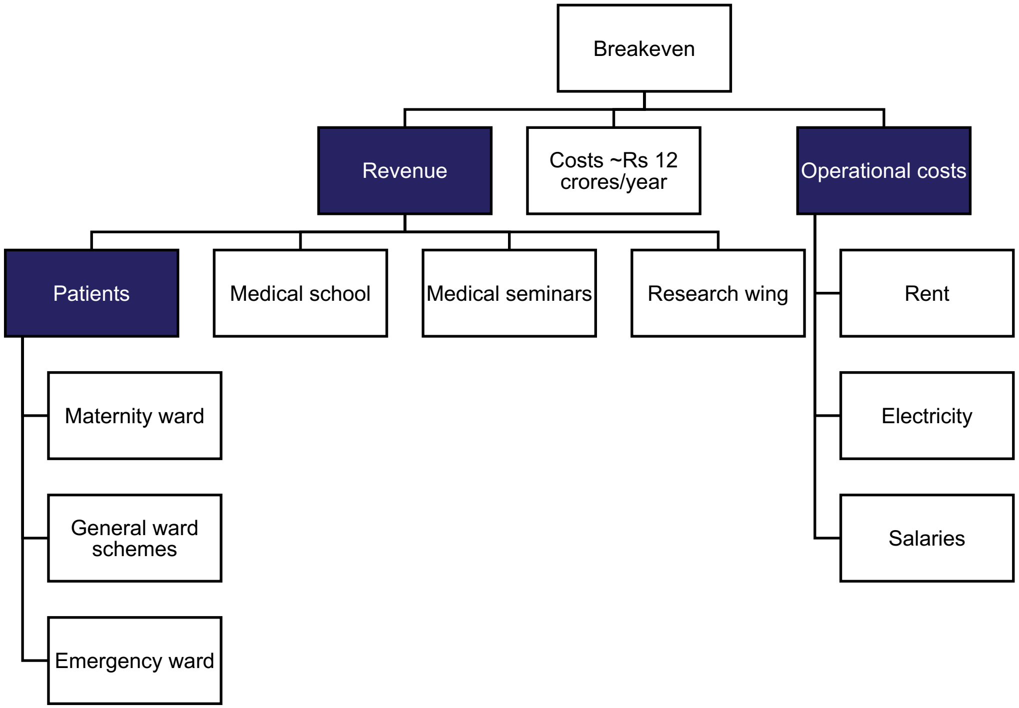
Yes, so most of the time, in exchange of change, shopkeepers give toffees to the customer. It might be a reason that the price of cigarette has been converted to a multiple of 10 so no change is required. Also, it might be that the flavor of cigarettes has been changed and they contain mint flavor in them only.

Break-Even Issue In Hospital

CEO of a hospital has come to you. His hospital board will fire him if they do not break-even this year. He needs your help for the same. What do you suggest?

Background Information

- **Client** – Multi-specialty hospital
- **Products** – Healthcare services
- **Competitors** – Other hospitals
- **Timeline** – 6 years
- **Patients** – Pregnant women emergency
- **Location** – NA



Case recommendations

- Address understaffing issues, especially in the general sickness ward, to improve patient care.
- Work on updating the ambulance referral system to increase patient inflow in the emergency ward.
- Introduce additional revenue streams, such as specialized departments or premium services like stem cell preservation in the maternity ward.
- Regularly monitor industry standards and competition to stay competitive and profitable.

Case tips

- Interviewer was trying to test the candidate's ability to think on feet.
- Be careful with the formula and calculations.

Break-Even Issue In Hospital

CEO of a hospital has come to you. His hospital board will fire him if they do not break-even this year. He needs your help for the same. What do you suggest?

	Maternity	General Sickness	Emergency	Total
No of beds	200	200	100	
% occupancy	80	60	30	
Rate/ bed	500	1000	2000	
Revenue	24000000	36000000	18000000	78000000

Industry std % occupancy	80	80	60	
New revenue	24000000	48000000	36000000	108000000

New rate/ bed	750	1000	2000	
Final Revenue	36000000	48000000	38000000	120000000

No of days	300

Break-Even Issue In Hospital

Since it is a multi-specialty hospital, I am assuming that it has separate departments for gynecology, cardiology, neurology, general physician etc.

Well, for this case, assume only maternity ward, general sickness ward and an emergency ward.

Okay. Since the hospital is not able to break even, I would like to analyze their revenue streams and cost centers. For a hospital, patients are their major source of revenue, others could be research wing, medical school (since many medical schools and hospitals run together), medical seminars etc.

Good. But, for your convenience, consider only patients as the revenue streams.

Sure. Looking at the costs, it would include operational costs like rent, electricity etc. and salaries of doctors, nurses and administrative staff.

Yes. The costs incurred by the hospital is Rs. 12 crores/year. Assume it includes all the costs that you have mentioned. How do you think the revenue of the hospital would be calculated? What factors will be included? Can you give me an equation for the same?

When we talk about maternity and emergency ward, we know that the patients would stay overnight and occupy the bed, but for general sickness, the patient might not stay in the hospital and their revenue would come only from the doctor's consultation.

That's a good point. But for the sake of simplicity, assume that the general sickness ward patients also stay overnight.

Okay, then I believe the revenue would be dependent on the no. of beds available in the hospital among all the wards and their percentage occupancy. Therefore, Revenue = No. of beds x % occupancy x Rate/bed x No. of days/year

So, do we have any figures about the number of beds, % occupancy etc. in order to calculate the revenues.

Yes. Maternity ward has 200 beds with an 80% occupancy. Rate/bed is Rs.500. General sickness ward has 200 beds with a 60% occupancy. Rate/bed is Rs. 1000. Emergency ward has 100 beds with a 30% occupancy. Rate/bed is Rs. 2000.

So, for the ease of calculation, I am taking no. of days/year to be 300. The current revenue is Rs. 7,80,00,000 which is Rs. 4,20,00,000 less than the costs incurred by the hospital. (Refer the case workings to see the values.) Since this hospital is not able to break even, I would like to understand the hospital industry a little more

Do we have enough number of beds? Are the occupancy rates of our hospital at par with the industry trends? Are our prices comparable to those of industry? Are other hospitals also facing a similar problem.

No. The industry standards for occupancy for maternity wards is same. But for general sickness ward it is 80% and for emergency ward it is 60%. Our prices are at par with the competitors.

Since the % occupancy for general sickness ward and emergency ward is less, we should look at them one by one and try to understand the issue here. First, lets look at the General sickness ward. If we look at the patient journey map, the two important touchpoints would be doctors and nurses. Are we understaffed on either of them?

Yes, we are understaffed on nurses and that's why we have to sometimes turn away patients. What do you suggest we do?

We can hire more nurses, but that would lead to an increase in the costs.

That won't be possible as they are already overworked. Can you think of anything else?

Since most of the nurses' job requires observing the patient, we can leverage the CCTV network to monitor patients in a common room and nurses can go and cater to the patients as and when required.

That's a good suggestion. Moving on, let's look at the emergency ward. Why do you think the emergency ward is under-utilized? Apart from shortage of nurses what do you think could be a possibility?

When a person meets with an accident, an ambulance carries them to the hospital where the doctors and nurses take care of the patient in the emergency ward. There is specialized equipment to conduct special tests like X-RAY, MRI etc. Since this is a multi-specialty hospital, I am assuming that the specialized equipment is present in the hospital. Do we have a smaller number of ambulances to bring the patients to the hospital?

Well, ambulance fleet is not maintained by the hospital. It is maintained by government and the drivers have a list of all the nearby hospitals in order to take the patient to the hospital at the earliest. So, the problem is that list is not updated for more than 50% of the ambulances and hence drivers do not know about our hospital and are thus not bringing patients to us. How do you think we can solve this problem?

Break-Even Issue In Hospital

I think we should contact the government agencies which oversee it and get the hospital name updated on the list.

Fair enough. Now assume that by following the suggestions that you gave we are able to reach the industry standards of occupancy. Calculate the revenue again.

The revenue comes out to be Rs. 10,80,00,000. (Refer case workings to see the values)

So, we are still not able to break even. Now what do you suggest we should do?

In order to break even, we should introduce more facilities in the hospital, specialized departments like oncology etc. This way we can create an extra revenue stream.

That is a good suggestion, but that would require capital investment as well which would increase our costs. Can you think of something that can be done with the existing infrastructure so that we can charge extra on the existing services we are offering?

In the maternity ward, we can introduce stem cell preservation after birth. We can charge some premium for this service and many people are preserving stem cells these days in order to treat life-threatening diseases in future.

Good suggestion. Suppose we introduce this and now we can charge Rs. 250 extra per maternity ward bed. Can you recalculate the revenue? Will be able to break even now.

Yes. (Refer case workings for the values.)

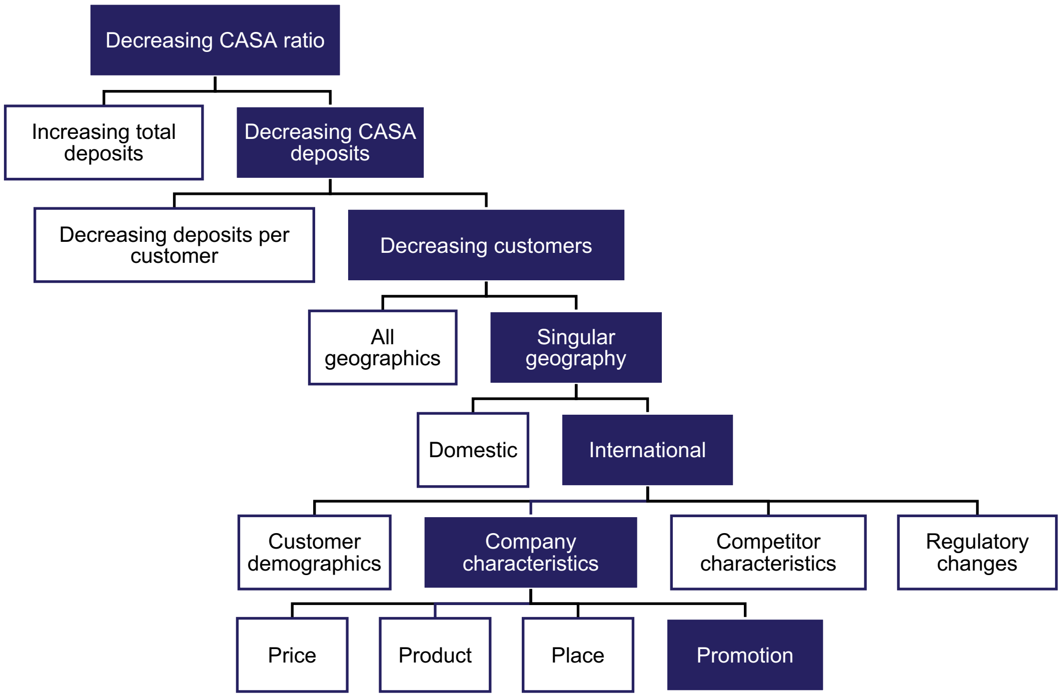
Thanks. We can close the case here.

Decreasing CASA ratio of a bank

Your client is a bank chain in Dubai that has observed a decrease in its Casa Ratio for the past six months. Please determine the reasons for the same and suggest measures to counter it.

Background Information

- **Competitors** – Other banking chains
- **Geography** – Spread across Dubai
- **Consumers** – Businesses and Individuals (Should be clarified with questioning)



Case recommendations

- Another banner in English language should be used for people who do not know the local language.
- Promotions through advertisements and pamphlets should be done.

Case tips

- The case required one to look at international clients. This can be gauged by digressing into the kind of customers the business is serving.

Decreasing CASA ratio of a bank

Can you help me by understanding what Casa Ratio Means?

Yes, Casa Ratio is the ratio of deposits in current and savings account to the total deposits with the bank.

So, are the savings and current deposits decreasing with the total savings remaining fairly constant?

Yes, that is what seems to be happening.

Is it because of reduction in customer deposits or reduction in customers?

The deposits per customer haven't diminished. The customers overall have been decreasing.

Understood. I would now like to understand a few things about the business in general. Is the problem visible in all branches or is it localized to only a certain geography?

The problem that we see is only in a singular branch in a relatively posh area in Dubai.

Do we see the issue of decreasing CASA for any particular kind of client?

Yes, the issue is only for the individual client.

Before moving further to customer segments, I would like to understand if there has been any change in the customer demographics in the area?

No, the demographics have remained fairly constant.

Okay, what kind of individual customers do we cater to?

The client caters to both international and local customers. The decline in customers is primarily in the international customers' segment.

Understood, I would now like to determine why do we see a reduction in the international customers.

Okay, go ahead

I would like to look at the factors affecting customer perceptions such as changes in the client's company, differentiating factors of their competitors, changes in consumer demographics and any regulatory changes that may be affecting their sales.

Seems like a fair approach. I can tell you that the client has seen no noticeable changes on the side of competitors. Additionally, consumer demographics have remained more or less the same and there have been no new regulations.

This points to an issue in the said branch only. Am I right in assuming the same?

Yes, you are right.

Thank you. I would like to understand the changes in the products and services in the past six months of the particular branch, if there are any?

There have been no changes in the products and services of the branch, and they are as per industry standards.

Okay, has the location of the branch shifted somewhere in the same location so that it may be causing issues with accessibility?

No, the branch has remained where it was.

Understood. Is it safe for me to assume that there have been no pricing changes given the branch is a part of a larger chain of banks?

Yes, the assumption is correct. What else could be the reason?

Given that Product, Place and Prices have remained the same, it points towards a promotion issue. Have we seen any changes in the way we promote the branch?

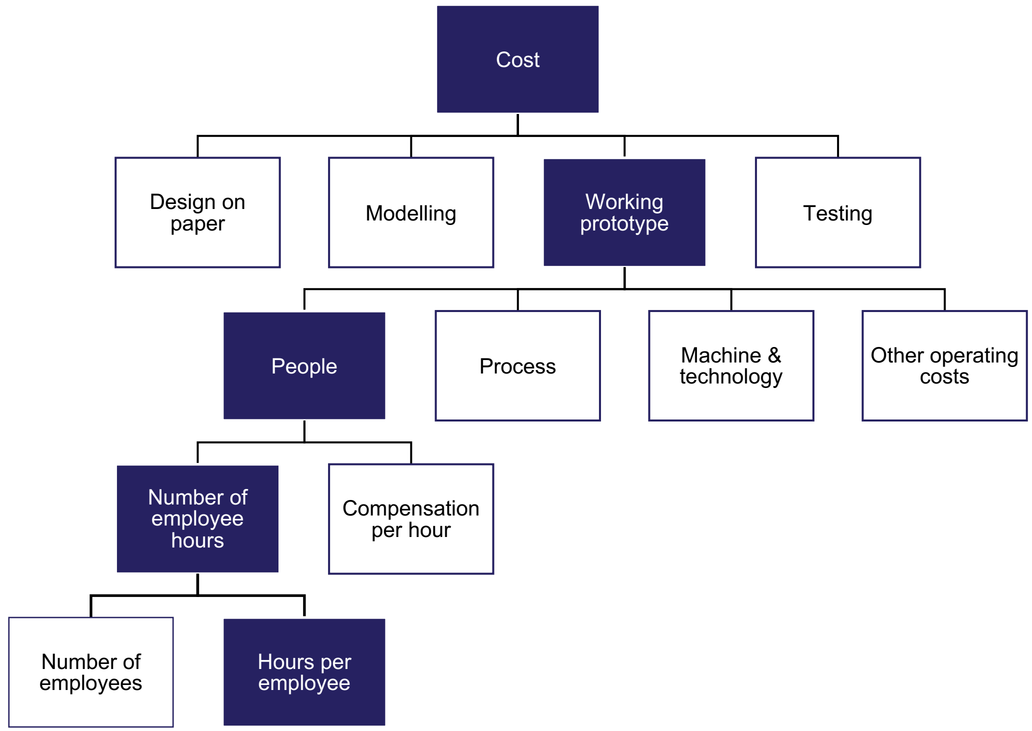
Yes, we did make a few promotional changes where we changed the banner to the local language.

Automobile Company

Your client is an auto-chain retailer. Earlier they had 10 stores. They have now expanded to newer stores in newer cities but have seen a decline in profitability. Can you help them figure out why this is happening and provide recommendations?

Background Information

- **Client** – Indian automobile manufacturer
- **Competitors** – Lower costs of R&D as compared to the client
- **Location** – India. R&D department based out of Pune, Maharashtra



Case recommendations

- Mandatory monthly/quarterly visits by the design team to India should be scheduled.
- Indian designers with supervision from Germans should be employed for better coordination.

Case tips

- Asking steps involved in an unknown industry helps.

Automobile Company

Can you tell me something about the client? What kind of automobiles it manufactures? Where is it based out of?

The client is an end-to-end automobile manufacturer. They manufacture 4-wheeler vehicles and trucks. They're based in India. The R&D department is based out of Pune.

Okay. Can you tell me why the clients wish to reduce costs? Is it because of higher costs in comparison to competitors, or is there some other motivation? Also, by what % and within how much time do we want to reduce costs?

Client's costs are higher than competitors. They want to reduce costs by 20% within a span of 3-4 years.

Okay. Now coming to the operations within R&D, I can think of two major ones– first for development of new products and second would be for enhancement of existing products. Is there any other operation that I am missing, or any particular that I should look at?

Good question. That's correct. These are the two. The costs are primarily high in the new product department. We can focus on that for this case.

Sure, thank you! I do not have much experience within this industry. So can you help me with the steps/ subprocesses involved so that I can look out one by one?

Sounds fair. So, the following steps are involved– design on paper, modelling, working prototype and testing.

Okay, thank you. So, you mentioned 4 major steps. To reduce costs as per the industry standards, I'll first try to figure out where exactly are we exceeding the costs and then come up with recommendations.

Sounds good.

Okay. So I will go through each step one by one and compare them on the following 4 parameters with respect to the industry– People, process, machines & technology, other operating costs (like land, electricity, etc.). Should I go ahead?

Sure.

Ok. I will first look at the design on paper. Are our costs higher for this step?

No.

Ok, is there a particular step I should look at?

Step 3.

Great. Step 3 is development of a working model. I will look at the 4 parameters. Are we following an efficient process? Is the costs for people higher?

We spend more amount on the people involved.

Okay, is the compensation paid by us higher?

No.

Then I can think of two factors due to which we could be facing higher costs. Either we have more people or our people are working greater hours.

The people with us are working much more for the same deliverable. As an industry standard, one model takes around 12 months. We are taking 24 months. This is why the cost is higher. Can you give some recommendations now?

Sure, but first, I want to understand the reason for this drastic difference.

Sure, our design team is operating out of Germany, and the modelling team is in Pune, so there's lack of coordination.

And why are they based in Germany?

The client couldn't find efficient designers in India back when the plant was established. Since then, it has been working like this.

Okay, thank you. So, to resolve this problem, I'd look at two possible ways. We can either enhance the coordination between Germany and Pune folks or we can setup the design team to India. For the first way, I'd suggest mandatory monthly/quarterly visits by the design team to India. There can also be unplanned visits immediately. The process for the same should be very efficient. Going by the second way, to setup design team in India, we can either bring the German folks to India, or we can hire people from India itself with supervision from a few senior German leaders. Fields like design have been gaining popularity and we can expect to find good talent.

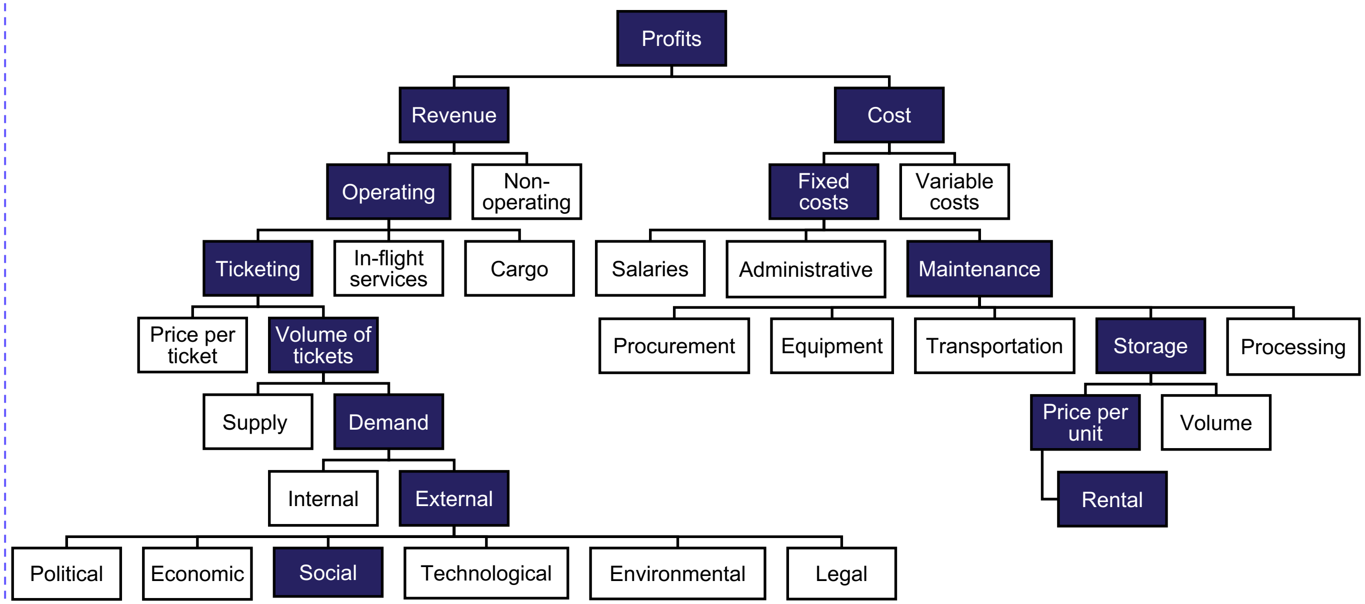
Ok, that'll be all. Thank you !

Airline Company

Your client is an airline company facing decline in profits.

Background Information

- **Client** – US based domestic airline
- **Competitors** – Four other domestic airlines operating in the US
- **Time Period of Decline** – 6 months
- **Magnitude of decline** – 10%



Case recommendations

- Thinking out loud will help narrow down the problem faster.
- Verify at each step if you are moving in the correct direction.

Case tips

- This was a moderate case. A deep dive into the sources revenue and cost was needed before suggesting a solution. Focus on the fact that differentiates our client from the competitors.

Airline Company

Your client is an airline company facing decline in profits.

I would want to understand the client's business. What kind of flights does the company run, magnitude of the problem and the timeline?

The company is a low-cost airline carrier which operates only domestic passenger flights. The profits have declined by 15% in the past two years.

Alright, and has this decline been in any specific geography?

No. The decline is uniform throughout the country.

How many competitors do we have and are they facing similar problems?

We have 4 major competitors and they have been facing similar decline.

Okay, what is the quantum and timeline of the decline?

Yes, they faced a decline of 10% in the past 6 months.

I'll like to analyze the profit structure of the company and break it down into revenues and costs which are the two components of profit. Has there been any change in any of these recently?

The revenues have gone down by 10% and the costs have increased by 5%.

Would it be fair to assume that the decrease in revenue is an industry wide issue while the increase in costs is client specific?

Yes, that is a fair assumption to make. Let us focus on the revenue first.

Passenger services, inflight sales and cargo are the some of the major revenue streams I can think of. I wanted to confirm once that have the revenues gone down for all of them or for is specific to any one of these.

Yes, those are the major sources of revenue and the decline in the revenues has been uniform throughout all the streams. Let us focus now on the revenue generated from sale of tickets.

I would break them down into price per ticket and volume of tickets sold. Has there been a decline in either?

The prices have remained constant focus on the volumes here.

This could be because of supply side issues, where the demand exists but the client has not been able to meet it, or a demand side issue with the problem at the consumer's end. Could you help me understand, on which side the is?

The client believes that there has been a fall in demand.

Alright then This fall in demand can then further be attributed to internal factors or external factors. Since the fall in demand is an industry wide trend. I would like to focus on the external factors first. Would that be okay?

Sure, go ahead.

There are 6 lenses I'd consider, i) Political, ii) Economic, iii) Social, iv) Technological, v) Environmental, & vi) Legal. Has there been any change in the government policies, people's purchasing power, taxation policy, inflation, possible economic slowdown or the preferences of people?

What do you mean by change in preferences? Do you have examples?

People might find other means of transport more suitable for travel or they might not be comfortable because of safety concerns.

Right. The people are scared to travel because there has been a viral eye infection spreading throughout the country for the past 6 months which is the reason for reduced travel. I would now like you to analyze the costs.

Costs can be further broken down into fixed and variable costs. Salaries, administrative costs and maintenance costs are some fixed costs I can think of.

The maintenance costs have gone up recently

I can further break down maintenance costs into procurement of raw materials and equipment costs, transportation costs, processing costs and storage costs.

Yes, the storage costs have increased.

Storage costs can be broken into price per unit and volume of units. Either the cost of storage could have increased or the number of stored spare parts.

That's right the cost of storage has increased because the vendor has increased the rental by 50%. Now that you know the reason of the declining profits, can you suggest some recommendations to overcome the same?

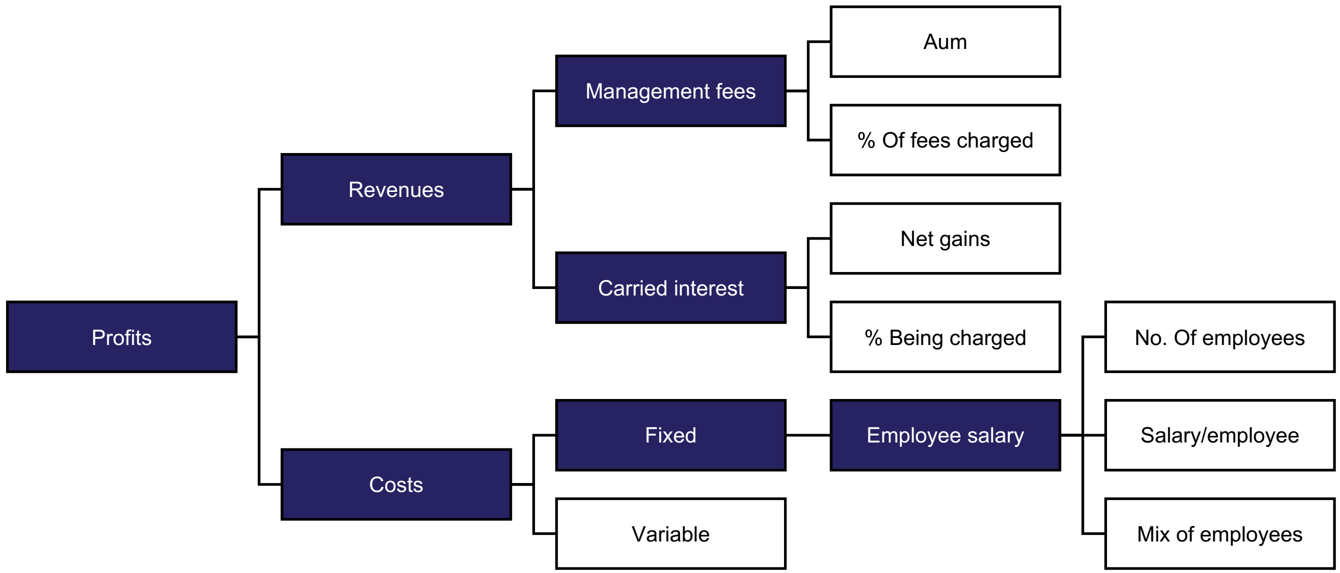
In short run, 1) Increase passengers testing pre-boarding, 2) Launch positioning campaigns to relate safety to travel, 3) Reduce frequency of operational flights as per occupancy rates and 4) Negotiate reduced storage costs. In the long run, we can 1) Switch vendors and 2) Incorporate just-in-time procurement system.

Hedge Fund

Your client is a Hedge Fund and they have seen a decline in its profits. They have asked you to find the reason and come up with solutions for them.

Background Information

- **Client** – US based hedge fund investing in equities
- **Competitors** – Other Hedge Funds around the US who have done well during the period of our decline
- **Time Period of Decline** – 2 years
- **Magnitude of Decline** – 5%



Case recommendations

- Calculations form an important part of the case solving so be quick with calculations.
- Breaking employee salary into volume (no. of employees), value (Salary per employee) and variety (employee mix) is important.

Case tips

- This was a moderate to easy case. Scoping played a very crucial role in this case.

Hedge Fund

Okay, seems like an interesting case. Before proceeding, I'd just reiterate the statement once, just to ensure that we are on the same page. Our client is a hedge fund facing a decline in profits and they want me to analyze the same, right?

Yes right! You can proceed with the case.

Okay, so I would like to understand the client first and the industry in general. If I'm right, a Hedge Fund is like a Mutual Fund in which majorly HNI's invest since the amount being invested is very high. And just like a Mutual Fund, there is a fund manager who invests the money on our behalf, right?

Yes, your understanding about a Hedge Fund is correct. You may go ahead.

Okay, now I'd like to know what exactly is the time period we are talking about (COVID/Pre-Post COVID), where exactly is our client located, what is our AUM, what kind of assets we invest in, since when have we seen the decline happening and if we are aware of the magnitude of the decline?

Okay. We are a US-based fund, and we invest majorly in Equity markets i.e. NASDAQ and NYSE. The decline has been happening for 2 years now and our profits were steady till 2019 but in 2020 and 2021, our profits have gone down by 5%. This hasn't been faced by any other player so you can maybe ignore the effects of COVID. Our AUM in 2019 was 1600, in 2020 was 1800 and in 2021 was 1900.

Okay makes sense. Now I'll break profits as a function of the difference between revenues and costs. A decline in profits can be due to a decline in Revenues, an increase in costs, or an interplay of both factors. So is our client aware, where exactly are facing the issue?

So, there is an issue with both Revenues and Costs.

Okay so I'll start with the revenues side of it. The major revenue streams that I could think of over here are– (i) Management Fees charged by the Hedge fund and (ii) Any profits made on the invested money in the Hedge Fund. Am I missing out on anything?

You have identified it correctly. Just to clarify, Management Fees is a fixed fee paid on balance of AUM. The share of investment that you were talking about, that is known as Carried Interest and it is charged @20% of all gains in excess of a Hurdle Rate of 15%. Focus on both the revenue streams.

Okay makes sense. I'm sorry but I'm not sure how the Hurdle Rate works. Can I get some clarity on that?

Sure. hurdle rate is a minimum acceptable rate that the investors expect from the fund. So, when the fund is giving a return on more than 15%, you get 20% of the gains that the firm has earned. In case returns are less than 15%, you don't get anything.

Okay, clear now. Okay starting with the Management Fees. It would be a function of AUM and % of fees we are charging. AUM, as we discussed has gone up. My hypothesis is that the % rate we are charging has gone down. It may be due to any company policy change, any change by the competitors, or any new demands by the customers.

Yes, you are correct! % of fees being charged has gone down from 2% to 1.5% owing to the demand of low-cost investment opportunities by the investors.

Okay, and in order to calculate any change in the carried interest, we would need to find out the net gains for which we would be needing the costs. So, firstly I'll move ahead with the cost side to it. Costs can either be fixed or variable in nature. Fixed costs would include infrastructural costs like those of physical and digital infrastructure, operational costs like employee salaries, marketing costs and admin costs and finally other costs like interest payments if any. Variable costs would include costs like salaries dependent on returns etc. Is our client aware, where exactly are they facing the issues?

Hedge Fund

This seems like a comprehensive enough break up. We have seen an increase in the fixed employee salary costs.

Employee salaries can be a function of the amount of salaries we are paying, the number of employees that we have and the mix of those employees. Is our client aware of the root cause of the issue?

Yes, you have identified it correctly. The issue lies with the employee mix. The number of Analysts that we hire have gone down while the associates have gone up. This is because we want a better professionally managed portfolio which gives investors the trust that they want while investing in us.

Okay! Would you like me to do anything else now?

Yes. Now use the data that I'm about to give to calculate the actual decline in profits that have incurred to us. So, as you know, the AUM details are 1600, 1800 and 1900 across 2019,20 and 21. The Return we generated on the investments across the 3 years was 20%, 12.5% and 5%. Talking about the employees, we have reduced the number of Analysts from 12 to 9 and increased the number of Associates from 9 to 18 from 2019 to 2020 and 2021. Analysts are paid 200 per year and Associates are paid 300 per year.

Okay! I'll take some time to calculate the revenues and costs. For costs, is it fair to ignore any other kind of costs than the employee costs?

Yes, fair!

Particulars	2019	2020	2021
AUM	1600	1800	1900
Mgt. Fees (a.)	32(@2%)	27(@1.5%)	28.5(@1.5%)
Returns Gen.	320(20% given)	225	85
Carried Int.(b.)	64(@20% of returns)	0	0
Revenues(a.+b.)	96	27	28.5

Particulars	2019	2020	2021
Analyst Cost	2400	1800	1800
Associate cost	2700	5400	5400
Total	5100	7200	7200

We can clearly see how revenues have been going down drastically and costs have gone up by a huge percentage. (Al calculations are done using numbers given in the case, by the interviewer)

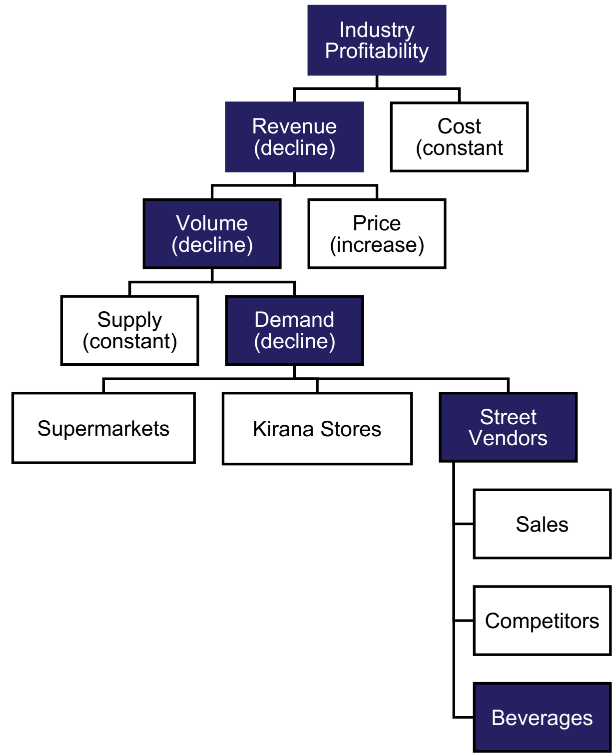
Yes exactly. We can close the case for now. It was a good discussion

Mint Toffee Manufacturer

A company that produces mint candies has seen a decline in profits generated over the last 3 months.

Background Information

- **Trend for the decline** – 3 months
- **Company details** – Location– South India, produces mint candies
- **Product** – 3 types of mint candies
- **Industry** – Only the manufacturer affected. Impact seen in one segment. Other two segments are realizing higher profit margins.



Case recommendations

- Identify the various customer pain points based on customer journey map.
- Follow the journey map to look for disruptions.

Case tips

- This was a moderate to easy case. Ask for some additional time to synthesize the information if you are stuck.

Mint Toffee Manufacturer

Client is an established manufacturing company that presently produces mint toffees in three different flavors. Over the past three months, the company has been seeing a decline in the net profit figures. Analyze the case and arrive at a conclusion.

Firstly, I would like to analyze whether the problem is arising due to the supply side (production & distribution) or the demand side, if you could shed some light on that.

So, the company has been established for over 5 years and has distributors who sell the products in three different segments and percentage sales haves been provided below.

Supermarkets – 25%
Kirana stores– 35%
Street Vendors– 40%

The company has been seeing a decrease in sales of over 70% in the street vendors segment alone, while the other two segments have been generating higher margins. Competitors in the same segments have not seen a decline in profits.

Okay. Since only the client has seen a decrease in sales, can you provide some inputs on whether any changes have been made in the production process or in the pricing of the toffee.

Yes, based on customer surveys conducted, inputs were received on increasing the size of the toffee to add a higher percentage of jelly filling in it.

Can you shed some light on whether any pricing revision was done.

After increasing the size, the price of the toffee was also increased from Rs. 1 to 2.

Post making this price change, what were products and the customer's reactions to the new products and how did it affect sales?

This increase in size and filling has been well received by the customers as well seeing a 20% increase in sales in the supermarket and Kirana store segments.

Okay so I'll start with the revenues side of it. The major revenue streams that I could think of over here are– (i) Management Fees charged by the Hedge fund and (ii) Any profits made on the invested money in the Hedge Fund. Am I missing out on anything?

You have identified it correctly. Just to clarify, Management Fees is a fixed fee paid on balance of AUM. The share of investment that you were talking about, that is known as Carried Interest and it is charged @20% of all gains in excess of a Hurdle Rate of 15%. Focus on both the revenue streams.

Okay makes sense. I'm sorry but I'm not sure how the Hurdle Rate works. Can I get some clarity on that?

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Yes, you are correct! % of fees being charged has gone down from 2% to 1.5% owing to the demand of low-cost investment opportunities by the investors.

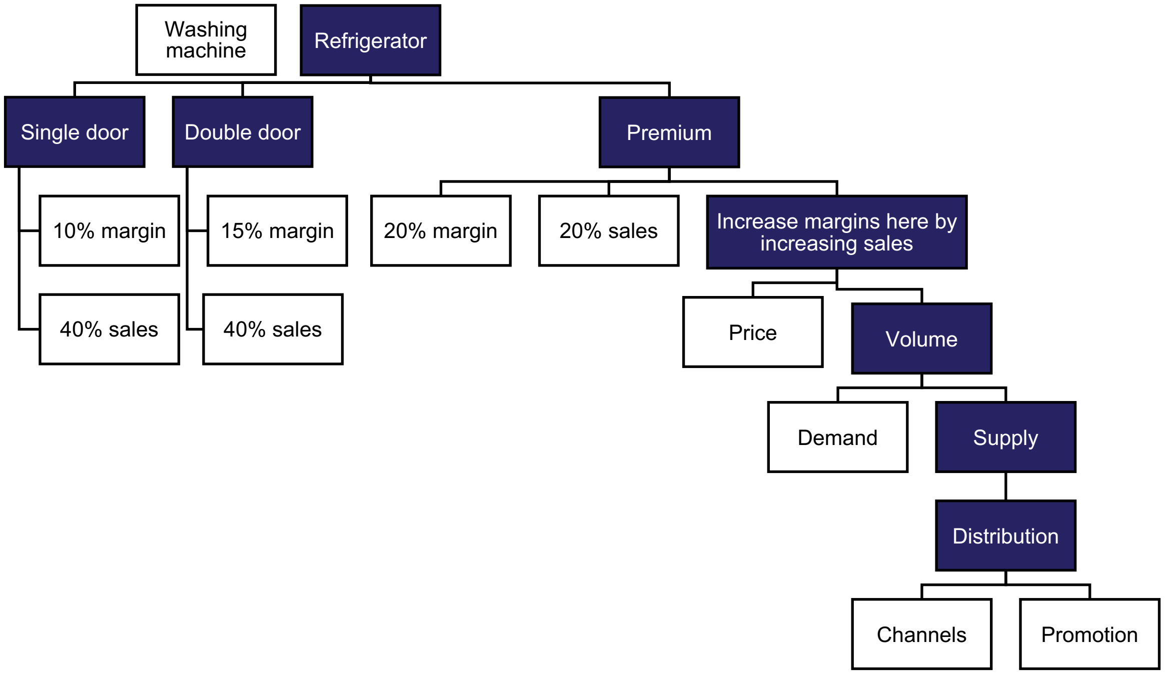
Okay, and in order to calculate any change in the carried interest, we would need to find out the net gains for which we would be needing the costs. So, firstly I'll move ahead with the cost side to it. Costs can either be fixed or variable in nature. Fixed costs would include infrastructural costs like those of physical and digital infrastructure, operational costs like employee salaries, marketing costs and admin costs and finally other costs like interest payments if any. Variable costs would include costs like salaries dependent on returns etc. Is our client aware, where exactly are they facing the issues?

Indian Home Appliance Company

Your client is an Indian home appliance company specializing in washing machines and refrigerators. It wants to increase the margins on its refrigerators.

Background Information

- **Client** – Manufactures products and sells it through third party distributors. 3 types of refrigerators are manufactured
- **Time Period of operations** – 10-15 years
- **Magnitude of Decline** – 5%
- **Competition** – 7- 8 competitors with slightly higher margin than ours



Case recommendations

- Focus on increasing high-margin premium refrigerator sales.
- Explore online sales and expand into Tier 2 cities.
- Use tailored online and offline promotions for diverse customer segments.
- Offer varied financing options for smoother purchases.

Case tips

- Maintain a clear, organized case approach.
- Use market knowledge for targeted solutions.
- Focus on increasing sales without raising prices.

Indian Home Appliance Company

So just to reiterate the client is an Indian home appliance company, and it wants us to suggest ways to increase margins only for its refrigerators, right?

Yes right! You can proceed with the case.

So, before I go into suggesting solutions, I would like to understand the company a bit more. Does it operate only in India? Where does it lie in the value chain? How long has it been in operation?

The Company has been in operation for the last 10-15 years and is an established player. It only operates in India. It manufactures the products and sells it through large and small distributors and ultimately through third-party retail outlets.

So just so I understand correctly, the client doesn't own the end-to-end supply chain, it just manufactures the products and margins are dependent on the sale to distributors?.

Yes, that's correct.

Understood. So what kind of refrigerators does the company manufacture? I'm assuming it would be different types of refrigerators, having different uses and margins, targeting different customers?

Yes, so the company produces 3 types of refrigerators – Single door, Double door and premium – having margins 10%, 15% and 20% respectively.

And do we know about the product mix? In terms of sales?

Yes, so the product mix is 40-40-20 for the single door, double door and premium refrigerators respectively.

Okay. I would like to understand the target customers for this product. Would it be fair to assume, the premium segment would be high-income urban customers?

Yes, that's a fair assumption. The single door is the cheapest and is bought by low- and middle-income segments while the double door is predominantly for middle-income and high-income segment.

Okay. And what is the competitive landscape like in this market? Is this a price-sensitive market? Are the products differentiated? How many competitors are there?

So this is an extremely price-sensitive market, and assume we cannot increase prices to increase prices. There are 7-8 other competitors.

Now that I have gained an understanding of the client and the market, I would like to understand why the client wants to increase the margins. Is it need-based or purely aspirational?

The client would like its margins to be in line with competitors which are 1-2% higher.

So, considering the market is price sensitive, there would be more or less similar price for products of different companies and differentiation would be based on products and product features. Is that a fair assessment?

Yes, that's fair.

And considering the client's margins are lower than competitors' margins with similar price, the clients' costs are higher than the competitors?

No, the client is best in terms of efficiency and cost.

Okay so considering the client is leading in terms of cost efficiency, I would like to focus on the product mix of the company. And although the cost is already the lowest among peers, I would still like to explore whether there are any opportunities to further reduce the same.

Why don't you focus on product mix part only?

Sure. Currently, the client is operating at a 14% margin, and the target margin is 15-16%. The single-door fridge is sold at a margin of 10% while the double is sold at a 15% margin. Increasing the sale of either would not help the cause. So, I think the client should focus on increasing the sale of its premium refrigerators having a 20% margin. Is that a fair approach?

Yes. How can the client increase the revenue of the premium refrigerators?

While increasing sales, considering we can't increase the price, I will focus on increasing sales volumes. In doing so, I would like to understand a bit more about the product features and the perception of the product. Is the client's premium refrigerator lacking in some features as compared to competitors

No, the features are best in the that segment.

So, if price is similar and features are better and still sales are low, it would probably mean there is an issue with the distribution or the communication of these product features. I would first like to focus on the distribution aspect – mainly online and offline. So, if the Company does not sell its products through the online channel, then that is one thing that it can expect considering a lot of its consumers would be urban high-income consumers

Indian Home Appliance Company

They could use 3rd party platforms or even their own website for the same. The Company can look at optimizing its distribution chain and target areas with a bigger target audience and can expand into Tier 2 cities as well to acquire more market share. It could look at introducing more of its own stores and showrooms, which would enhance the brand and help connect with the urban consumers. Does that seem fair?

Okay that's good, you can go ahead.

Next I would like to focus on the promotional strategy of the company. And I would like to divide that again into online and offline channels. The Company can use online channels to connect with younger audience and young families to promote its products. When it comes to sales through brick-and-mortar stores, it can use targeted ads, hoardings, billboards, loyalty benefits for customers while exchanging their existing refrigerators, and having own sales team in premium retail stores to push its products. The Company can also target newer customers in Tier 2, Tier 3 cities to expand volumes.

Okay that's fair enough. Anything else you can think of?

One more thing the Company could do is regarding the actual purchase of the product. It can add more financing options for customers that would help customers to easily finance these big purchases.

Okay that's fine. Now assume the client adopted these strategies and it doubled the sales of its premium refrigerator. Now what is the overall margin, other sales being constant.

15%

Now the client wants to increase the sales of its washing machines, and it has approached you again. You have a proposal ready that you are going to present to the management. How would you structure that proposal?

Do you want me to give a strategy as well or just the structure of the proposal?

Just the structure.

Okay. I will have the first section explaining the current variants of washing machines of the client, historical sales growth, profit and volumes. The second section would focus on industry growth, competition level, and growth drivers. The third section would deal with growth opportunities and possibilities for the client specifically, based on the above 2 sections. Fourth would be the challenges in implementing solutions listed in Section 3. The final section would focus on final recommendations based on Sections 3 & 4.

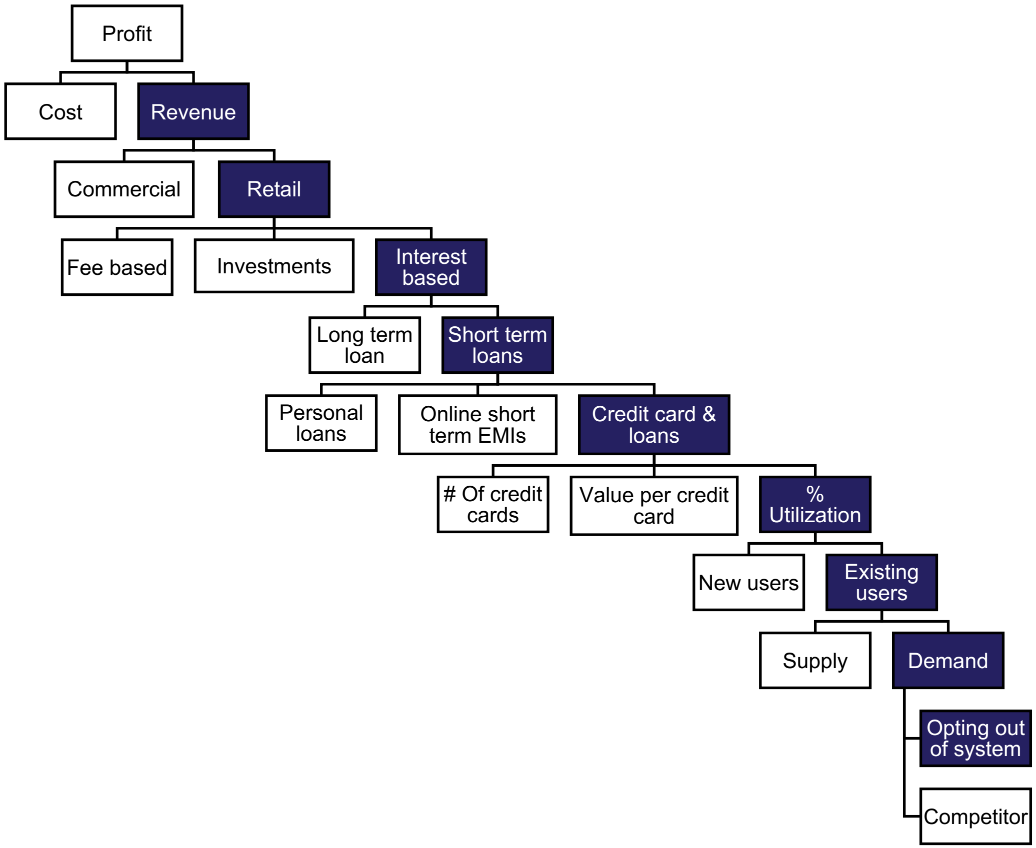
Okay that's what I was looking for! I think we are done here, so thank you!

Bank – Decline in Profitability

Your client is an Indian Banking giant, that is facing a decline in profit for the last 6 months. Analyze the problem and provide recommendation.

Background Information

- **Percentage decline** – 5-10%
- **Time Period of operations** – 6-8 months
- **Competitors** – Market leaders. We have 3-4 competitors, but they are not facing a decline
- **Geography** – Pan India



Case recommendations

- Conduct an immediate review of the altered notification system for card renewals.
- Extend renewal periods to allow more time for customer responses.
- Integrate customizable renewal alerts in monthly billing reports for increased awareness.
- Utilize customer feedback to redesign a user-friendly notification process.

Bank – Decline in Profitability

Your client is an Indian Banking giant, that is facing a decline in profit for the last 6 months. Analyze the problem and provide recommendations.

Great, so before going forward I would like to understand the company a little more. Which sector of banking does it operate in? Is it private or public?

It is a national private bank with a presence all over India.

How much is the decline in profit? Are the competitors facing a similar decline? Is there any regional bias in profitability?

It is seeing a 5-10% decline in profit across India and competitors are in fact seeing an increase in profits.

I think I have enough information to break down the problem. Let us look at the revenue and costs of the company to isolate the problem.

The costs have been constant, but the client is seeing a decline in revenues.

Great! Banks typically have retail and commercial segments. Is this same for our client? If so, which segment is facing the decline?

Good approach, the client has both segments and is facing decline in retail segment.

We can divide revenue from the retail segment into fee-based, interest-based, and investments based. We can look at each segment one by one to see.

We can look at interest-based streams of revenue first. In particular, short-term loans.

Okay, in short-term loans I understand we have personal loans, credit cards & EMIs. Am I missing any segment?

No, this is pretty comprehensive for retail customers. Our client is seeing a decline in revenues from credit cards.

Great! I would like to break revenues from a credit card into a formula –
Rev = #of credit cards x % Utilization x Value Per Credit Card
Am I missing any components? If not, I would like to dig into each component to see where we are seeing a decline.

No, the formula is good. We are seeing a decline in # of credit cards in circulation.

I understand number of credit cards can be divided into new cards issues + old cards still in circulation.

Correct, so we have no problem selling new cards, but our churn rate of older cards is very high when compared to our competitors.

That is interesting. So, I understand there can be either a supply or demand issue. But I feel since we are able to sell new cards, it is not a supply issue, and would like to focus on the demand side.

Good observation, go ahead.

So, I understand demand could further decrease because of either competitor action or customers simply going out of the credit card system. However, since our competitors are seeing an increase in profit, I would like to rule out the second and focus on the first.

Go ahead.

So, I understand demand could further decrease because of either competitor action or customers simply going out of the credit card system. However, since our competitors are seeing an increase in profit, I would like to rule out the second and focus on the first.

That sounds good, go ahead.

I would like to break customer experience into pre, during, and post-usage

Okay, you can look at post-usage experience.

Okay so in post-usage experience, I would think of the renewal of cards. I would divide that into awareness of the renewal process, the process of renewal, and pricing issues.

Great. So, we have recently changed our mode of notification due to which customers are not aware of their renewal deadline and thus miss out on it. Why don't you suggest some solutions?

That's good. Before going ahead with solutions, I want to know more about the change in the notification. Was it an internal issue from our side or some external change like privacy regulation or OS update on devices?

Great you asked but we don't have data on that. You can focus on the solutions.

Okay so I will look at multiple factors. In the short term, we can change the renewal period so that more people get more time to respond. Secondly, the client can add permission settings or add renewal alerts to the monthly billing reports.

Okay that's enough. We can end the discussion.

Tractor Manufacturing

One of our clients, a tractor manufacturing company is seeing a decline in their profits. Diagnose the problem.

Background Information

- **Client** – Top 3 Tractor Manufacturing Firm
- **Competitors** – fairly competitive market
- **Location/Geography** – Pan India sales

- Pre-processing
  - Raw material
  - Labour
- Processing
  - Plant and Machinery
  - Capacity Utilisation
- Sales/Distribution
  - Sales Channels
  - Logistics
- After Sales
  - Repairs and maintenance
  - Experience

Case recommendations

- The key point here was that based on the geography, the needs of the consumers would differ - thus, a small farmer from the Southern Part of the country would have different needs as compared to a small farmer from Punjab or Haryana.
- You should always try to divide the solution into 2 or 3 buckets (Short Term, Medium Term & Long Term or Short Term & Long Term).
- There should have been a deeper dive into costing – factors like transportation costs, processing costs, marketing costs were not taken into account.

Case tips

- Systematically address stagnant growth segments.
- Explore and address customer satisfaction insights.
- Adapt to specific demands in unsatisfied regions.

Tractor Manufacturing

Sure, since how long have we been seeing a decline in the profit? And how much decline have we seen?

So, we've seen around 18% decline in profit and the market share has been declining since the past 3 years.

And have our competitors also seen a decline in profits? Or is it a company specific issue?

We haven't heard about our competitors facing a decline in profits.

Alright, since the profits are declining, it could be due to increasing costs or decreasing revenue. have we been seeing a decline in our revenues?

Yes, we've seen a decline in our revenues.

Alright, Can you share some insights on the company's product mix?

So, our products can be best classified based on HP–

HP	Revenue %	Growth
<20	10%	Stagnant
20-40	50%	Declining
40-50	20%	2nd Fastest
>50	20%	20%

Great thank you. From the first look, the first 2 buckets – contribute to 60% of revenue – however, the growth has been stagnant and in the second segment declining. I would want to deep dive into these 2 buckets first.

Sure, go ahead.

Alright, I also want to understand more about the customer base? Specially for the first 2 buckets.

So, basically, we cater to dealers' companies, small-time tractor vendors as well as direct consumers. For HP 20-40, our major consumers are farmers.

So, I would like to divide the process into 3 parts – Pre-Processing, Processing, Sales/Distribution and After-Sales. Are we witnessing a loss in demand, or should I consider evaluating the manufacturing capabilities of the plant?

Our manufacturing process is at par with the competitors, and we are able to meet the demand with ease, but there has been a decline in the demand.

And have there been any changes in our price or the price of the competitors?

No, there haven't been any changes that we are aware of.

So, since price and quality do not seem to be the issue, I would like to focus on understanding why there is a loss in demand in this segment. For this, I would want to conduct a Need-Gap analysis to understand if we're meeting the customer's demands. Do we have any information about if the consumers (small farmers) are satisfied with our product?

For most parts of the country, we have had no complaints. However, a major segment of our consumers is based in Northern Part – Punjab, Haryana, UP & Bihar. And we have received feedback that the consumers here are not satisfied with the performance of the tractor.

That's interesting. Since the customers are not satisfied with the performance of the tractor, the issue could lie with the fact that they are using lower HP tractors.

Yes, that makes sense since consumers here are opting out of buying lower HP tractors. What would be your solution?

Since we have the manufacturing capabilities, we need to offer 40-50 HP & >50 HP tractors in these areas. Thus, we need to reduce the number of smaller tractors and increase the production of 40-50 & >50 HP tractors.

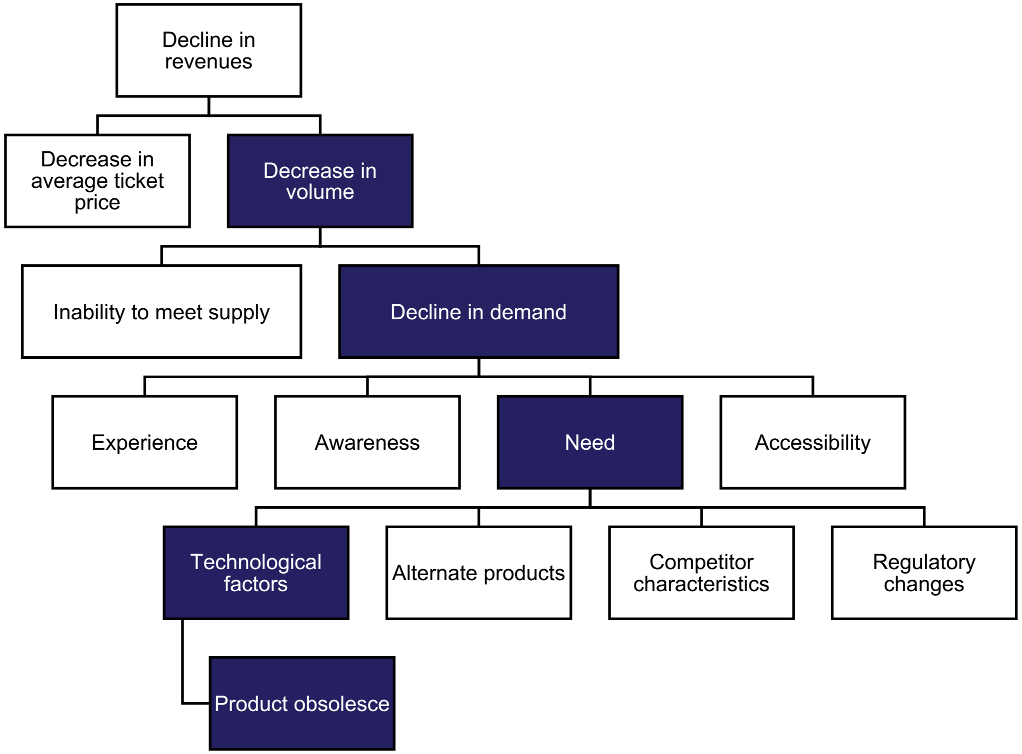
Alright, thanks. We can close the case here.

Medical Device Manufacturing Company

Your client is a global medical device manufacturing company. They are witnessing a decline in revenues for the past 3 years in their India Business unit. They want understand the reason and want you to recommend a plan to stop the decline of the revenue.

Background Information

- **Geography** – Global firm with India BU having problems
- **Consumers** – Labs and hospitals which require surgical and diagnostic equipment



Case recommendations

- For the short term, since the Indian market has advanced technologically for the present products, client can scout for markets where our products are technologically advanced or fit to operate. Asian and South American growing needs can be a good idea for doing the same. To reduce costs in India, the client can optimize resource allocation in areas with higher sales. In the long term, to stay relevant in the Indian market, the firm needs to invest in making technological progress to improve its product line.

Case tips

- The case required one to look at multiple avenues of the cause of decline in revenues. While recommending solution, firm's global competencies can be leveraged to solve domestic issues.

Medical Device Manufacturing Company

Sounds an interesting problem, I would like to begin by understanding more about the company and its India Operations along with understanding the competitive landscape of medical device market.

Sure, in India, the firm uses Make in India approach. The make and assemble machines and machine parts in the country and provide products for global as well as domestic sales. They are among the top 3 players in the market, but due to declining revenues, which the other companies aren't, they are at the risk of becoming a minor player in the market. They offer diagnostic & surgical equipment to hospitals and labs across India.

If competitors are not seeing the decline in revenues, I can conclude that it is a firm level problem and not market level problem. Also what is the decline witnessed by the firm and in which products.

Yes, that is what seems to be happening. For the second part, they have seen revenues drop by 4-5% across all products.

Now I would like to proceed by analyzing the causes of decline for the India unit by breaking revenues into volumes of sales and average ticket price of sale. Where is the firm facing problem?

The firm is seeing decline in volume of sales.

Understood. I would now like to find the cause in sales volume. For the same, I would be looking at issue through 2 views. First, whether the firm is able to supply the required demand and second, whether the demand for the product has dropped.

The only problem that we see is that the demand for the products has declined.

Now to understand the reason for decline in demand, I would like to focus my analysis on 4 factors which are, decline in awareness of the product, drop in the need of the product, degradation in quality of purchase and product and finally, the accessibility of the product to the end user. Any other factor which you would like me to consider?

That is a comprehensive list; I would like you to focus on the need for the product that is going down.

Sure, since the need for the products, has declined, the drop can be attributed to multiple factors. To call the elements are technological factors that have rendered products obsolete. Secondly, alternate products can cut down the need for the product. Thirdly, competition could be a potential factor, and finally, regulatory changes might have mandated the change in market dynamics.

It seems like a fair approach. I can tell you that the client has surveyed marketplaces and received a review that the competitors are providing technologically superior products. Also, the client's firm has been unable to keep up with technological advancement. This might seem to be the cause of the decline. Can you recommend a plan for the client to cope with the issue?

Sure, I would like to recommend a two-fold plan—one for short-term tenure and one to sustain in the long term.

Sure, go ahead with it.

For the short term, since the Indian market has advanced technologically for the present products, we can scout for markets where our products are technologically advanced or fit to operate. Asian and South American growing needs can be a good idea for doing the same. To reduce costs in India, the clients can optimize resource allocation in areas with higher sales. In the long term, to stay relevant in the Indian market, the firm needs to invest in making technological progress to improve its product line.

That seems to be a very comprehensive list of suggestions with a concrete plan. We can close the case here.

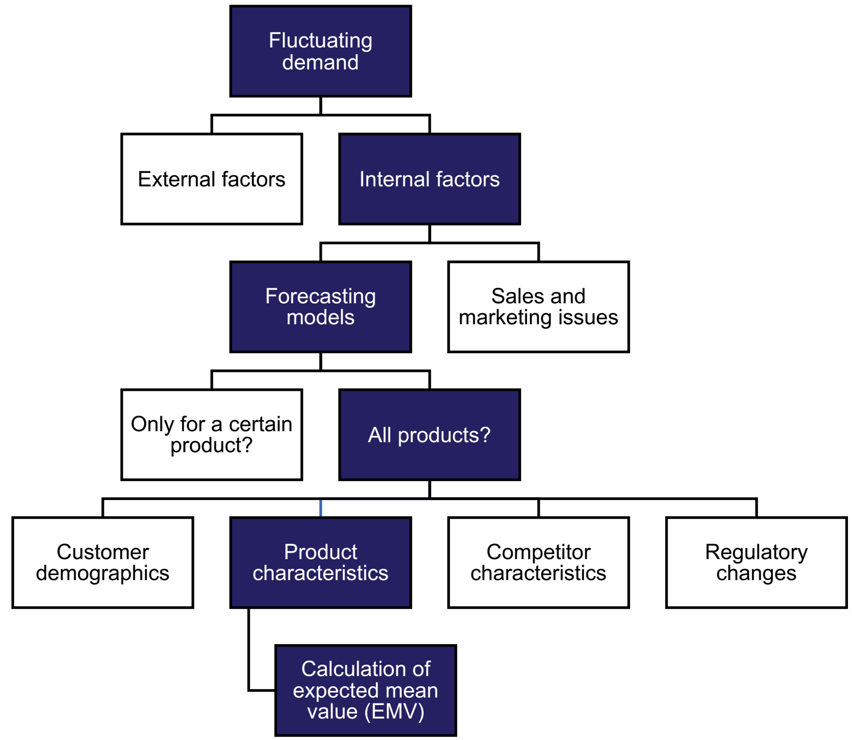
Thank you, Sir!

Fluctuating demand for Luxury perfume store

Your client is a luxury perfume chain. The client is facing fluctuating demand in his store in Mumbai. They want to diagnose the cause of the fluctuating demand and recommend a solution for the same.

Background Information

- **Client** – Luxury perfume retailer
- **Competitor** – No major changes
- **Time Frame** – A few months
- **Geography** – Store is in Mumbai



Case recommendations

- For an immediate action, the client can improve forecasting models by incorporating factors like seasonality and product characteristics. They could also utilize historical data to refine predictions. The client can then calculate the EMV of each product in the store and identify products that have negative EMVs. They should further investigate and develop solutions to address the reasons why these products have negative EMVs. This may involve discontinuing the products, reducing the cost of production, or increasing the selling price.

Case tips

- The case here required to have some basic understanding of how forecasting models work. One way to approach such cases which are dependent on internal factors is to scope the problem down. It helps you make headways into understand the root cause of the problem.

Fluctuating demand for Luxury perfume store

To begin with the problem, I would like to understand our client's business better. Do we have information on the stores' location and the region's competitive landscape? Also what kind of products are available at the store? Is the product line limited to perfumes or other luxury skincare products?

Sure, the information I have on the client is that the store in focus is situated in a mall in Mumbai. There are 2-3 similar stores in the region. The primary product segment is perfume, with other products like skincare.

Since when have they seen a fluctuation in demand? Also, do we have some customer reviews of other stores in the region which can suggest that our competitors are also facing the same issue?

The client has been facing this problem for the last six months. On the second question, there is no such mention of the inability of competitors to make the product available to the consumer. They seem to be having the correct quantities at the right time.

So, as I see it, I should be focusing my attention on our store and the factors which are causing fluctuation in demand

Yes, that should be the way to go.

Thank you. There are two factors to consider here; first, Is the forecasting method the client is using unable to capture demand correctly? Second; Are the sales and marketing efforts out of sync with the purchase cycles of consumers

Good question. Over the past data, we have seen that our forecasting models are consistently off from the actual demand plots.

That is a helpful piece of information. We can narrow down our scope to the forecasting models. Are we seeing this mismatch for all products or only for specific products?

The problem appears to be hampering all products.

Now, I would like to focus on the forecasting model. Any model will have Following attributes to it– Customer demographics, product characteristics, competitor characteristics, and regulatory changes, if any. Has there been a change in any of the following factors?

That's thought well put; rest aside, the client has been launching a new line of products continuously to appeal to his luxury customer segment.

That, I guess, will be an inherent trait of the segment client is catering to; exclusivity drives the sale of this segment, and new products on continuous basis help do the same.

Yes, correct! I think we have found the issue; what can you recommend to the client so that they optimize their forecasting method?

Yes, sure; since the client has been in the business for a long time, for every segment, historical data will be available. The client can use historical data to calculate the expected mean value of orders to maximize profits. The model will also include the cost of under ordering and over-ordering as well.

Yeah, that seems to be an idea that can work. We can close the case now. It was great talking to you!

Packaging Company

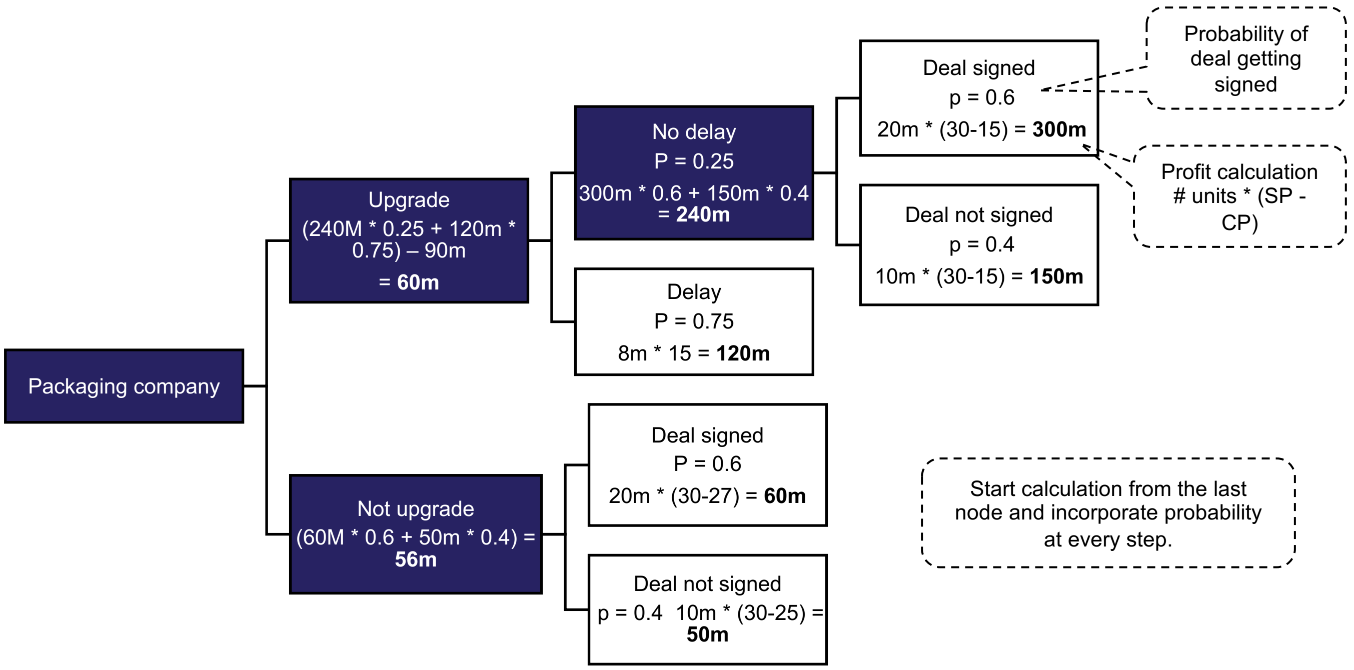
You are the CEO of a packing company. You have to decide whether to upgrade to new technology or not for profit maximization.

Background Information

- Packaging company manufactures cardboard boxes for whiskey manufacturer
- In the anticipation of higher demand (due to new launch), company is considering whether to upgrade technology or not
- Upgrade would incur one time cost but reduce cost/unit from Rs. 25 to Rs. 15

Costing Information

Process	One time Cost (Rs.)	Cost/unit (Rs.)
Without upgradation	-	25
With upgradation	90M	15
Outsourcing	-	27



Case recommendations

- The company should upgrade as they are getting more returns.

Case tips

- This was a moderate case. Clear communication, depicting enthusiasm and confidence till the end is necessary for the case.

Packaging Company

You are the CEO of a packaging company. Your main client is a whiskey manufacturer that needs cardboard boxes. They are planning to release a new brand in the upcoming IPL season. The demand for the new brand is very high, and they are planning to have a blockbuster tie-up with a team, but the deal is not signed yet. The demand for boxes will be regular if the deal is not signed but will increase if the deal is signed.

Your company is evaluating whether to upgrade the boxes manufacturing technology or not, given there is a possibility of delay in the up gradation process. Please evaluate the profit-maximizing alternative for your company.

Okay! Our company has two alternatives – to upgrade our technology or not upgrade our technology. You also mentioned the possibility of delay. Can I know how this technology and delay will impact our operations?

Sure. So our current capacity is 15M units, and by up gradation, we will be able to manufacture 25M units with a reduced cost. If there is a delay in up gradation, we will only be able to produce 8M units even if the deal is signed.

Alright! What is the current demand, and how much increase are we expecting due to the deal?

The current demand is 10M, and the demand will increase to 20M units in case of the deal.

I have got a fair understanding of the capacity. Do we have any alternative if we do not upgrade but still want to cater to the increased demand, maybe something temporary?

Yes, we can outsource the complete production. But we cannot outsource partial orders; complete orders must be outsourced.

Understood. Now that I have an idea about all the possibilities we have, I would like to analyze profits in each of these cases. What is the price we are charging per unit of the box, and will it remain the same even after the increase in demand?

We charge Rs 30/unit to our client. Yes, it would remain the same.

Can you please tell me the cost which we will incur in case of technology up gradation? I would also like to know the current cost/unit and also if we outsource.

Sure! The costs for each operation is available. (Given in the table below)

Okay. I would also like to know the probability of delay in the up gradation. Also, do we know what's the probability of the deal getting signed.

There is 75% chance that delay would happen if we go for up gradation. We have received the information that probability of deal happening is 60%.

Thank you. I think I have enough information.

As per the analysis (given below), I think we should go ahead with the up gradation as we are getting a profit of 60M in case of up gradation and 56M in case of not upgrading the current technology.

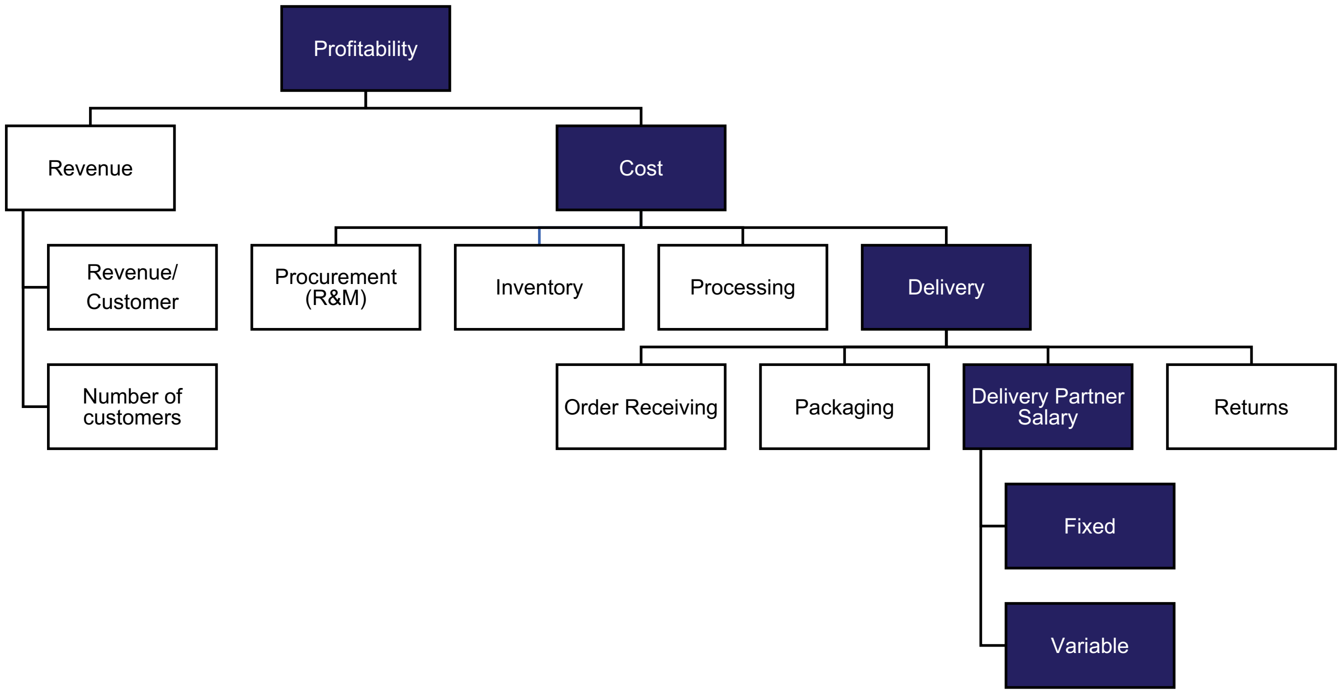
Alright. We can end the case here. Thank you for the discussion.

Quick Service Restaurant

Your client is a quick service restaurant in India who has been seeing a decline in profitability. Diagnose the problem and suggest solutions.

Background Information

- **Company** – Company makes revenue by selling food throughout India
- **Competitor** – No major change in landscape. The market is fragmented. Company specific issue
- **Consumer** – B2C are the main costumers for our client
- **Product** – They make and serve Indian Pizza and Pasta
- **Channel** – Online and offline channels sales model. In house dine or delivery option provided by the restaurant with is taken care by them only



Case recommendations

- For a short term, the client should look into reforming the incentive compensation model for the delivery agents
  a) Put in the factor of delivery amount into the delivery bonus.
  b) Make sure the IC model is fair so as to not increase attribution amongst the distribution partner.
- The client should focus on his core competency of making food and look into outsourcing the delivery to third party vendors in the delivery industry.

Case tips

- This was a moderate to easy case. A breakdown of the major channels of sales and the product wise profitability information was needed before suggesting a solution.

Quick Service Restaurant

Okay, just to reiterate my client operates a quick service restaurant based out of India. Is my understanding correct?

Yes, that's right.

Do we have a timeline since when the profitability has decreased?

Yes, the profits have declined in the last 3 months.

Okay sure. I would like to know a little bit about my client to understand the situation better. Where exactly does our client lie in the value chain- does it only process food or also performs other functions in the value chain e.g. food delivery? Secondly, I would like to ask about the current market landscape as it pertains to the client?

It both makes food and takes care of the delivery. The restaurant has both a dine in option and a delivery option. To your second question, the market is fragmented.

Understood. Lastly, who are the target customers- B2B, B2C?

It focuses mostly on B2C customers.

Sure. Do we have any information on the kind of product the restaurant sells?

Yes, so the restaurant sells Indian Pizza and Pasta to the customers and the profitability has declined across the products.

Okay. Now I'd like to dig deeper into the case since I have the acquired some background information. Do we have any data on the channel wise profitability of the restaurants?

Yes, so the profitability decline is focused mainly on the online channel.

Right. I'd like to analyse the situation from two perspectives- Revenue and costs. In revenue, I'd like to further bifurcate into revenue/customer and number of customers. In cost, I'd like to go through the whole value chain and analyze the elements one by one. Do you want me to focus on the revenue side or the cost side?

For the purpose of this case, I would like to let you know that the revenue is not a concern since it has only increased in the span of last 3 months. However, our costs have gone up significantly.

Okay, understood. In this case I would like to draw a cost value chain for the restaurant to analyze the problem and pinpoint the issue.

Yes, you may proceed with this approach.

As I understand this, the major cost heads for this would be Procurement of the raw materials, inventory, processing and cooking which are common to both channel and the delivery charges for the online channel. Since the decline in profitability is in the online channel only can I assume that the delivery part is a point of concern for us?

Seems fair!

Okay, I would like to proceed with the value chain for the delivery of the food. Again, the major cost heads here would be Order receiving, packaging, delivery personnel salary and returns. Do you want me to focus anywhere in particular where there has been an overhaul in the past 3 months?

Yes, so we have changed the incentive compensation model of the delivery agents in the last 2 months which is now solely based on the number of orders delivered and is not concerned with the order value that they delivered. This was done to decrease the retention issue amongst the delivery drivers.

Okay. So, as I see the problem lies majorly in the Incentive compensation model which needs to be aligned with the revenue the order brings to the company and not just the number of orders. Other methods of retention like health insurance etc. can be explored to retain the drivers. Also, I believe the client should focus on its core competency of food making and outsource the delivery business to other players like Swiggy, Zepto, Dunzo who operate in this space.

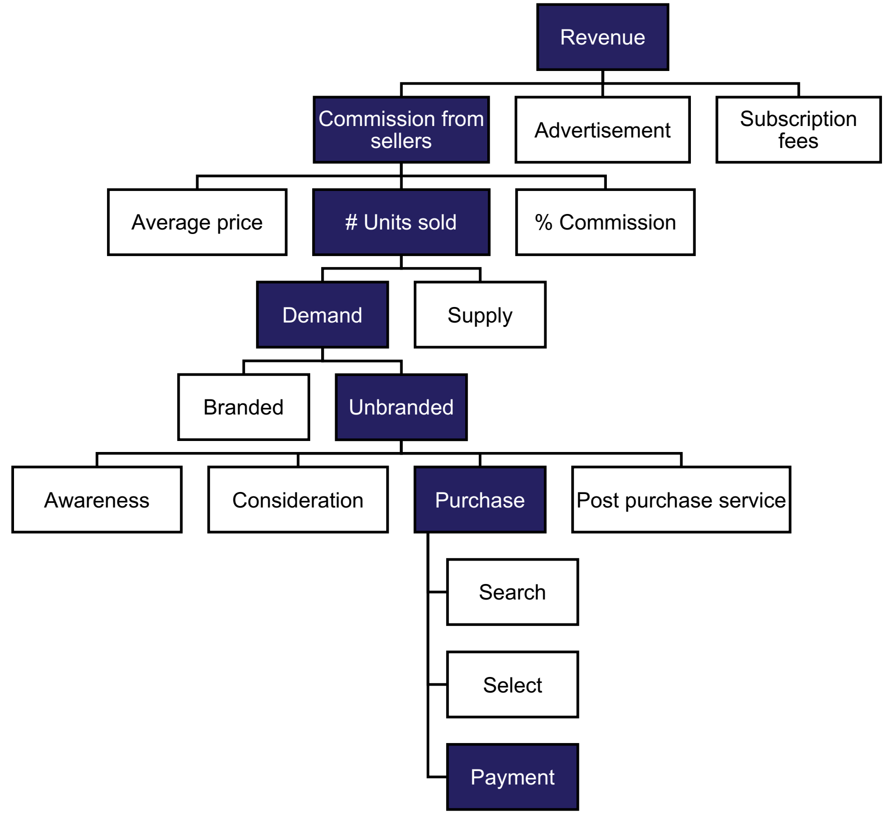
Those are some great recommendations . We can end the case here.

E-Commerce Company

Your client is an e-commerce company facing a fall in revenue. Can you analyze why is that happening?

Background Information

- **Client** – Client is e-commerce website dealing in men's fashion
- **Competitor** – No change as such. Issue is client-specific
- **Consumer** – Mainly men from all income segments
- **Product** – Branded and unbranded men's clothing and accessories



Case recommendations

- It is important to look through the customer's angle when dealing with demand side problems.
- While going through each step in the customer journey, it is crucial to link it with the hooks provided by the interviewer (in this case, region and bifurcation in branded/unbranded).

Case tips

- Case is easy to moderate. In such type of cases, it is important to have a MECE structure in place which can help in tracking down the solution.

E-Commerce Company

Your client is an e-commerce company facing a fall in revenue. Can you analyze why is that happening?

(After clarifying the problem statement) I would like to know more about the client's business and since when are we observing this decline.

The client mainly deals with male fashion products. They sell men's clothing and accessories all over the country. There has been a 15% decline in revenue over the past three months.

Alright. That implies their target customers are mainly males. Are all types of branded and unbranded products available on the site?

Yes, there are all kinds of products available.

Understood! Do our competitors also face this decline, and if this is in a specific geography?

No, this problem is specific to the client. We are observing this decline mainly in the southern part of India.

Thank you for this information. First, I would like to list all the revenue streams for our client. Revenues can generate from core business which is getting commissions for providing the marketplace. The other revenue stream can be subscriptions and advertisement. Do we have any other revenue streams?

No, this is comprehensive. Can you look into revenues from core business?

Sure! Revenues generated is a function of average price of the products, no. of units sold and % commission from the sellers. Do we know if we are experiencing decline in any of these?

The no. of units sold have declined over these months.

Okay! The number of units sold can decline due to decrease in the supply by the sellers or decrease in the demand by the customers in southern area.

There has been no change in the supply. What we have observed is customers orders have reduced.

Alright! I would like to analyze customer's journey. Customers are first made aware of the website and products. Then they consider it for the purchase based on their preference and product quality. Then the purchase is made. Later, they can avail support in case of any discrepancies. If the experience is good, they will return for the purchase. Do we have information about no. of customers visiting our website and the conversion rate? If there is a change in these metrics over the last 3 months?

The no. of customers visiting our website has remained constant, but the conversion rate has declined.

The issue is when they are purchasing the products on the website. I would like to deep dive into customer's journey on the website. First, they search for the required products, once they like it, they place the order and finally they make the payment. Have we changed anything in searching algorithm which might not show the unbranded options or is there any change in the return policies for these products which might be hampering the conversion?

No, none of these has changed. The customers are getting dropped on the payment page.

Okay! As the issue is only for unbranded products and in southern region, there shouldn't be any technical issues as the payment interface is uniform. On the payment page, the final price of the product and its components like delivery charges, taxes, discounts, etc. are displayed. Considering the change is only for southern region, is there a hype in delivery charges for that area.

Yes, that is the issue. Our client has tied up with a new logistics partner recently for southern India. They guarantee fast delivery but at the same time has higher prices. This has led to increase in the overall price for the customers. Anything else you would like to add?

Yes, the customers purchasing unbranded products are more price sensitive, hence they are not making purchases due to hike in delivery charges. But the customers buying the branded products did not face this

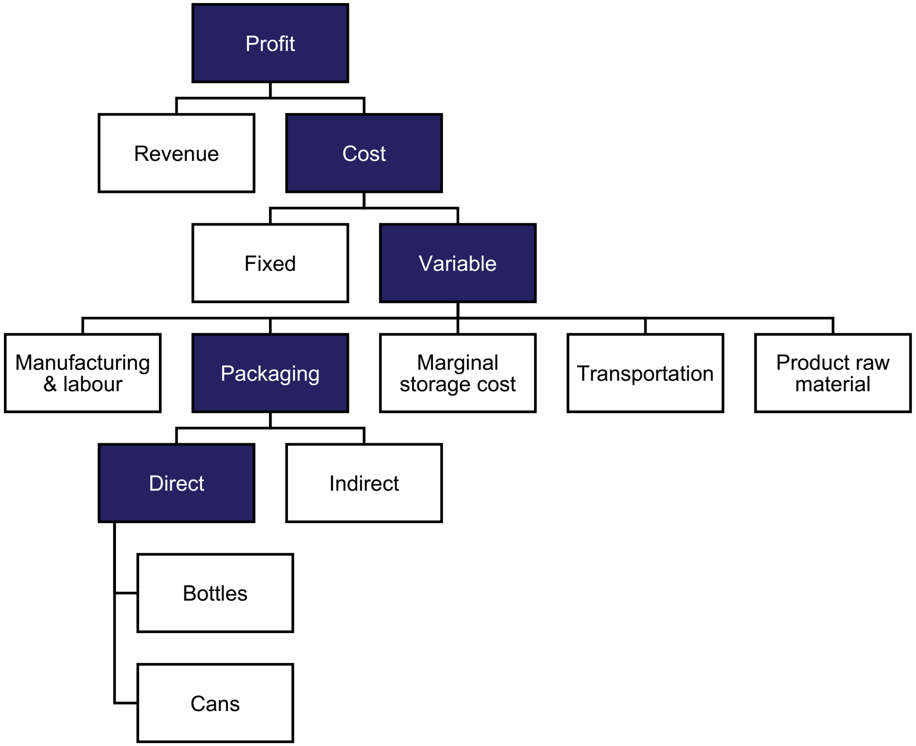
Good! We can close the case here.

Beer Manufacturing Company

Your client is a beer manufacturing company, it is witnessing a decline in profitability, the client wants you to find out the reasons for the same and suggest possible solutions.

Background Information

- **Client** – Client is a beer manufacturer who has been seeing a decline in profitability
- **Timeline** – Last 3 years
- **Product** – Beer, consider only one SKU for this case



Case recommendations

- It is important to look through the client's angle and identify relevant cost heads.
- While going through each step, it is crucial to link it with the hooks provided by the interviewer and focus only on the part of the problem that the interviewer is driving you to.
- Looking at a value chain encompassing all stakeholders makes it easy to think of all dimensions.

Case tips

- Case is of moderate difficulty. In such type of cases, it is important to have a MECE structure in place which can help in tracking down the solution. Some industry insights also help find solutions faster.

Beer Manufacturing Company

Your client is a beer manufacturing company, it is witnessing a decline in profitability over past 3 years, the client wants you to find out the reasons for the same and suggest possible solutions.

Besides the declining profitability problem, does the client have any other objectives or constraints that we need to keep in mind while formulating the solution?

No, you can just focus on profitability.

I would like to start by exploring a bit more information about the company and its business environment to get a better context for the problem like how does the sales figures and market position of our client's company look like and what part of value chain does it operate in?

The company has annual sales of Rs. 7000 cr and enjoys a 30% share of the Indian beer market. The client focuses on purchasing raw material, manufacturing beer and marketing, for sales it passes on the product to its distributor network. For simplicity, you can assume the company produces just one product.

The company seems to have a significant presence in the market, further I would like to know if the declining profitability is being driven by industry-wide issues and are faced by our competitors as well or if only our client is facing this issue?

This does not seem to be an industry wide issue; the declining profitability issue is faced by our client only.

I think I have enough information to begin my analysis. I would like to begin by breaking down profit into revenue and cost and understand the magnitude of change that happened in the two over the past 3 years.

Seems like a fair approach, the client has witnessed a 15% increase in costs over the last 3 years.

The increase in costs might have been due to a fixed investment 3 years ago which is being depreciated year over year now or might be due to increase in variable costs, do we have more information surrounding the same?

The variable costs have increased.

We can break down the variable costs into 5 broad categories – raw material costs, labour & manufacturing costs, packaging costs, storage costs and transportation costs. Have we observed any unexpected surges in any of the above 5 components?

Yes, the packaging costs seems to be unusually high over the past 3 years.

There can be 2 types of packaging that are generally used – direct & ancillary. With direct packaging being the bottles/cans in which the product is contained, and the ancillary packaging can be the one in which multiple units of the product are stored for transportation and inventory holding purposes.

The direct packaging costs have increased, and the company uses only glass bottles and not cans.

Since bottles are recyclable and they pass through multiple nodes in a supply chain, I would like to construct a circular value chain for the bottles to quickly and accurately identify the cost center and the allied issue in the same that is causing the increase in costs.

Sure, go ahead.

Our client must be sourcing fresh bottles and recycled bottles in some proportion. The packaged bottles then go to the distributors who may supply it to retailers and/or restaurants & hotels. The end consumption pattern for these 2 locations is very different, for a retailer, a consumer who would purchase the product and take it home will lead to a situation where proper disposal of beer bottles back to recyclers will be very less thereby creating a major leakage point in the cycle, whereas there might be proper collection mechanisms from restaurants and hotels owing to the volume of bottles, so the leakage from this sub-cycle will be minimum. Finally, once the bottles reach the recycler, they might sterilize the bottles and send it to manufacturers or might crush the bottles and reform it in the desired shape by beer manufacturers.

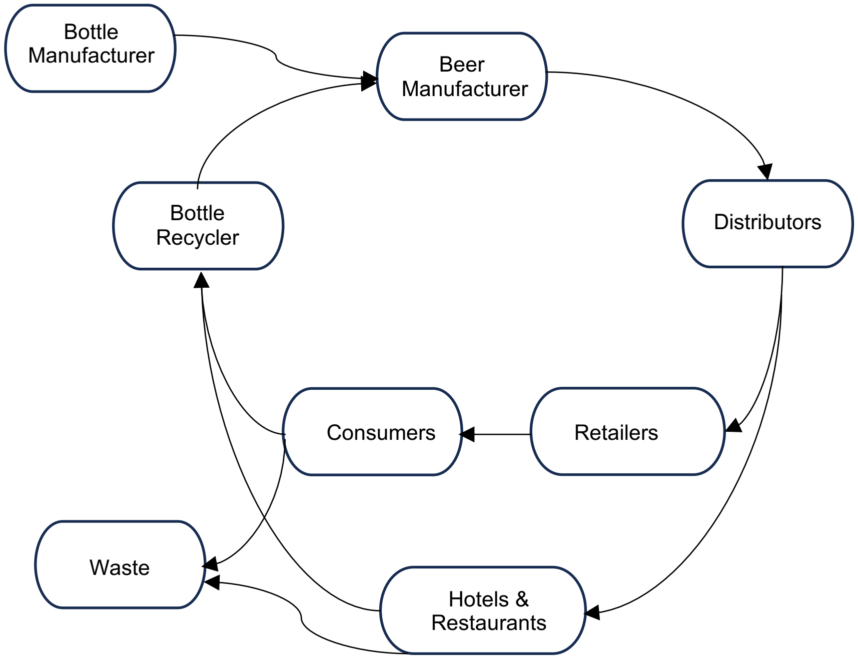
The issue lies in last leg, and the recyclers crush the bottles and reform it, can you think of the possible reasons at this stage that might raise costs for our client?

I have some observations–

- Since bottles are crushed and reformed, there might be no issues around damages or design compatibility.
- Apart from that if there might be any regulatory issues, it might apply to all the players in the industry, but this is not an industry-wide issue.
- There might be some supply-demand frictions between the client specific suppliers and our client.

Are there any other possibilities that I should look into?

Beer Manufacturing Company



No, this looks exhaustive enough. You have correctly identified, for the past 3 years, the demand for the glass bottles has skyrocketed in the pharmaceutical industry and our partner recycler receives better equivalent prices from pharmaceutical clients for the bottles. Here is some data on the same. Can you analyze the numbers and suggest what should be done?
Price quoted from recycler - ₹ 4
Price quoted from manufacturer - ₹ 12
(Fresh – Recycled) proportion right now - 60% – 40%
(Fresh – Recycled) proportion before 3 years - 25% – 75%
Equivalent price paid by pharmaceutical clients to recycler - ₹ 4.25

Below is my calculation–
- Right now, we are paying ₹ 8.8 (0.6*₹ 12 + 0.4*₹ 4) for an average bottle.
- Since, this price is leading to 15% cost increase, our client can afford to pay ₹ 7.65 (₹ 8.8/1.15) on avg. for a bottle.

- Assuming we go back to earlier proportion of sourcing, the maximum price we can pay to the recycler is ₹ 6.2 (from 0.25*₹ 12 + 0.75*₹ x = ₹ 7.65).
- This max. price of ₹ 6.2 gives us a lot of headroom for further cost saving.
- Our client can easily pay around ₹ 4.5 - ₹ 5/bottle to restore the initial supply volume from the recycler by outbidding the pharmaceutical clients.

This is my recommendation driven by the above pricing calculation, would you like me to look into other non-price driven recommendations?

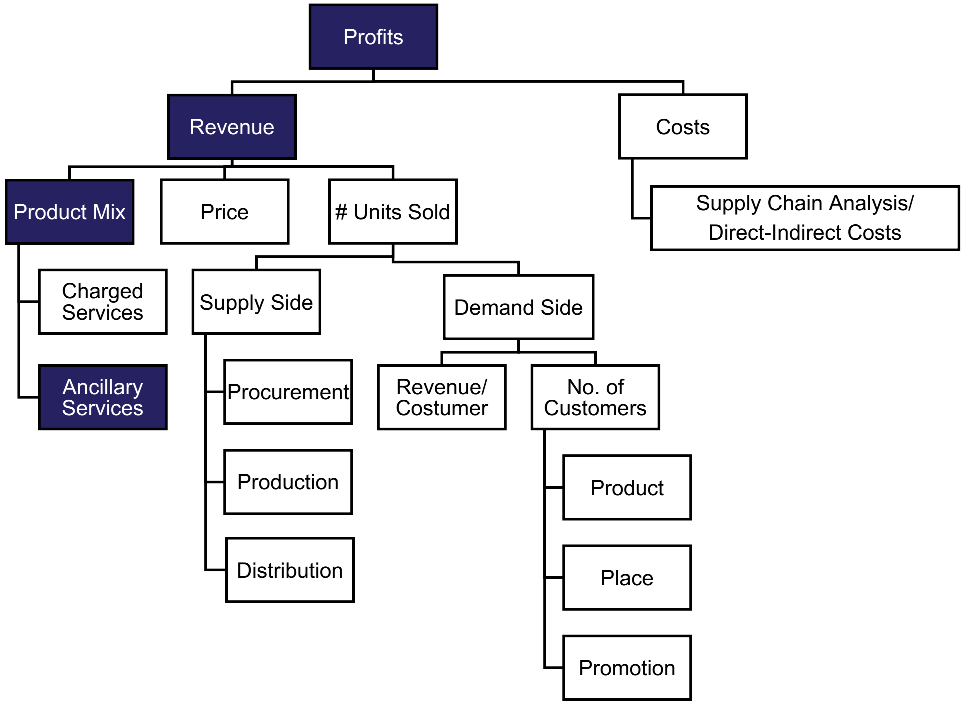
No this is what I was looking for! This looks great! I think we can close the case now.

Temple Shop

Your Client is a shop owner near a famous temple. Recently he has been facing a sharp decline in profits. As a consultant identify the reasons and give recommendations.

Background Information

- **Client** – A shop selling aarti materials near a temple
- **Competitor** – High but fragmented
- **Product SKUs** – 3 (Bundled Products)
- **Place** – Temple located in a small village, but is a tourist spot of sorts



Case recommendations

- The client can follow the suit of a competitor as the advantage is not defendable and hence can install water services and footwear stall, expand product. offerings– VIP darshan, VIP Thaali, Souvenirs, etc, expand target segment to cater to needs of special child/disabled and offer tourist assistance- hired tour guides and village packages.

Case tips

- This case tests the general awareness of the candidate and is not restricted to any industry primer directly – the tricky part is to decipher the impact of non-chargeable services on the prospects – INDIRECT linkage effects.
- Utilize your knowledge of typical famous temple/religious place visits to come up with as practical recommendations as possible.
- It is critical here to consider the bundling of products and provide recommendations revolving around them and other baskets.

Temple Shop

Your Client is a shop owner near a famous temple. Recently he has been facing a sharp decline in profits. As a consultant identify the reasons and give recommendations.

I would like to ask a few clarifying questions to understand a bit more about the client– Where is the temple located? Is it a tourist spot? How long has the client been in this business?

The temple is a small tourist spot located in a village. Our client is a small business located there for the last 7 years.

Ok great. To gain more clarity on the business space of the client could you help me understand the following– What are products sold by us and are there presence of competitors? Also, what is the price band of our competition? Is this decline a persistent issue?

Sure. There are competitors present selling the same products as ours. There are predominantly two product categories. The first is a standalone item and the second is a combo basket. The client is maintaining competitive pricing but is facing declining profits from the last 2 months.

That surely helps. Further, would like to know if all competitors face the same problem or if is it specific to our client. Also, do we have any specific information on the combos given by the client?

The issue is client specific and the combos sold are as follows–

- Basket 1- Flowers+ Sweet packs;
- Basket 2– Flowers+ Sweet packs+ coconut+ cloth;
- Basket 3– Flowers+1/2 kg sweets+ coconut+ cloth+ diyas

Thanks for the comprehensive information. (Asked for time). As we know Profits can be thought of as the difference between revenue & costs. So it could be either a cost-side problem like there is an increase in the cost of items or a revenue side like pricing or sales issues. Do we have details along these lines?

The costs of materials and across the supply chain have remained the same. Think of it through revenue terms.

So, focusing on revenue aspects. Revenue can be thought of as the selling price multiplied by no of customers, which can be further explored in all three baskets in order to pinpoint the issue. Do you want me to focus on anything particular out of these going ahead?

There is no change in selling prices but the no. of customers coming to the shop has been reduced. Also, great to think of baskets, do look over the product mix too.

Since the no of customers has shrunk, we can explore the possibilities along the issues in the product line – changes in need and availability; Location of sale – accessibility and availability concerns; issues with promotional techniques and their impact

Great to lay out the possibilities at once. Now try to make the approach specific to the context given in the case.

Coming to the product mix and specific baskets we have the problems that can arise related to product baskets – such as cannibalization, lagging sales, product component shortages and procurement inefficiencies as well as ancillary services being offered at the shops.

Interesting. What are the ancillary services you mention? Let's discuss more on that.

Sure. By ancillary services, I mean to refer to services such as footwear stands, storage lockers, paid prayer services, etc. that are offered by the stalls often near most temples.

Excellent observation. It has been found that competitors have started keeping a free footwear service which is drawing all the footfall towards them. Would like to know from you how exactly can we tackle this.

I have come up with the following strategies–

1. Can follow the suit of a competitor as the advantage is not defendable and hence can install water services and footwear stall.
2. Can expand product offerings– VIP darshan, VIP Thaali, Souvenirs, etc.
3. Can expand target segment to cater to needs of special child/disabled
4. Can offer tourist assistance- hired tour guides and village packages

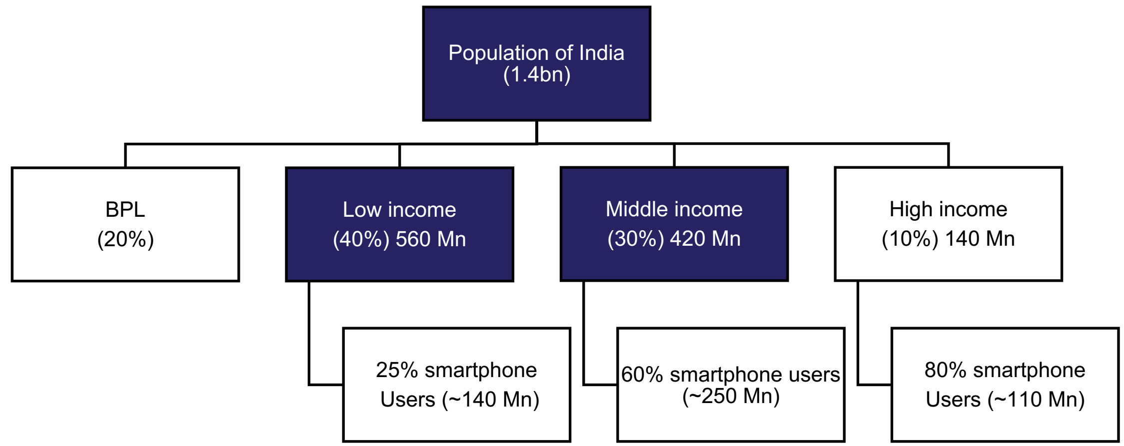
Excellent suggestions. Thank you for your time.

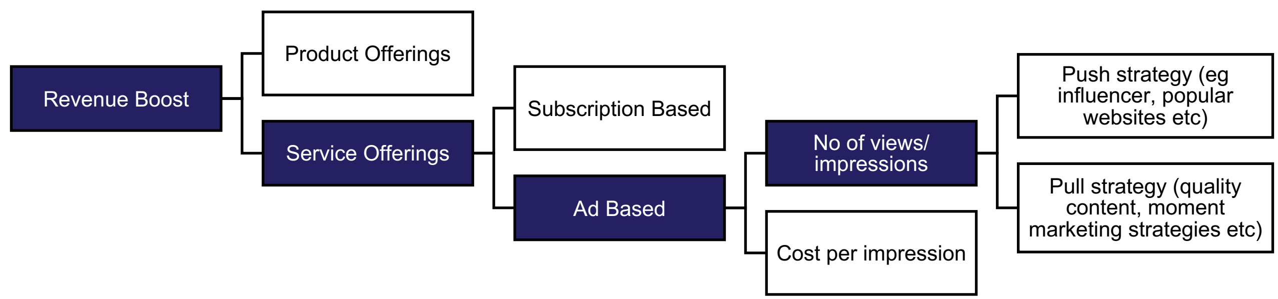
A Boost for WhatsApp

Your client is WhatsApp and wants recommendations to boost its topline. Before that I would want you to guesstimate the number of WhatsApp users in India.

Background Information

- **Client** – WhatsApp
- **Competitor** – Not in the exact same space globally, but high regional & social media competitors
- **Time Frame** – Over the next 5 years to boost topline 2x
- **Ask** – Want to explore new avenues to monetize topline – Focus on revenue-boosting/enhancing mechanisms in recommendations





Case recommendations

- Building upon the previous recommendation, more ads can be shown if there are more statuses to watch. Right now, the number of statuses that a person can see is restricted to the people who are in their contact list. Stories and short reels are extremely popular and addicting and introducing that feature in WhatsApp statuses can get people hooked. Enabling people to follow content creators and influencers on WhatsApp would increase.

Case tips

- Remember that the case involves guesstimating and trying to use that in further case parts.
- If possible, try to harness the understanding of WhatsApp and display any current news/research you can recall.
- Need to ask the interviewer to eliminate the scope of an extremely broad problem/ask.

A Boost for WhatsApp

Your client is WhatsApp and wants recommendations to boost its topline. Before that I would want you to guesstimate the number of WhatsApp users in India.

In my understanding, WhatsApp as a messaging service is used both by individuals as well as businesses. Do you want me to consider both for the guesstimate?

Good thinking. You can start with only individual users.

Alright, so the broad approach I would take is to start with the population of India, then categorize it into various income segments, then consider the smartphone adoption rate for the various segments, and then multiply it by the internet penetration rate. This would give us the number of smartphones with internet access. Then we can multiply it by WhatsApp's penetration rate. Does that sound fair?

Sure, go ahead.

I've considered 25%, 60%, and 80% of people use a smartphone from the low, middle, and high-income segments respectively. This is based on the assumption that smartphones are more affordable for people belonging to middle and high-income segments. Also, the figure is not close to 100% because toddlers and very old people are excluded.
Although the internet penetration rate in India is close to 50%, I am assuming that most people will buy a smartphone only if they have access to the internet and therefore assume that 90% of smartphone users have access to internet.

Sounds great. Do proceed with the calculations to arrive at a final estimate

Further, WhatsApp enjoys a very high adoption rate among smartphone users because of the Network Effect. It has become a preferred mode of communication for personal as well as professional purposes. Therefore, I would assume that 90% of smartphone users with access to Internet use WhatsApp.
Hence, total number of WhatsApp users = (140+250+110)Mn * 0.9*0.9 = 500 Mn * (~0.8) = 400Mn.

Fair enough. Your estimated number is a reasonable ballpark figure. Can you now tell me what kind of companies would be using WhatsApp for Business?

WhatsApp would be a preferred mode of communication for individual customers, hence its best use case is for B2C businesses which have to cater to a large customer base. It can be used for personalized marketing, sales enquiries, and after-sales servicing by using chatbots and AI technologies. Food delivery, e-commerce, banking, insurance, and retail are a few industries which can greatly benefit from WhatsApp for Business.

Yes, that's right. Now you can proceed with the first part of the case statement. What would you suggest?

Right now, WhatsApp only charges business accounts and does not generate any revenue from individual accounts. As discussed before, the key competitive advantage WhatsApp enjoys over other messaging apps is the network effect. Everyone uses WhatsApp because everyone they know is on WhatsApp.
Now, a sudden introduction of a paid subscription model would immediately result in a huge drop in the user base because switching costs for customers are very low. Rather, an ad-based revenue model like YouTube can be introduced. Users who don't want to see ads can pay a subscription fee.

But imagine that you are in the middle of an important conversation and suddenly an ad pops up. That would be very frustrating right?

That's right. Instead of ads popping up in the middle of a conversation, they can be shown in the status section as people usually watch Statuses in leisure.

Interesting. Do you have any other recommendations?

Building upon the previous recommendation, more ads can be shown if there are more statuses to watch. Right now, the number of statuses that a person can see is restricted to the people who are in their contact list. Stories and short reels are extremely popular and addicting and introducing that feature in WhatsApp statuses can get people hooked. Enabling people to follow content creators and influencers on WhatsApp would increase the ad-based revenue.

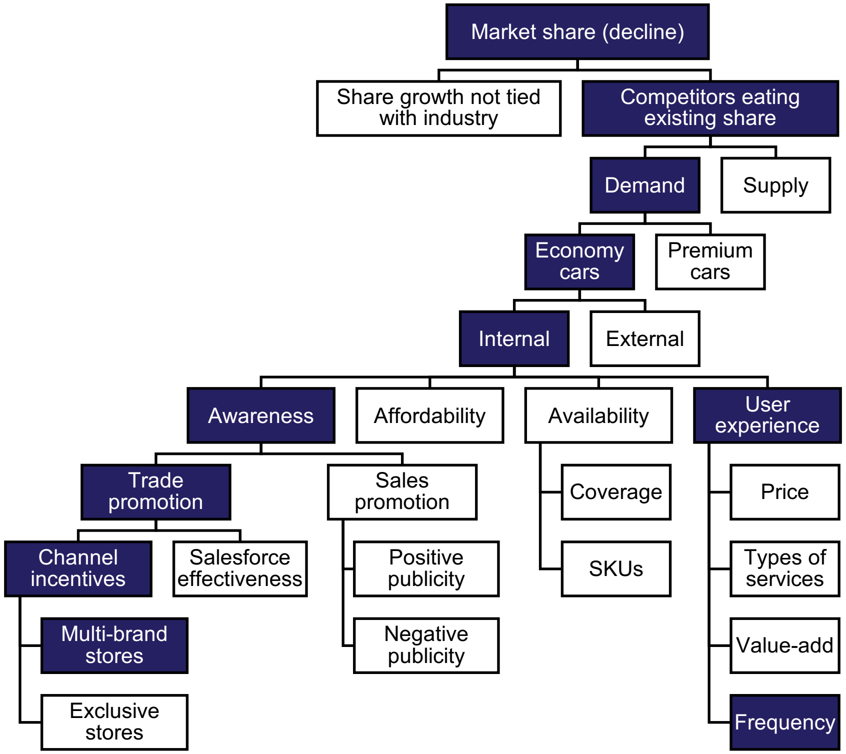
Those are some very interesting recommendations. Thank you, that would be all.

Diagnosis for a Tyre Manufacturer

The client is an Indian tyre manufacturer who has been losing market share over the last 2-3 years. Please figure out the reasons here.

Background Information

- **Client** – Top 3 tyre manufacturer
- **Competitors** – The top 4-5 players command 80% of the market, rest 20% are small players who import tyres from China and sell them here
- **Value Chain** – Manufactures and then sells it to OEMs and dealers
- **Customers** – Two channels, B2B, wherein we supply tires to OEMs. B2C wherein we retail through dealers
- **Location/Geography** – Pan India
- **Products** – 4W tyres, for SUVs, Sedans and Premium cars only
- **Trend** – Last 2-3 years
- **Industry** – Growing at 8-10%



Case recommendations

- Reevaluate dealer margins to regain support from multi-brand dealers for economy vehicle tires, ensuring a balanced incentive structure that caters to both exclusive and multi-brand outlets.
- Educate consumers about the importance of tire quality and safety, potentially influencing their choice of dealers and tire brands.

Case tips

- Time management is crucial in case interviews. Focus on the most critical issues that will have the greatest impact on the outcome. If you're running short on time, summarize your findings and recommendations. Drill only on relevant issues.

Diagnosis for a Tyre Manufacturer

The client is an Indian tyre manufacturer who has been losing market share over the last 2-3 years. Please figure out the reasons here.

Okay, do we have any info on what is the current existing market share for our client also the competitors in the market?

The market share has declined from 20% to 15%. There are about 4-5 major players who command 80% of the market, the remaining is fragmented with small regional players often sourcing from China and selling in India.

Alright, Where do they lie in the value chain? What sort of customers do they cater to? What type of tyres are we looking at?

The client manufactures and then sells the tyres to OEMs directly. They also cater to consumers directly via dealers with a pan-India presence. Currently, they manufacture tyres for 4W vehicles like economy sedans, SUVs and luxury cars.

Alright, what type of dealers we do business with? Are, they company owned stores, or we outsource?

So, we have two channels, Multibrand dealers who stock tyres from all players and Exclusive dealers, who we partner with, and they stock only our tyres.

Do we have a split of sales across these two channels?

Multibrand: 60% and Exclusive: 40% of the overall volumes.

All of this is useful. I would like to start off by understanding, is the decline attributable to our growth not being in sync with the overall industry or we are losing out on our existing market share.

Well, you can say that our competitors are eating our existing market share.

Are we able to meet the existing demand?

We don’t have issues with the supply side. You can focus on demand decreasing. What could be the possible reasons?

The industry is growing at a healthy rate. I would want to hypothesise here that the decline can be attributed to our sales via dealers.

Yes, indeed our sales via dealers have declined.

Is the decline for all the tyres we manufacture or it's specific to some?

We are observing this in economy vehicles, but our premium segment has grown by 5%.

Since, it's an issue specific to us, I would want to hypothesise, the underlying reason is internal to our client. I would like to approach this by looking at four perspectives, Awareness, Affordability, Availability, and User Experience.

Sure, lets dive into these one by one.

Awareness: Here I want to look at the sales promotion and trade promotion activities we do. Things like channel incentives, sales force effectiveness also any positive or negative publicity we have seen by our competitors.

We do see aggressive marketing efforts by few challenger brands, but we don't look at it as an issue. Our salesforce have been effective.

That means we have changed our channel incentives. Is that the case here?

Yes, about 2 years back we changed our dealer margins and made it more lucrative for exclusive stores at the cost of multi-brand dealers.

Since the sales are skewed towards multibrand stores for economy vehicles, this could have back-fired as the multibrand dealers will push our competitors tyres over ours.

This is exactly what has been happening. Can you figure out why though?

Alright, we see the decline for tyres is concentrated to economic vehicles and that too from multi-brand stores. As an end consumer, I have personally always preferred multi-brand stores for tyre changes, cause the coverage of these stores are and I end up getting better deals. If I had a luxury vehicle, then maybe I might I have prioritised company-backed/authorised exclusive dealerships.

Precisely, this is what is happening. So, our client wants to position themselves as a premium player, hence the tie-up with exclusive dealers, and that is why our premium segment sales have grown.

Makes sense, also from a user perspective the frequency of tyre changes is very low across the life of a vehicle.

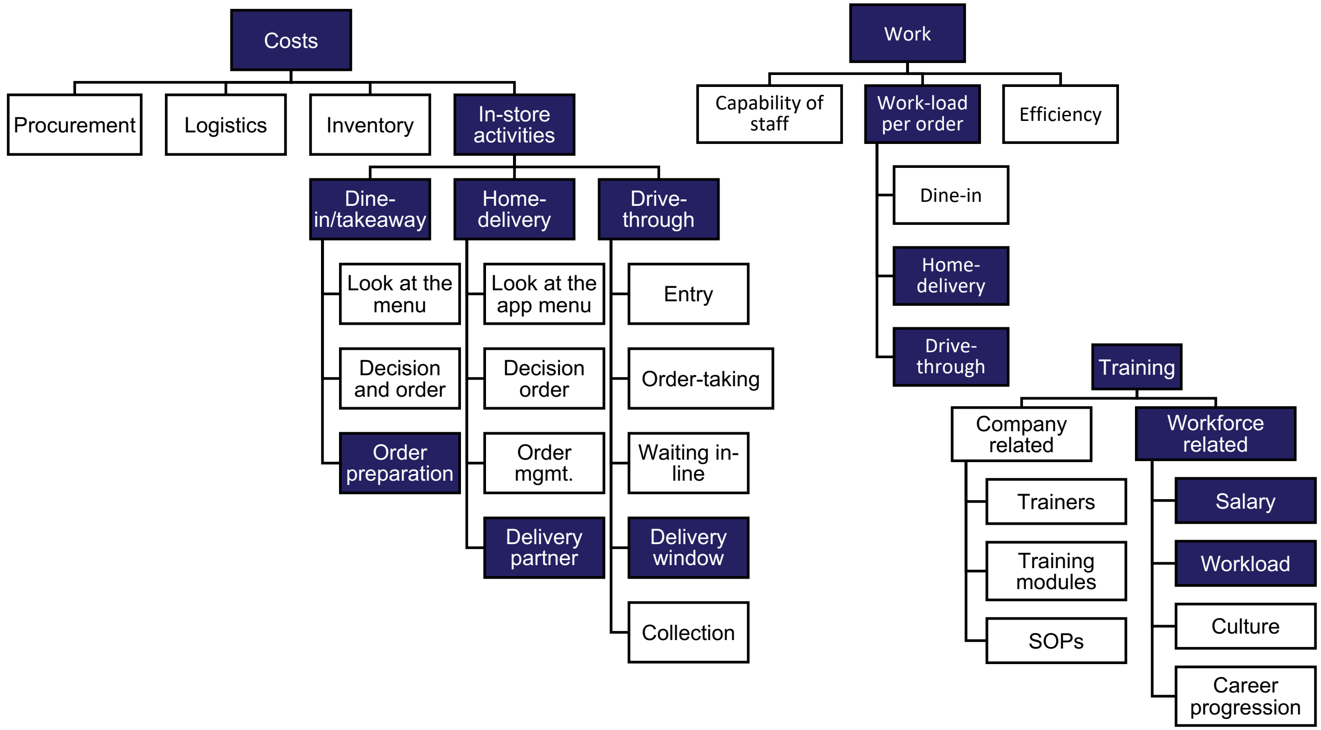
Yes, you are right. We can close it here.

Rising Costs of a Pizza Chain

Our client is a pizza chain with operations spread out throughout India. The store's workforce cost/sales ratio has been rising over the past 3 years. Can you identify why & then suggest possible solutions to the problem?

Background Information

- **Client** – Pizza QSR chain
- **Products** – Just like Dominos or Pizza hut
- **Trend** – The workforce costs to sales ratio have been rising
- Issue persistent **just** with our client
- **Value-chain** – E2E that you expect in a pizza chain



Case recommendations

- Efficient Workforce Management: Optimize hiring, training, and retention to improve manpower efficiency.
- Re-evaluate Delivery Timelines: Review and adjust delivery commitments for better productivity without compromising quality.
- Digital Transformation: Invest in tech solutions to streamline operations, optimize resources, and enhance customer experience.

Case tips

- Structure Your Approach: Organize your analysis by breaking down the problem into key components, such as operations, costs, and customer experience.
- Quantify Impact: Use data and metrics to quantify the impact of different factors on the client's business to make informed recommendations.

Rising Costs of a Pizza Chain

Where does our client lie in the value chain and are there any other revenue streams apart from selling pizza?

You can assume it is somewhat like Pizza Hut or Dominos. Follows a similar value chain & the major revenue stream remains pizza (70%) so let's focus on the same.

What is the geographical split of customers we serve?

Most of our sales revenue almost 60% comes from metro cities & 40% comes from Tier-1 & Tier-2. We do not have any presence in rural areas.

Are we offering dine-in/takeaway/drive through, any combination of these or all of it ?

We are using all three modes.

What is the workforce composition like at any outlet?

An outlet typically has 20 people among which there is 1 store head, 2 store managers & 17 service personnel handling all types of activities in the store.

Has there been any changes in salaries offered to our employees?

No changes during this period.

Fair enough. Have we changed the number of work-force within this period & if so was it a triggered by rising demand?

Good observation, our sales have been rising but so has our manpower cost, can you analyse why this is happening?

Are we facing issue in any specific area of the value chain w.r.t. to manpower?

Yes, there is manpower cost increase in the in-store activities part. Can you further analyse this?

Yes, sure I will now build a customer journey in the store to analyse if some specific activity is taking more time as it earlier did?

Sure, go ahead.

Are we facing an issue in any of these delivery segments, like dine-in, home delivery, drive-throughs etc. with respect to manpower?

We are facing issue in all of three modes mentioned by you, in short, it's an issue of productivity being faced in order preparation (in dine-in), delivery partner management (in home-delivery) & managing the delivery window (in drive-through). Can you analyse how productivity is declining along with the reasons behind it?

We can look at the Manpower productivity = # or value of total pizzas sold per day/ # of man-hours per day. As our sales are increasing and so is our manpower cost so both the numerator & denominator are increasing, for a decline in productivity the quantum of increase in both has to be monitored. Here, as we are facing a declining productivity, we can establish that the marginal growth in pizzas sold is lesser than the increase in man-hours consumed. Essentially, we are now producing lesser pizzas per man-hour consumed.

Very well explained. Can you now think of reasons for the same?

So as the quantum of work delivered per man-hour is decreasing, we can analyse the same using capability of staff, work-load per order and efficiency.

Work-load per order has gone up for home-delivery and drive-through.

As we have identified that the work-load per order has increased for home-delivery & drive-through, it could have been triggered due to a shift in consumer preference to order at home through the app delivery system thereby blocking a lot of manpower resources as captive delivery agents. Another factor could be the delivery time that we promise our customer which can be challenging to meet, this goes for home-delivery & drive-through.

Yes, that is correct we have seen a surge in online orders & drive-throughs within these three years and we have also reduced our delivery time promised to 30 mins from 45 mins earlier. So, a lot of our manpower is getting blocked there & thus we must hire additional hands for in-store operations. Can you think about any other possible reasons?

Additionally, I think the new manpower hired might not be well trained to deal with the demanding nature of work & hence might lead to a decrease in efficiency thus a drop in productivity as well.

Fair point, but can you tell me if we are an established organisation why are we unable to train our employees well?

We can analyse this from the workers & company's perspective.

Sure, go ahead.

So as per my understanding, as the workload is more & salaries have not changed in the period, I think these are reasons for attrition.

Rising Costs of a Pizza Chain

Yes, attrition has increased. How can this lead to increased manpower costs?

As the attrition has increased the client is incurring more and more costs for employee on-boarding & training, as the training are mostly on the job, the employees are increasingly quitting looking at the demanding nature of the job. But once these employees quit this cost becomes a sunk cost & the client has to shell out more money to ensure customer demands are met. Also, the newly recruited employees might not be that efficient as they are fresh in the system thereby reducing productivity per man-hour of work.

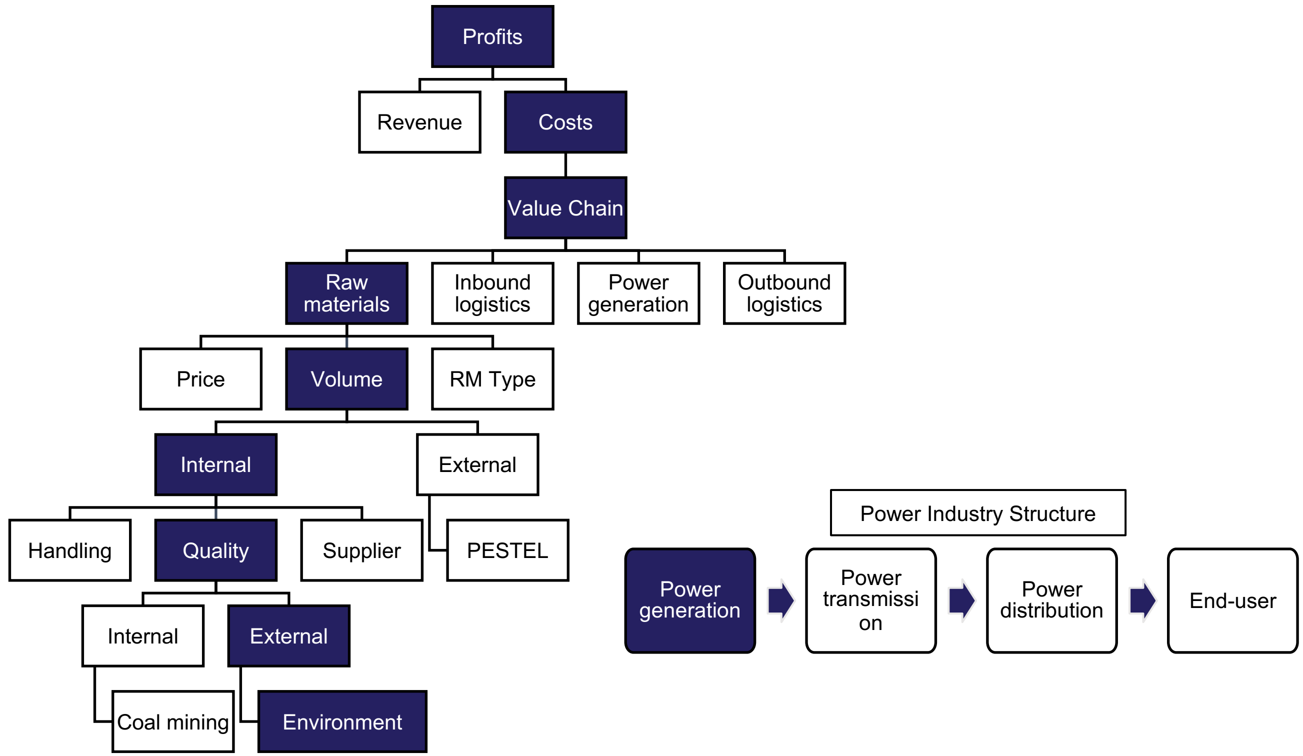
That will be all, thank you. See you in the later rounds.

Thermal Power Plant

Your client is a power plant based out of Chhattisgarh who has witnessed a decrease in profits in the past four months. Find out why.

Background Information

- **Client** – Thermal power plant that is into electricity generation
- **Location** – Plant in Chhattisgarh
- **Trend** – Last 4-5 months
- **Industry** – Everyone is facing the issue
- Increase in **Raw Material** costs



Case recommendations

- In such cases, the easiest way to structure is by categorizing the points into two buckets – internal reasons & external reasons.
- In this case the first internal/external split looks at company related issues whereas the second internal/external split looks at coal-specific issues.

Case tips

- Some cases may go on for longer & it can happen that beyond a point, you may not be able to structure your thoughts.

Thermal Power Plant

Your client is a power plant based out of Chhattisgarh who has witnessed a decrease in profits in the past four months. Find out why.

Okay, before I delve deeper in the case, I had a few preliminary questions. What kind of a power plant exactly was it – say Thermal / Hydro / Renewable? Given the power industry has multiple players such as Generators / Transmission Cos. / Distribution Cos., in what part of the value chain does the client exactly operate?

Fantastic questions. The client is a thermal power plant. It works in the electricity generation which is then supplied to Transmission Cost.

Okay, last few question, is this an industry wide issue or an issue specific to the company? By how much quantum have the profits declined and how much of it can be attributed to revenue & costs given profit is a function of revenue & costs?

We don't have exact data on this, but you can assume that it is an industry wide issue. As far as quantum of profits decline is concerned, most of it can be attributed to costs.

Okay thank you, I believe I have all the contextual information now. Since, most of the profit decline can be attributed to increase in costs, I will look at the costs of the company by analyzing each part of its value chain.

Okay. Please proceed.

The value chain of a power generation plant will include: Raw material procurement -> Inbound logistics -> Power generation process -> Outbound logistics -> Distribution. So, first – is there a significant rise in RM costs?

Yes, there has been a significant increase in raw material costs.

Okay, total raw material costs = total volume of RM required * price of RM for all the required raw materials. For a thermal power plant, coal is the most important raw material. So, should I focus on that first?

Yes, you are correct. You can analyse the volume aspect as the prices of coal have stayed constant or in fact even declined.

Okay then the increase in costs can possibly be attributed to increased requirement of coal. The causes of this can be looked at in two aspects –
1. Internal reasons which includes – improper handling of Coal, or changes in the supplier or the type/quality of coal
2. External reasons which includes – political, economic, social, technological, legal & environmental aspects

Correct, there seems to be some issue in the quality of coal.

Alright, this can again be looked upon in two aspects –
1. Internal aspects of coal mining done by supplier which affects quality
2. External reasons that are having an impact on the quality of coal

Absolutely, it is because of the external reasons.

Given, you had mentioned that this seems to be an industry wide issue, the major external factor that could impact the quality of coal is the environment.

Correct, it is rainy season currently. Can you connect the dots now?

Alright, it seems that the moisture content in the coal has increased. This means more coal is required to produce the same amount of electricity. Hence, there has been an increase in costs. Correct?

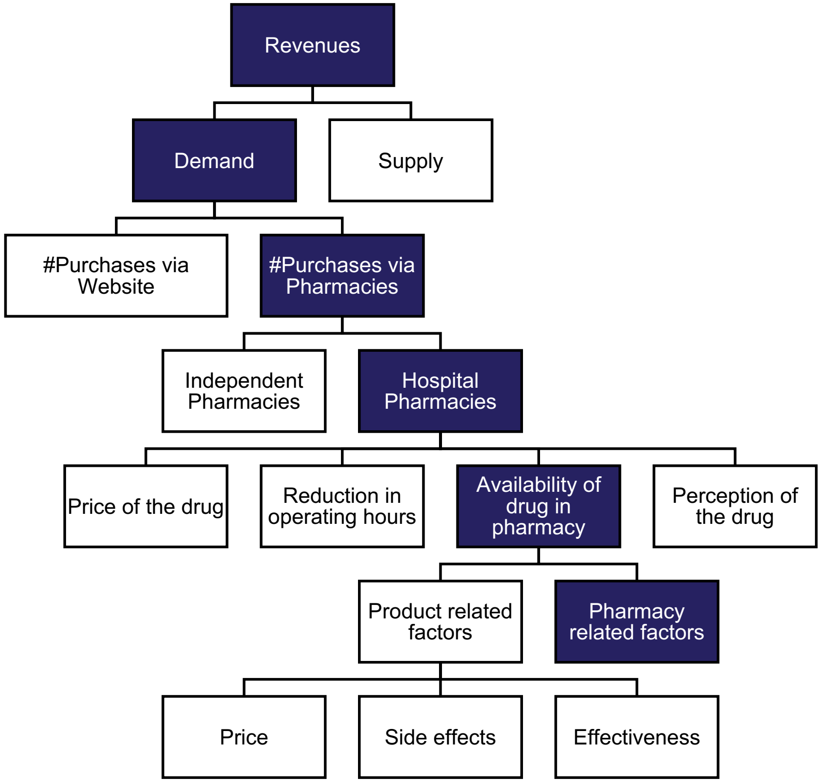
Correct. We can close the case here. All the best.

Pharmaceutical Company

Your client is a drug manufacturing company and they have seen a decline in revenue. You are required to analyze the reason and further suggest steps to address the issue.

Background Information

- **Company** – Makes several drugs across multiple therapeutic areas
- **Competitor** – 2 - 3 major competitors. No major change in landscape. Company-specific issue
- **Consumer** – B2B and B2C business model, drug sold to pharmacies and the company has a website where the drugs are sold to consumers (not all drugs sold on website)
- **Product** – Multiple drugs in immunology, neurology, oncology etc.



Case recommendations

- The client can collaborate with hospitals to explore suitable storage solutions, which might entail providing necessary cold storage equipment or suggesting nearby third-party storage facilities. They can work towards improving their distribution by entering into flexible contracts with smaller supply quantities and shorter delivery frequencies. In the long term, the client can consider developing alternative formulations of the drug that do not require cold storage. This could expand the market for the product.

Case tips

- Always be as exhaustive as possible and use the MECE approach in conventional profitability cases.
- Conducting an in-depth demand-side analysis for this case is essential.

Pharmaceutical Company

Your client is a drug manufacturing company and they have seen a decline in revenue. You are required to analyze the reason and further suggest steps to address the issue.

I would like to know more about the company. Where is it located? What are the drugs that it manufactures and across which therapeutic areas?

The company is situated in Mumbai and produces drugs in multiple therapeutic areas like immunology, cardiology, neurology etc.

Is the decline faced by only our company or our competitors as well? Additionally is the decline across the drug portfolio or it is specific to a particular drug? Also, could you provide insights into the distribution channels for these medicines?

The decline is specific to our company and pertains to an oncology drug that was formerly our top-selling product. Normally, the company distributes its drugs to both standalone pharmacies and those affiliated with hospitals, which in turn sell the products to end consumers. They maintain their website where consumers can make their purchases directly.

Do the oncology drugs get distributed through all these channels or through a specific one? Also, since you've mentioned that these are cancer related medications, is it safe to assume that they will not be sold without prescriptions?

That's correct, these medications cannot be sold to the patients until and unless they are prescribed by an oncologist. Therefore, they are primarily sold in hospital based pharmacies.

I would like to consider the revenue of this channel as follows:
Number of pharmacies * average footfall in each store * fraction of customers enquiring about our product * fraction of customers buying our product * average purchase value

The number of pharmacies stocking our drug have reduced.

I'd like to gain a deeper understanding of our product in comparison to our competitors. How effective is it in terms of patient recovery and treatment duration? Are there any potential adverse effects that could pose risks to patients? Furthermore, I'm interested in our pricing strategy. Is our product considered relatively expensive?

Our drug stands as the top choice in the market, with an excellent patient recovery history, no harmful side effects and a competitive price point. Essentially, there are no factors that would discourage a doctor from prescribing it.

It seems that the drug itself is not the source of the problem in this scenario. I'm keen to explore the situation from the perspective of a hospital-based pharmacy, examining the entire process of acquiring and distributing our product.

Yes, you can focus on that.

Hospitals typically determine which drugs to stock in their pharmacies by considering recommendations and prescription patterns from their doctors. They then initiate contact with the pharmaceutical company and may enter into a contract specifying supply quantities, prices, and delivery frequencies. After procuring the drug, the pharmacy stores it, and when a patient presents a valid prescription, they can make a purchase.

So, it appears that we've identified the issue. Our previously top-selling oncology drug necessitates cold storage, and not all hospitals have the infrastructure to accommodate such facilities on-site. As a result, they opt not to offer the drug in their hospital pharmacies, even when doctors recommend it. Can you provide some suggestions?

The client can collaborate with hospitals to explore suitable storage solutions, which might entail providing necessary cold storage equipment or suggesting nearby third-party storage facilities. They can work towards improving their distribution by entering into flexible contracts with smaller supply quantities and shorter delivery frequencies. In the long term, the client can consider developing alternative formulations of the drug that do not require cold storage. This could expand the market for the product.

This looks good. We can close the case now.

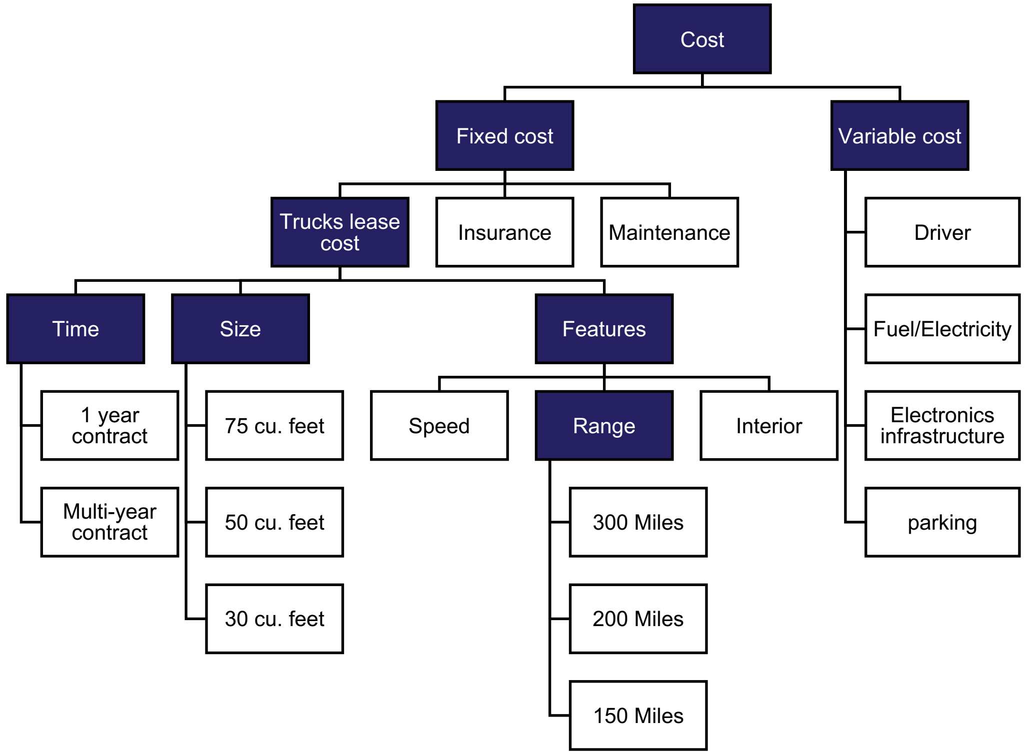
Profitability | Logistics | Bain & Company | ★★

Last Mile Delivery Service Provider

Your client is a regional parcel delivery service provider, they have been looking to change from diesel to electric trucks, but the cost incurred is higher than expected, analyze the reasons and provide suggestions to reduce the same.

Background Information

- **Company** – Last mile delivery service provider based out of the US
- **Competitor** – 2-3 major players in the market, out client is the largest in the current market
- **Consumer** – Major consumers are the big E-commerce websites like amazon and eBay, several small startups are also customers
- **Product** – The company provides delivery service from warehoused and transport hubs to houses and offices of end consumers



Case recommendations

A major part of fixed cost is the leasing cost for the trucks with three major factors, therefore providing recommendations for each one.

- Time– The contracts can be shifted from one-year contracts to multi-year contract to reduce the cost by around 7.5 %.
- Size– On average the full capacity of trucks is not utilized therefore the cost can be reduced by leasing smaller trucks with the majority being the 50 cubic feet trucks.
- Features– The range of the current trucks is much more than the length of daily routes; therefore, cost can be reduced by leasing trucks with shorter range.

Case tips

- This was a number-heavy case. Identifying the magnitude of cost under each bucket in terms of the exact number is important. The candidate needs to keep a track of the total cost reduction in each bucket to achieve overall target.

Last Mile Delivery Service Provider

Your client is a regional parcel delivery service provider, they have been looking to change from diesel to electric trucks, but the cost incurred is higher than expected, analyze the reasons and provide suggestions to reduce the same.

What type of delivery service does the company offer, last mile, long distance inter-city or interstate?

They are majorly into last-mile delivery for e-commerce companies like Amazon, eBay, etc.

Do they own their own trucks or are they leased? And is there any major reason to shift to electric trucks from diesel trucks?

All the trucks are on lease, the major reason to shift to electric trucks is the company's focus on sustainability and they were hoping for cost reduction after shifting to electric trucks.

What is the magnitude of the cost that they currently incur and how much are they looking forward to reduce it?

The cost of the electric truck trials over the last year was about 40mn they are looking to reduce it to 25 -30mn.

Okay so around 30-40% cost reduction is something they are looking forward to, I would start by breaking down the cost into two major buckets of fixed and variable cost and then try to analyze where can we reduce the cost.

Sounds Good, I can give you a split for fixed and variable costs, in the year the fixed cost accounts for 90% of total expense and the rest is the variable cost.

Okay so since the major contribution if from the fixed cost side, I will break it down first into the following components, the lease cost , insurance and maintenance. Is it comprehensive enough or any major fixed cost that I have missed here?

It is comprehensive, the lease cost was 75%, the insurance around 10%, and the maintenance around 15%.

First focusing on the leasing cost, can be a factor of the duration of the lease, the size of the truck, and the features of the truck. For the duration of the lease, if we shift from 1 year to a multi-year contract that can lead to a cost reduction, do we have any data regarding this?

Yes, the lease for the multi-year contract will cost us about 7-8% lower than the single-year contract that we had for the trials.

Now looking into the size of the truck do we have any data on the sizes of the trucks available and out average utilization of the truck's capacity?

Yes, the trucks are available in 75,50 and 30 cubic feet sizes, on average our usage has been around 40 cubic feet with some. The cost are 180k,150k and 120k, respectively.

Since our use is less than 50 in the majority of cases we can shift the majority of our fleet to 50 cubic feet trucks, keeping a few 75 and 30 Cubic feet trucks for certain requirements, this will lead to additional cost reduction by 10%. Now coming to features of the truck, we can focus on the range of the trucks, the speed and the interiors of the truck.

You can focus on the range of the trucks here, we have some data on that, The trucks with a range of 75,110- and 140-miles range are priced at 140, 180, and 200k respectively, and our daily travel is mostly on two routes, one of 75 mile and the other being 100 miles, both being around 50% of the total trips.

Since about half of the trucks are less than 75 miles per day, we can opt for the lower range truck here and the rest being the 110-mile range truck, both will lead to cost reduction combining to about 15%. So overall the leasing cost can be brought down by about 30%. Maybe I can look into other fixed-cost components and then go to the variable cost.

Can you quickly analyze the major components of the variable cost?

Yes sure, the major components of the variable cost could be the following, the fuel/electricity cost would be a big part of the variable cost, followed by the salary paid to the driver of trucks per delivery or per miles travelled, the cost for any electronics services for the trucks and the cost for parking the trucks anywhere.

Okay, Thank you so much, We can close the case.

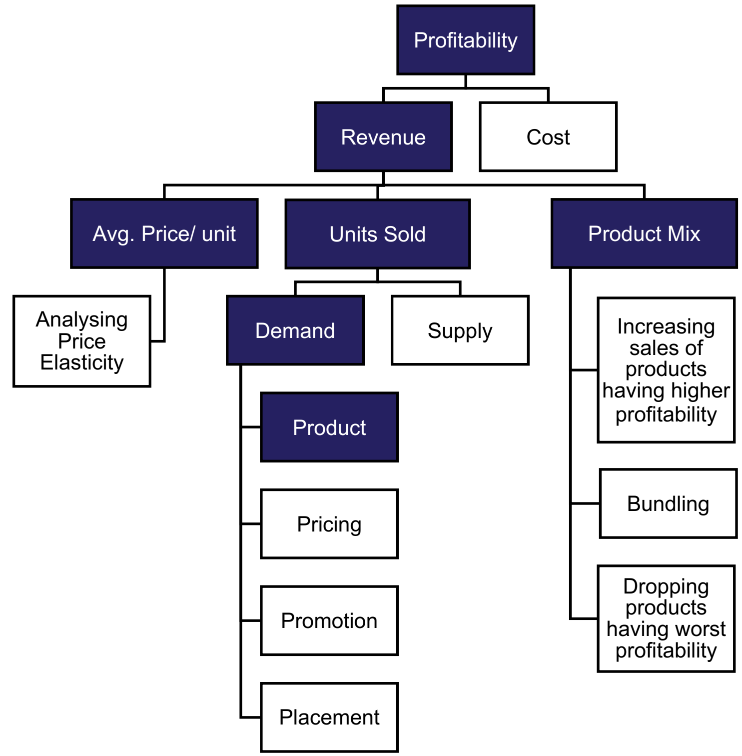
Profitability | Manufacturing | Bain & Company | ★

Specialty Chemical Manufacturer

Your client is a company ABC, a chemical manufacturer in India. They want to increase their profitability and they have hired you to analyze and give recommendations.

Background Information

- **Company** – A large chemical manufacturer in India. They a manufacturing plant in western India
- **Competitor** – Market shares of competitors– Competitor A (40%), Competitor B (25%), Our Client (15%), Rest is fragmented among small players
- **Consumer** – Major consumers are the households
- **Product** – Specialty chemicals such as stain removers, disinfectants, and degreasers which are used in various cleaning purposes. We have 10 different SKUs i.e., P1, to P10



Case recommendations

- To increase profitability, we can focus on following aspects–
  - Bundling of products having lower profitability such as P2, P5, P8, P9, & P10 with products having higher profitability i.e., P1, P3, P4, P6 and P7.
  - Dropping the worst performing products from our portfolio. By doing so, we may incur decrease in revenue, however, overall profitability will increase.
  - Improving our products, pricing strategies, promotional strategies and placement of products in different channels.

Case tips

- During the interview, it's important to create a conversational atmosphere. Ask for time to think when necessary and provide structured responses.

Specialty Chemical Manufacturer

Your client is a company ABC, a chemical manufacturer in India. They want to increase their profitability and they have hired you to analyze and give recommendations.

When we are saying that we want to increase our profitability, have we seen any decline in profitability? Or are we just looking to purely increase the profitability from our current state?

No, there is no decline in profitability. We are looking to purely increase our profitability from current state.

Are we having any specific target to reach in terms of profitability?

No, there is no specific number, but we want to maximize our profits.

Where is our company based out of? How many manufacturing units our company has & where are they situated? Where are we present in the value chain?

They are an Indian company based out of western India. They have only one manufacturing unit that is meeting the demand of whole country. We procure raw materials from domestic and international markets. We manufacture and sell through distributers and retail outlets to end consumers.

What is our product portfolio? What different products and services we provide? Do we have different SKUs of products?

We produce specialty chemicals such as stain removers, disinfectants, and degreasers which are used in various cleaning purposes. We have 10 different SKUs i.e., P1, to P10. We sell directly to end consumers.

How does the competitive landscape look like? How are we performing as compared to our competitors?

There are 2 main competitors. Competitor A and B are having 40%, and 25% market share. We are having 15% market share and rest is shared between multiple small competitors.

Okay, in this case, we can infer that we cannot go for any aggressive strategy. We know that profitability is ratio of profits and revenue. Hence, profit should increase at greater margin as compared to revenue. Also, profit is function of revenue and cost. We can focus on increase of revenue and/ or decrease of costs. Should I focus on revenue or cost first?

You may focus on revenue first.

I would like to break down revenue into price per unit and no. of unit sold. Along with that, I would also like to consider our product mix.

Ok, let's consider all the factors. Let's start with pricing.

Ok, If we increase the price, we may lose out our market share. We may decrease our price to undercut our competitors and increase the units sold. We need to understand the price elasticity in that case.

Good. There is less scope of increasing price as the market is price sensitive. Also, it may not be feasible to decrease the price. You may proceed to analyze other parameters.

To increase our sales, we may focus on increasing customer demand or improve operations on supply side. What should I focus first?

You may focus on demand side.

To increase customer demand of our products, we may improve our products, pricing strategies, promotional strategies and placement of products at our channels.

Ok, I got your approach. You may now proceed to analyze the product mix.

As we have 10 SKUs from P1 to P10, we can focus on increasing the sales of SKUs having high profit margins. Do we have any data on profitability of the SKUs to analyze them further?

Yes, P1, P3, P4, P6 and P7 have profitability in ranges of 10% to 15%, however, rest SKUs have profitability in range of 1% to 5%. What would be your suggestions?

To increase the profitability, firstly, we can focus on bundling of products having lower profitability such as P2, P5, P8, P9, & P10 with products having higher profitability i.e., P1, P3, P4, P6 and P7. Secondly, we can drop the worst performing products from our portfolio. By doing so, we may incur decrease in revenue, however, overall profitability will increase.

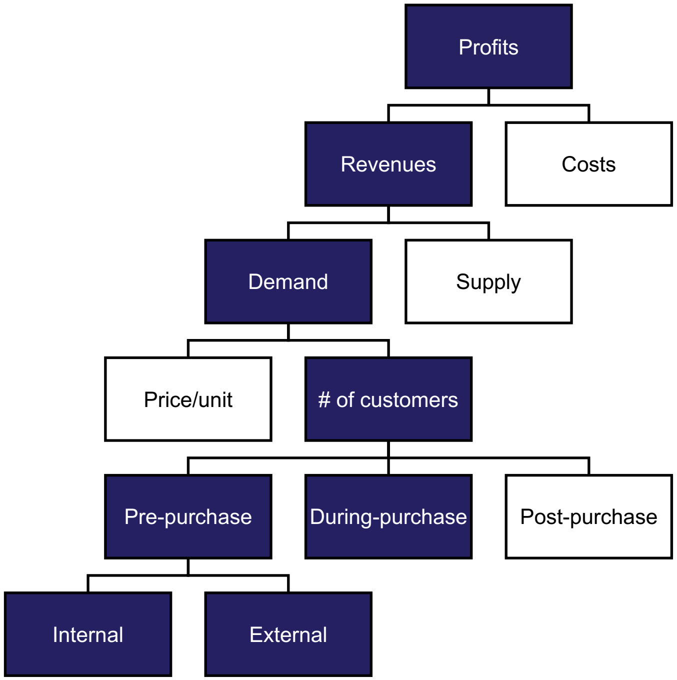
This looks good. We can close the case.

Apparel Manufacturing Company Profitability

Your client is an Apparel Manufacturer seeing decline in profits. Identify the reason and give recommendation.

Background Information

- **Company**– An Apparel Manufacturing Company with manufacturing plants in Gujarat and Delhi NCR; also involved in selling apparel through its own stores
- **Products**– Men's Premium Wear including Ethnic and Party wear options
- **Distribution Channels**– Apparel is sold majorly through third-party stores but the company also has its own stores where the manufactured products are sold
- **Customers**– People living in Tier 1 cities



Case recommendations

- For short term, we can start by giving discounts on our products to make our products more price competitive. This would lead to a fall in revenue generated per item sold but would increase the volume of products sold, which could increase the overall revenue. Additionally, we can also look at increasing social media marketing. We can shift from traditional means of marketing to social media marketing including influencer marketing to appeal to the tier1 consumers.
- In long term recommendations, we can look at expanding our product portfolio by bringing in more design options within the existing portfolio. We can also explore the option of expanding to a new line of products like men's accessories etc.

Case tips

- It was important to look at the various distribution channels and the customer journey of people coming to the stores. It was important to divide the customer journey into pre-purchase, during-purchase and post-purchase and to look at it from a customer's perspective rather than from the firm's perspective.

Apparel Manufacturing Company Profitability

Your client is an Apparel Manufacturing seeing a decline in profits. Identify the reasons and give recommendations.

Can you give me some details about the client? What are the products that our client manufactures and where does it lie in the value chain? Does it only manufacture apparel or is also involved in the selling and distribution? Additionally, where is the apparel manufactured and sold?

The company manufactures Men's premium wear including ethnic wear and party wear. In addition to manufacturing, they also have their own stores, but most sales come from 3rd party stores. There are 2 manufacturing plants– One in Gujarat and one in Delhi NCR. The apparel is mostly sold in Tier 1 cities.

Since when are we seeing a decline and what is the quantum of the decline? Are other companies in the same industry seeing a decline in profits as well?

Our client is seeing a 10% decline in profits since the last 2-3 years.

Alright. So, to tackle this case, I would like to divide profits as function of Revenue and Costs. Are either of them being impacted in the given period?

You can only look at the Revenue side.

Alright, within revenue, we can segregate Demand side and Supply side. Do we have a Demand side problem wherein the demand for our products is falling or is it a supply side problem wherein we are not able to meet the demand?

The demand for our products is falling.

Okay. So, to understand what the issue is, I would like to breakdown the consumer journey into pre-purchase, during purchase and post-purchase. Do you want me to focus on any specific step of the consumer journey?

Yes, there is a problem in the during purchase stage. Can you figure out what could it be?

Sure, so during purchase, there are several factors at play. Once a consumer enters a store, he/she looks around the store for the variety of apparel available, then he/she goes to a salesperson for any further assistance required in browsing the store or for displaying the various options available, then the customer looks at the various available options and compares them basis their prices and quality and finally makes the payment. Is there a problem with any specific step here?

Yes, there is a problem with both the variety of our products as well as the relative pricing. Our competitors are offering discounts on their products which we are not doing currently. But there is one more issue that is causing a decline in sales.

Sure, to understand that I would like to next explore any possible issues with the product. This will include any quality issues, lack of awareness of our products in the market. There might also be a problem with accessing our products, which could include problem in accessing the stores or problem in accessing the product in the store. It will also include the acceptability of our products. Are the consumers liking the products?

There is an issue with the product awareness. The marketing budget has been cut down over the past 2-3 years to maintain profits as there are declining sales. Now can you explore the recommendations?

Sure, coming onto recommendations, I would like to look at both the short term as well as long term recommendations.
In the short run, we can start by giving discounts on our products to make our products more price competitive. This would lead to a fall in revenue generated per item sold but would increase the volume of products sold, which could increase the overall revenue. Additionally, we can also look at increasing social media marketing. We can shift from traditional means of marketing to social media marketing including influencer marketing to appeal to the tier1 consumers.
For long term recommendations, we can look at expanding our products portfolio by bringing in more design options within existing portfolio. We can also explore the option of expanding to a new line of products like men's accessories etc.

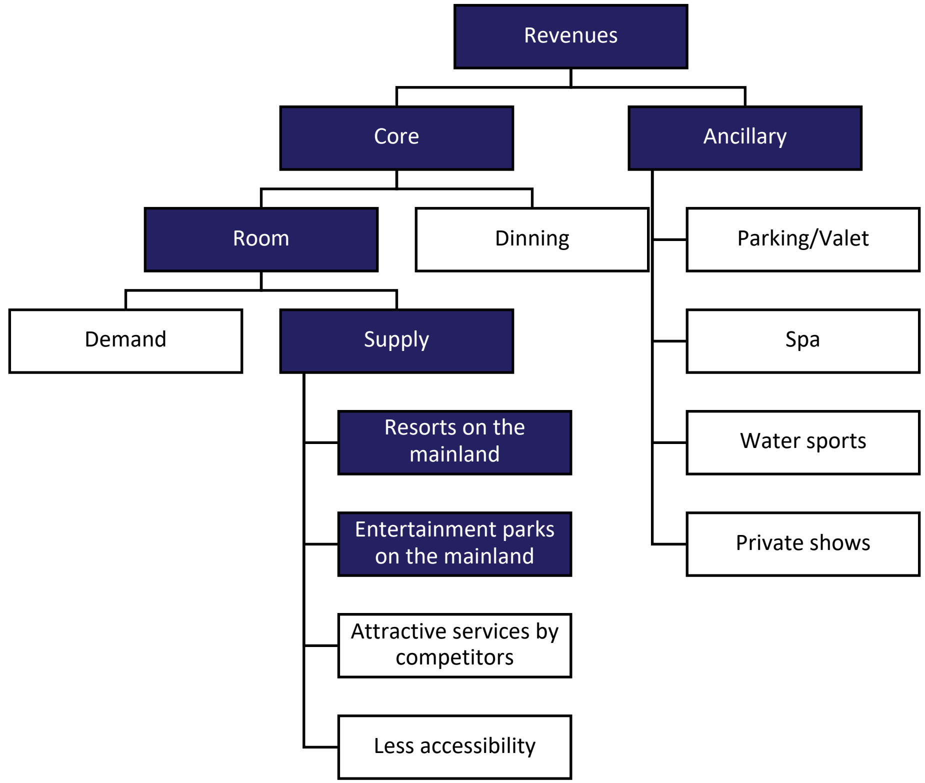
This looks good. We can close the case now.

Resort on a Remote Island

The client is a resort owner on a remote island near Malaysia and they have been facing declining revenues for the past 2-3 years. Suggest reasons for the same.

Background Information

- **Company –** The resort is located on a remote island accessible only via a ferry from the coast of Malaysia.
- **Competitor –** Other resorts and hostels on the island
- **Consumer –** February to September is the peak period when the tourists visit. The locals have stopped visiting the island.
- **Product –** The resort has 250 rooms, and it only provides a stay and dining facility. The competitors provide other services such as bonfire nights, kayaking, fire shows, etc. The occupancy rate is 30-40% on an average.



Case recommendations

- Client could focus on partnering with travel agents to attract tourists and organize some campaigns to attract the local population, especially during the non peak months.
- Client could start its own website and focus more on high income individuals and families by upgrading their service offerings.

Case tips

- The candidate missed out on performing an extensive competitor analysis which could have provided a better outlook about the market and the future trends. One market completely ignored during the case was resorts on other islands which is also a competitor.
- The candidate overlooked accessibility trends, like a new airport in Malaysia diverting tourists or one on a nearby island making travel easier.

Resort on a Remote Island

Your client is a resort owner on a remote island near Malaysia and they have been facing declining revenues for the past 2-3 years. Suggest reasons for the same

Can I know more about their services, the competition, and their key customers?

Their main source of revenue is the stay and dining services they provide. The competition has other ancillary services too. They cater to all kinds of customers including locals. The locals have stopped visiting the island now and the peak period for tourists is February to September.

As we are only looking at the core sources of revenue which are the stay and dining facilities, can I know more about the occupancy rate.

Sure. The occupancy rate is 30-40% on average which is a sharp decline. Our competitors have also faced a decline but not as sharp as ours.

To link the decline in occupancy rate with a decline in revenues, I would like to analyze it using an equation. Framing an equation for the same, revenue would be a component of the number of customers*occupancy rate*average revenue per customer. Focusing on the first component, the number of customers, can I know how customers book a stay with the resort and how accessible the resort is?

Can you think of ways the resort would be able to attract customers and get bookings?

Sure. There can be two sources to attract customers – online and offline. Online could be through a personalized website, by partnering with a tours and travel company, or by buying advertisement slots on other related websites. Offline strategy could include partnering with a travel agent on the mainland for bookings independently or as a part of some travel package or conducting campaigns for the local population on the mainland. They could have salesmen deployed at the airport during peak season to attract tourists too.

This seems good. There are manned kiosks installed at the airports through which tourists can book a stay at any resort or hostel on the island.

Since there is primarily only one source for attracting customers, I would like to look at the issue from a demand and supply side, considering both components – the number of customers and the occupancy rate. The decline is occupancy rate could be because of a decrease in the total addressable market, an external factor, or a decrease in customers booking client's services. Since the competitors have not taken a major hit such as the client, it reason could be a mix of both. Has there been a fall in the number of tourists visiting Malaysia or a decline in the number of tourists visiting the island?

The number of tourists visiting Malaysia has been increasing by 15% year on year. The number of tourists visiting the island depends on the bookings which has reduced by some extent. Can you name a few reasons why the bookings for the client could have reduced?

The decline in bookings could be because of external as well as internal factors. Internal factors could be due to incorrect marketing of the service offerings or poor customer service leading to negative word of mouth. External factors could include attractive ancillary services provided by the competitors on the island, or maybe some new tourist spots have opened on the mainland due to which the bookings have reduced.

That is partially correct. Some new tourist spots such as luxury resorts and entertainment parks have opened in Malaysia due to which some tourists prefer to stay on the mainland itself. Can you give some recommendations for the client to deal with the declining revenues?

Sure. I would like to share some short term as well as long term recommendations. In the short term, the client could focus on increasing the bookings. They could tie up with some travel agents and club their services as a part of a travel package by providing individual as well as family-oriented packages, with discounts during the non-peak seasons. The locals are an underpenetrated market so the client could focus on attracting them, especially during the non-peak periods, by doing some campaigns on the mainland to initially spread word of mouth. In the long run, the client could build their own website to get bookings organically. They could focus more on attracting families and high-income individuals by adding ancillary services in their offerings.

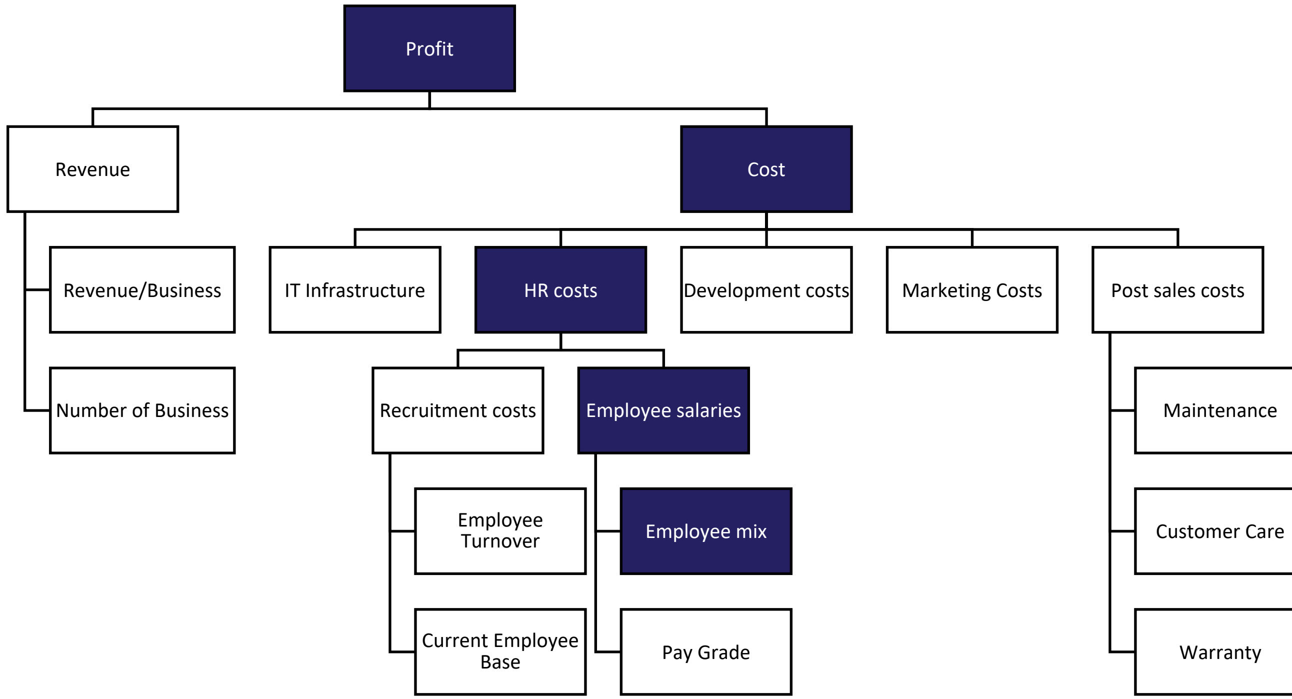
This looks good. We can close the case now.

IT Firm

Your client is an IT firm which has been reporting its profit margins lower than its competitors (like TCS, Wipro).

Background Information

- **Company Profile –** The client is a mid-sized IT firm that has consistently reported lower profit margins than industry giants like TCS and Wipro since its inception.
- **Operational Model –** The firm primarily serves Fortune 1000 companies through off-shore operations, focusing on B2B engagements.
- **Industry Context –** High churn rates. However, the client pays higher wages compared to competitors, further emphasizing the cost challenge.
- **Employee Structure –** The workforce is skewed towards higher seniority levels, with a distribution of 30% entry-level, 50% mid-level, and 20% higher-level employees. competitors have more entry and mid-level employees.



Case recommendations

- Recommend a thorough review of our project requirements against employee seniority levels. We might be overstaffing projects with senior employees when mid or entry-level employees could suffice. Additionally, considering alternative compensation structures, like offering ESOPs, could help alleviate direct salary costs. This would make us more competitive while retaining talent.

Case tips

- Always consider industry benchmarks or competitor data when available. In this case, understanding the seniority mix and salary structures of competitors like TCS and Wipro can provide valuable insights.
- When seeking information, structure your questions to gather both qualitative and quantitative data. For instance, when discussing HR costs, segment them into recruitment costs, salaries, benefits, training, etc.

IT Firm

Your client is an IT firm which has been reporting its profit margins lower than its competitors (like TCS, Wipro).

Understood. To begin, may I know how long this issue has been prevalent?

It's been this way since the company's inception.

Alright. Could you provide some insights into the scale of the firm's operations and its employee count compared to its competitors?

It's a mid-sized firm, serving Fortune 1000 companies primarily through off-shore operations. It doesn't have as many employees as TCS or Wipro.

Given that profit margin issues can arise from either the revenue or cost side, do you have a preference for which side we should delve into first?

Let's examine the cost side first.

Great. I'd like to understand the company's value chain. Typically, for an IT firm, we'd consider IT infrastructure costs, HR costs, development costs, marketing costs, and post-sales costs. Would it be alright to explore these areas sequentially?

What do you think are the major post-sales costs?

Understood. Post-sales typically encompasses maintenance costs, customer support, software updates and patching, remote monitoring and management, infrastructure management and warranty provisions. Are our overheads in these areas higher compared to our competitors?

No, our post-sales costs are competitive with industry standards.

Okay, interesting. It seems like post-sales isn't really the issue.

Indeed. I want you to look at the HR costs next, we know they have been higher for us.

So, I'd like to break HR costs into - the recruitment costs, training and development costs, the salaries paid to the employees and the benefits paid. The recruitment costs are proportional to the employee intake, which is a function of the churn rate and the current employee base. Do we normally experience higher attrition rates than the other organizations?

Not quite. The employee turnover is high in general for all IT organizations.

Okay, and since we are a medium-sized org is it fair to assume that we have a lower employee base?

Yes that's a fair assumption

Great, this means that recruiting costs are lower for our organization in general. Since cost=avg salary/employee*number of employees. Could it be the case that we are paying out more salaries to employees in general since our HR costs are high?

Yes. We are indeed paying more wages to employees.

All right. So I would like to delve deeper into the salaries. We can segment the employees in entry-level, mid-level and high-level. May I know the distribution of employees based on the seniority level?

Yes. It is 30% for entry-level, 50% mid-level and 20% high-level.

Okay. Do we have similar data for our competitors?

Yes, it is 55% low-level, 35% mid-level and 10% high-level.

Is our pay grade similar to the competitors?

Yes

Given this disparity in seniority mix and assuming our salary bands are competitive with the industry, it seems our higher HR costs stem from having a larger proportion of mid and higher level employees.

Yes, that's the core issue. Any recommendations?

In that case, I'd recommend a thorough review of our project requirements against employee seniority levels. We might be overstaffing projects with senior employees when mid or entry-level employees could suffice. Additionally, considering alternative compensation structures, like offering ESOPs, could help alleviate direct salary costs. This would make us more competitive while retaining talent. Would you like to explore these recommendations further?

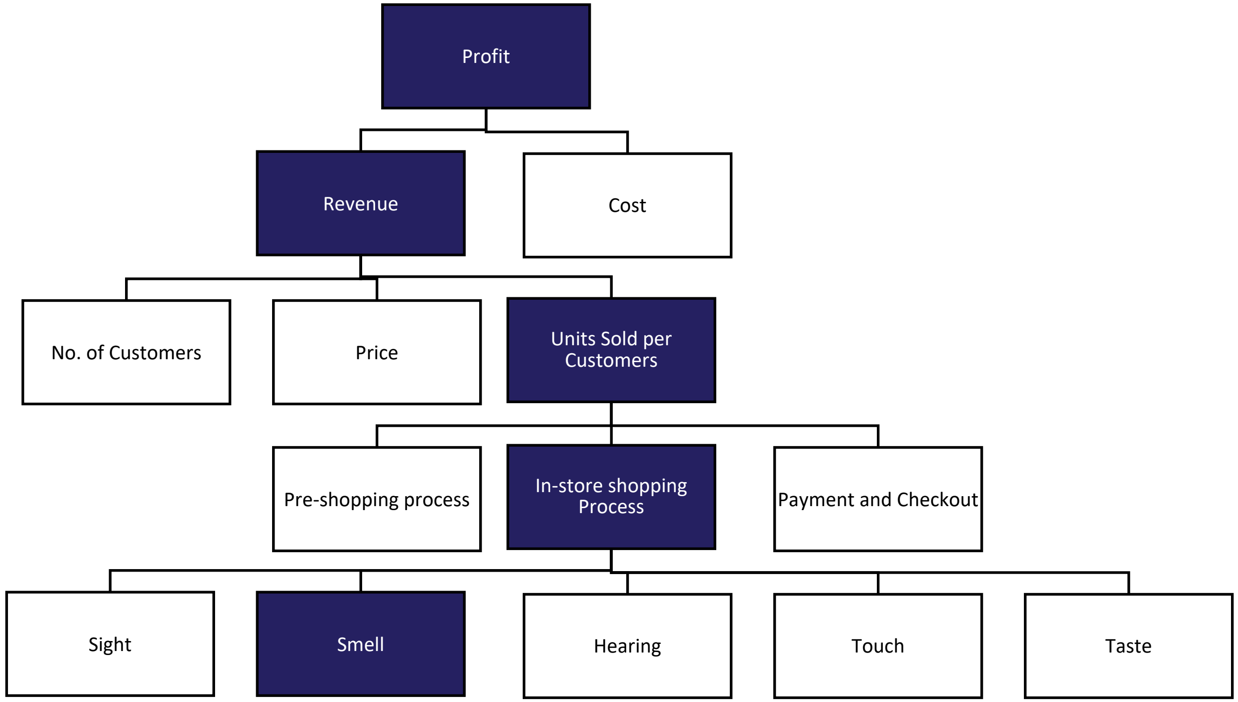
No, thank you for your time

Departmental Store Chain

Your client is a departmental store chain who are facing decline in profits, figure out why and provide recommendations.

Background Information

- **Company** – Stores are present pan India. Each store has three sources of revenue i.e., parking, eateries shopping in mall.
- **Competitor** – Market is fragmented with many players.
- **Consumer** – Middle-class and lower middle-class families, college students and office goers
- **Product** – There are both white label and brown label shops. There are eateries, parking facility, apparel stores, tech stores, and other retail stores.



Case recommendations

- In short-term, we should go back to the previous cleaning liquid in use to avoid the unpleasant smell. Since the footfall of customers is still the same, switching back to the previous cleaning liquid would improve the shopping experience and customers would check out their usual amount of order. Since the issue is related to cost, we can look for other alternatives which are more apt. In long term, before switching to any new product in any of the departmental stores we should test it out and take feedback at a smaller scale before putting it in production to avoid an incident like this in future.

Case tips

- This is a simple profitability case which is useful for practicing one's structure and MECE approach.

Departmental Store Chain

Your client is a departmental store chain who are facing decline in profits, figure out why and provide recommendations

Sure. I have some clarifying questions. Could you please tell me about the quantum of decline and since when we have been facing this issue? Is it an industry-wide issue or client specific?

We are facing a decline of 20% since last 6 months. The issue is client specific.

Okay. What all shops are present in our store? Apart from shopping do we also have eateries and parking facility that contribute to the revenue? Do we have both white label and brown label shops?

We have various shops like electronics, apparel, sports equipment etc. Yes, apart from shops, parking and eateries are the other two revenue streams. Yes, we have both white and brown label shops.

Where are our departmental stores located? Who are our customer segment?

Our departmental stores are located PAN India, and our customer segment are middle class and lower middle-class families, college students and office goers.

Are all the stores facing the issue or is it specific to a geography or store?

No, it is specific to a single store in Delhi.

Okay. The decline in profits could be due to two broad reasons, decrease in revenues or increase in costs. Have we seen any changes in these aspects?

The revenues are declining.

Understood, among the revenue streams we established i.e., parking, eateries and shops is there a particular revenue stream facing the issue?

Yes, we are seeing a decline in revenue for the shops

The revenue from shops can be represented as product of number of customers, number of items purchased and their respective prices. Would this be the correct approach? Are we seeing a change across any of these three parameters?

Yes, this looks good. We are seeing a decrease in the number of items purchased.

I would like to deep dive further into this by analysing the customer journey involved. There will be pre-shopping process, in-store shopping process and payment and checkout process.

Would you like me to elaborate further on these buckets?

Yes. Please elaborate.

Pre-shopping process would include the process of customer making the decision to come to our departmental store, travelling from their home to our store, and all the steps taken till they step into our store. During shopping process would include the overall experience of adding items to the cart and going for checkout and finally the payment and checkout process will include the overall process of customers checking out their items in the billing counter and making their payment. Have we seen a change in experience across any of these three?

Yes, the in-store shopping process seems to be affected. People are spending less time in the shops and the department store in general. Why would that be?

To further analyze the root cause of this, I would like to analyze the in-store shopping experience using the five senses framework. Namely, sight, hearing, smell, touch, taste. Have we seen any change in store that would bring about a change in any of these five aspects?

Yes, there seems to be an unpleasant smell in the departmental store which is driving the crowd away and affecting the shopping experience? What could be the reasons?

It could be due to change in any toiletries or fragrances used, internal or external pollution, improper waste disposal etc.

That is correct. We have had a change in the cleaning liquid being used which is giving out bad odour. Please provide recommendations.

Short-term–

1. Quickly switch back to the previous cleaning liquid to eliminate the odor issue and maintain customer satisfaction.
2. Continuously monitor customer feedback to identify any emerging concerns and address them promptly.

Long-term–

1. Implement a structured pilot testing process for new products to detect and resolve issues like odors before widespread use.
2. Prioritize cost-effective alternatives without compromising the quality of cleaning solutions to prevent similar incidents in the future.

Fair enough. Let's close the case here.

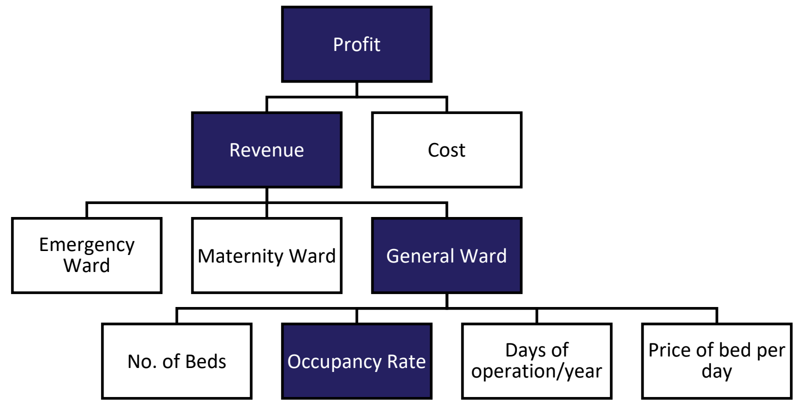
Profitability | Healthcare | Bain & Company | ★★

Private Hospital in Delhi

Your client is a private hospital in Delhi. They are facing losses since last few years, analyze why and provide recommendations.

Background Information

- **Client** – Single private hospital situated in Delhi. The hospital is currently understaffed with doctors. It is open 300 days per year.
- **Competitor** – There are few competitors in the same locality which are profitable.
- **Customers** – The customers or patients are middle-class and upper-middle-class families.
- **Product** – There are 3 departments. Namely, emergency ward, maternal ward and general ward. Each has its own charges and occupancy rates.



Departments	No. of Beds	Days of Operation/Year	Contribution per Bed per Day	%Occupancy	Revenue per Department
Emergency Ward	200	300	625	0.8	Rs. 30,000,000
General Ward	250	300	1000	0.4	Rs. 30,000,000
Maternity Ward	100	300	1250	0.4	Rs. 15,000,000
				Total Revenue	**Rs. 75,000,000**

Case recommendations

- In short term, we should focus on investing in the equipment necessary for the services we provide that match the industry standard needed. We should start contacting and bringing onboard doctors to meet the demand.
- On the long term, as the demand grows organically, we should also focus on expanding the number of beds and services being provided to accommodate the demand.

Case tips

- This is a numerically driven case. It is important to be quick on your feet and be accurate with the numbers while solving the case.

Private Hospital in Delhi

Your client is a private hospital situated in Delhi. They are facing loses since last few years. Analyze why and provide recommendations.

Where is the hospital located? Do we own the whole facility or are we leasing it? What are the different departments present in hospital and what all services we provide e.g. consult, testing, surgery etc?

The hospital is in Delhi, and we own the facilities and infrastructure. IT was three wards, namely, maternity, emergency and general. We provide all these services.

Sure. Is there any other income I should consider? What is the customer segmentation for our hospital in terms of income? Who all are our competitors in this area?

No, let's focus only on these three departments. Our customers are from moderate income and high-income category. We have a two other hospitals in the area who provide similar service.

Okay. I believe I have sufficient grasp on the scenario. I did like to divide into the components of revenue and cost. Would you like me to analyze either of these in particular?

Let’s focus on revenue aspect. Could you provide three different approaches to calculate the annual revenue?

Sure. Below are the three approaches I could think of to calculate the revenue.

Supply approach (Staff)–

(No. of Staff) x (days of operation per year) x (No. of utilization of staff) x (average revenue generated per staff per day)

Supply approach (Beds)–

(No. of Beds) x (days of operation) x (%occupancy) x (amount charged per bed per day)

Demand approach (customers)–

(Days of operation) x (Avg customer footfall per day) x (Avg amount charged per customer)

Sounds good. Let us take the second approach using number of beds. We have a fixed cost of Rs. 12 crore. I would like you to calculate the loss being faced using the following case data. (refer previous page for case data)

Based on the data provided we are generating a contribution of Rs. 7.5 crore yearly. Since our fixed cost is Rs 12 crore we are facing a loss of Rs. 4.5 crore

Correct. Can you calculate the percentage occupancy needed to break even given our fixed cost remains at Rs. 12 crore.

Sure. As per my calculations at 80% annual occupancy across the three departments, we will be having a contribution of Rs. 12 crore which will let us break even.

That is correct.

Now, to analyze the reason for low occupancy, are we seeing a lack of supply from the hospital since the hospital is understaffed or is it a lack of demand?

You are correct. It is a supply side issue, since we lack the amount of doctors we are not able to attend to all the patients coming in.

The shortage of doctors could be due to either internal or external reasons. Internally the reasons can be low monetary incentives to join our hospital, or lack of proper facilities, or equipment needed. Externally the reasons can be unavailability of doctors in our location, unattractiveness of the hospital location in terms of commute or stay.

That is a good breakdown. Our facilities are not up to par in terms of equipment and technology being used. Please provide recommendations to improve profitability.

Sure. In short term, we should focus on investing in equipment necessary for the services we provide that match the industry standard needed. We should start contacting and bringing onboard doctors to meet the demand. On a long term, as the demand grows organically, we should also focus on expanding the number of beds of and services being provided to accommodate the demand.

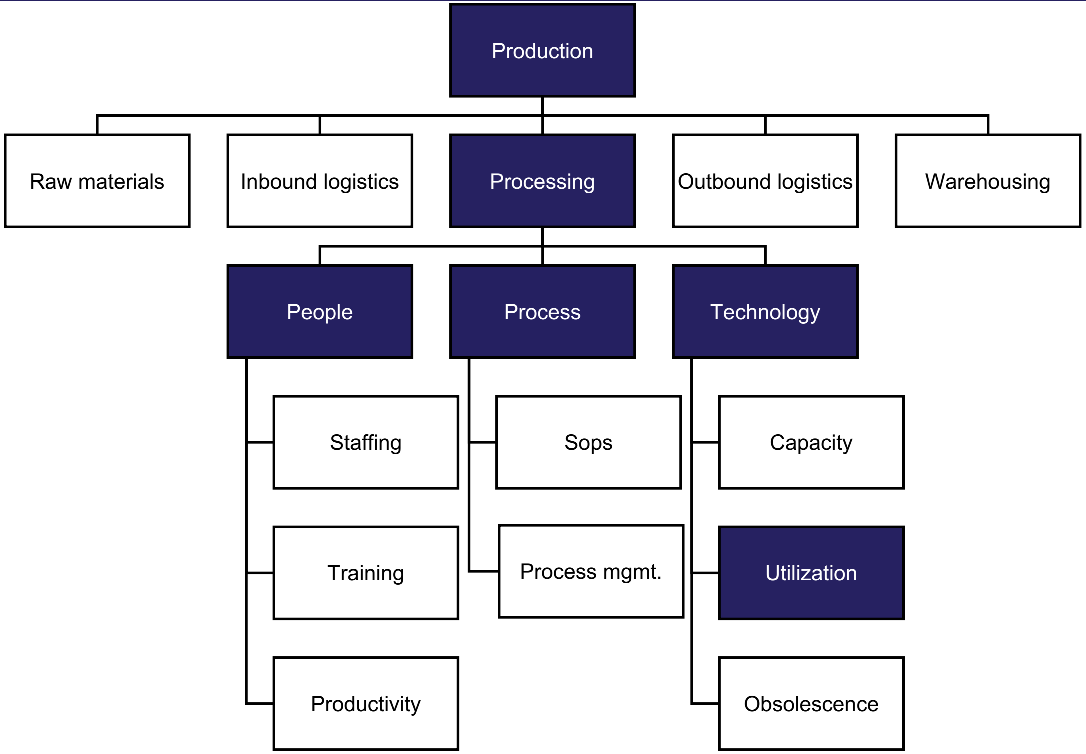
Sounds good. Let us close the case here.

Steel Manufacturer

Your client is a steel manufacturing company, and they have to expand production by 10%. You are required to analyze the existing manufacturing setup and suggest possible methods.

Background Information

- **Company** – A steel manufacturing company that has a single plant in Odisha with a production capacity of 2 MT
- **Competitor** – NO major change in landscape, company-specific issue
- **Consumer** – The hot rolled steel coils are sold to business that can utilize it to produce finished goods
- **Product** – Only one product, hot rolled steel coil – company owns end to end production of the good



Case recommendations

- As an immediate step, the spare parts can be stored near the respective machines, and the staff can try to carry a toolkit containing the most used spare parts. They can utilize the downtime due to break down to finish other maintenance activities in the unit (parallel processing). In the long term, they can look into the possibility of a potential equipment upgrade in order to minimize the occurrences of breakdown.

Case tips

- Review and optimize the supply chain to ensure a seamless flow of raw materials and efficient distribution of finished products.
- Explore opportunities for process improvements and technological upgrades to enhance production efficiency and reduce costs. This could involve adopting advanced manufacturing techniques or implementing automation.

Steel Manufacturer

Your client is a steel manufacturing company, and they must expand production by 10%. You are required to analyze the existing manufacturing setup and suggest possible methods.

Do we need to expand the company as a whole or production in a singular production unit? Meaning, are we not able to reach the capacity of our existing plant?

Yes, we are not able to do so.

I would want to understand the end-to-end manufacturing process, from the initial steps to the final product. Could you provide an overview of how we go about with this?

Okay, sure. We pass steel slabs that are produced within the same premises through multiple rollers on a single line conveyor belt. There is application of heat involved that converts the slabs into a hot rolled coil of steel.

Is the process 100% automated or is human intervention involved?

There are people involved hands-on in the process.

Looks like I have sufficient information. I would like to begin by exploring the value chain of the process. It involves the raw material, inbound logistics, the processing, outbound logistics. Should we concentrate on a specific aspect to identify the causative factor of our production capacity limitations?

Yes, you can try to look at the processing of the steel.

I would consider the three factors involved in the processing of the steel. The people – the number, their training and productivity. The process – the standard operating procedure and its efficiency. The technology – the rollers and heat application machines. Would you like for me to look at one specific factor?

What could be wrong with these factors?

The production unit might not have enough people, or the ones present may not function at the required productivity. We may not be allocating the required resources to train them for the job. The process may have efficiency issues due to the technology for the machines being obsolete. The machines may be facing maintenance and breakdown problems.

That is right. The problem lies with the machines facing frequent breakdowns due to which we're losing two hours of production each day. Could you look into this?

Alright. Where exactly are we losing time? In the pre-repair phase, during the repairing process or after repairing? Meaning, do we not have the required spare parts and personnel to repair our equipment? Is there inability to do so due to some internal factory issue? Or is the quality of the repair in question?

I think we have reached the problem which is the unavailability of the spare parts. Could you tell me how we can resolve this?

Yes certainly. If the spare parts are not accessible, is it because they unavailable in the market for us to purchase? Or is there an issue with timely procurement?

We're not able to procure it timely, which is why we're losing time which was meant for production. Can you give some suggestions to the client?

As an immediate step, the spare parts can be stored near the respective machines, and the staff can try to carry a toolkit containing the most commonly used spare parts. They can utilize the downtime due to break down to finish other maintenance activities in the unit (parallel processing). In the long term, they can look into the possibility of a potential equipment upgrade in order to minimize the occurrences of breakdown.

This looks good. We can close the case now.

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Market Entry

Yoga Studio

A business manager wants his company to invest in a yoga studio. Analyze the case and see whether they should invest in the same.

Background Information

- **Client** – Manager who wants company to invest in a yoga studio
- **Location/Geography** – Based out of Bangalore

Profitability analysis for Market Entry:

Market size	Performance	Price per unit	Potential Growth
• Size • Growth	• Competitor analysis • Service differentiation	• Price adjustment based on program	• Services can be extended to company employees

Studio Stats	
Employee Count	8
Profit (2019)	Rs. 24,00,000
Profit (2020)	Rs. -24,00,000
Classes a month / person	30 hours
Yearly fee	Rs 12,000

Calculation	2019	2020
Employee yearly salary	15.36L (1.92L * 8)	15.36L (1.92L * 8)
Studio Rent	6L (50K *12)	6L (50K *12)
Equipment and other Expenses	2.64L	2.64L
Revenue	48L	0
Profit	24L	-24L

Case recommendations

- Perform approximated calculations focusing on the key points.
- Perform breakeven analysis to arrive at a final conclusion.

Case tips

- This case presented a complex challenge. The key to unraveling it lay in the ability to derive revenue from the data provided by the interviewer. It's crucial for candidates to pay close attention to the information shared by the interviewer, as it often holds vital clues that can lead to a solution.

Yoga Studio

The manager of a client company wants to see whether they should invest in a yoga studio. Also suggest recommendations on how to improve the studio.
Relevant figures for calculation are:
Rent per month: Rs. 50,000
Equipment and other Expense per year: Rs. 2,64,000
Salary of trainer/month: Rs. 16,000
Profits in 2019: Rs. 24L
Profits in 2020: Rs. -24L
Customer fee / month: Rs. 1,000

Based on the figures provided, the total expenses for the yoga studio per year is 24L, and since the profits generated that year was 24L, the revenue will be 48L. From this we can get the number of people enrolled as 400 people. Since 2020 is when the pandemic hit, is it a fair to assume that due to lockdown and restrictions, the number of people who came to the studio was nil?

Absolutely, the yoga studio focused on semi-personal training with special attention given to every customer enrolled with them. During the pandemic, we had no customers.

Can you provide some details regarding the structure of the classes and any other offerings made by the studio?

Sure, classes are held for 2 hours together, and customers have the choice of picking the dates that they would like to attend for at the beginning of each month. The studio has equipment, but other than that does not provide anything specific to the customers. The studio has been running for over 10 years and customers are extremely pleased with the sessions conducted as well.

Can we assume, the studio has been generating high returns for a consistent period of time before COVID?

Yes

Since the studio was generating high returns prior to covid, and was giving consistent returns for a prolonged period, with certain adjustments to the studio, they should be able to regain the customer base.

Can you provide solutions on what has to be done with a proper structure?

I would like to go about it with a three-stage process.
1. Since the studio focused only on offline sessions, with the onset of COVID, they need to consider having online sessions at a reduced price. This can allow for a larger number of customers to attend the same training sessions as well.
2. Offline training with equipment can be provided for a much smaller customer base at a premium price.
3. Prerecorded sessions can also be provided to customers via an app-based platform.
4. Diet plans can also be provided to customers to try and appeal to a larger customer base at the company, and this can be integrated via the app.

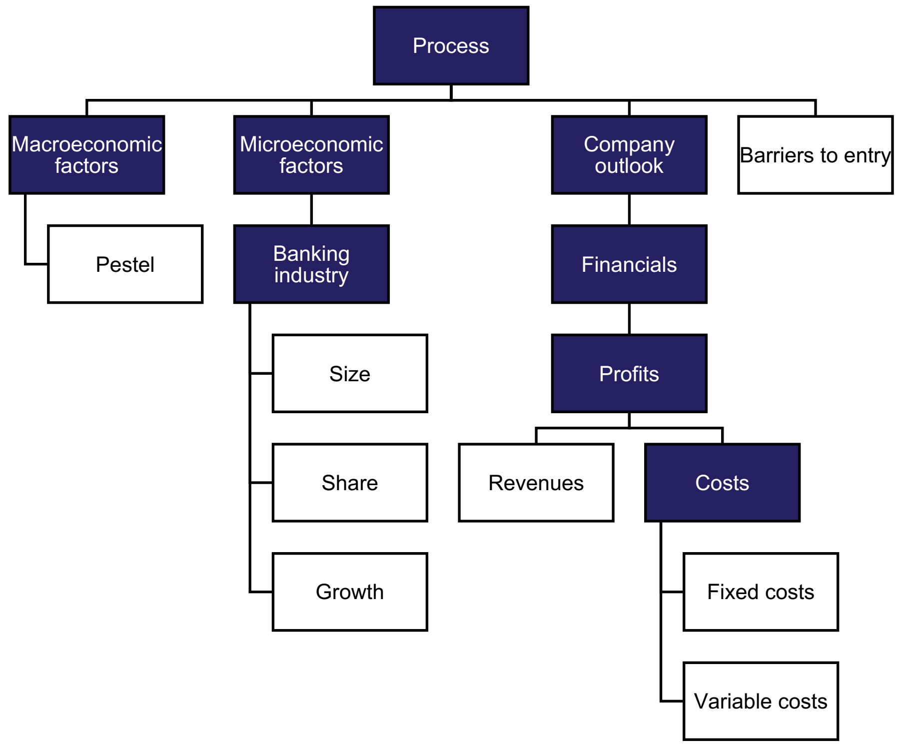
Good, I think we have covered all the aspects of the case.

Global Bank

Your client is a Global Bank that wants to enter the Indian Market. You have been asked to analyse the situation and provide recommendations.

Background Information

- **Client** – Global Bank which is a player in 5-6 big countries
- **Objective** – Through the Market Entry, they wish to maximize their profits
- **Competition in New Geography** – 5-6 Big Players
- **Target Customers –** With more than 10 cr. Income
- **Time Frame in mind** – 3 years



Case recommendations

- The client should ensure that does not face any regulatory hurdles.
- Sine the client is planning to deal with a very small customer segment with a very high income, relationship building will play a very important role.
- The client should leverage its global presence in order to build trust in the initial phase.
- The client can reduce the capital investment by making a Digital Banking focused market entry where competition is low.

Case tips

- During the course of the interview, the interviewer asked the candidate, "What will be those 6 questions that would drive your decision of whether to enter or not?" And to answer this, majorly the above framework had to be kept in mind.

Global Bank

Your client is a Global Bank that wants to enter the Indian Market. You have been asked to analyze the situation and provide recommendations.

So just to reiterate the client is a Global Bank wanting to enter the Indian Market, right?

Yes right! You can proceed with the case.

So, I have a few questions to understand the industry we are operating in, our client and its operations and finally the new geography we wish to enter. Firstly, I want to know which location our client operates in, since when have we been into operations, who are our customers, what kind of services do we provide, and how much share do we hold in the current market?

The Company has been in operation for the last 10-15 years and is an established player. It operates across different countries like Europe, Australia, Singapore, USA and Amsterdam. We cater to anyone and everyone who wants to deposit their money with us. We have specific country-wise criteria to lend loans. Apart from this, we have Value Added Services as well and are present across both online and offline channels.

Okay makes sense. Seeing that the company is very well established, why does it actually want to expand to new geography, and do we have any timeline in mind?

So, they want to maximize their profits through this plan of expansion, and they want to achieve their goals in the next 3 years at max.

Understood. Next, I would like to understand, is there any geography that they have in mind, what kind of customers are they targeting and what kind of services do they plan to take to India. Also, some information about the competitive landscape in India would be an add on. Finally, are there any budgetary constraints that we need to be aware of when we are taking any decision?

Great. The Indian market has 5-6 big players like SBI, HDFC, ICICI, PNB etc. While our client does not have any target geography in mind, they wish to only cater to customers having an income of more than 10 crores per annum. They majorly plan to take all kind of services to India like Banking, AMC, Lockers etc. What do you think now.

Okay, so the customer landscape is a big point over here, considering people with more than 10 crores of income would be present in a very less number. So, I have the following approach in mind. Firstly, I plan to look into the Macroeconomics of the Indian Economy (PESTEL: banking sector is highly regulated, trust factor with existing banks, Inflation rates and Repos and Reverse Repos etc.), then I plan to look into our company's outlook where I'll see the financials of our company, how much profits we can generate and what would be the costs that we might incur in terms of fixed and variable costs. Finally, I'll look into any barriers to entry that might be there, how we can enter the Industry and if we are planning to set up our own Value Chain, how should we go ahead with doing that. Does this seem like a fair approach?

Yes, the approach seems fair. However, due to paucity of time, the client has asked you to ask them 6-7 questions that would make help in giving them clarity whether they should enter the market or not.

Okay. So firstly, I'd like to understand whether getting through the regulatory barriers in India, fulfilling of compliances of Repo and Reverse Repo by the RBI would be feasible and possible or not?

Yes, none of that would be an issue.

Okay. Next, do we have any idea about the size of market we will be catering to, how much share will we get, and what is the growth of the market?

So, we'll be catering to 1,00,000 people and we'll have profitability margins of around 4-5%. These people come from across the 4 metros.

Interesting. So, considering that the number of people we would be catering to is not huge and is relatively split across the country, does the profit margin actually seem feasible to our client?

Comparing to global standards, the margins are less. However, in the Indian terms these seem enough, and our client is satisfied with that.

Okay. But we should also look into how much of the incomes people are actually willing to deposit into banks, considering they have other alternatives also, like investing in the markets. When it comes to taking loans, we need to see if actually a decent chunk of these 1,00,000 would end up taking loans, provided they are already earning so high, the need for loans might not be there.

Good points, but the 4-5% margins is after accounting for all these factors.

Global Bank

Okay. And what about the competitors. They have already been present in the industry so in order to make a mark, we need to differentiate ourselves in some way so that we can actually cater to the people.

Yes, we can surely look into this!

So, to look into some points of differentiation, the first thing that comes to my mind is a Digital Infrastructure. Are our competitors present through digital modes. If that isn't a feasible option, we can look into the quality of services as a point of difference.

So that is a great point. None of the players are present in an online mode.

Great so essentially this reduces our capital requirements hugely, since we can just set up one or two branches and rest, we can operate digitally. Since we already are a global player and fulfilling legal requirements of RBI isn't an issue, trust factor would also not be much of a problem for us. After this, I'll look into creating demand through awareness campaigns. Would that be an issue, or should I chart out a strategy for the same?

No that won't be an issue for us. We have great marketers in all the countries where we operate.

Okay. After this, I would like to look into the available routes through which we can enter the Indian Banking Sector. It can be a Merger, an Acquisition, a Joint Venture or we can enter on our own. Now when we look into an M&A or a JV, we need to see if we have the capabilities for that, if our demands are actually being satisfied by the other firm and if they are willing for the transaction to happen.

Good points but we would be entering ourselves. How should we go about this now?

For this, we need to first see where we can set up our operations, then actually go about setting them up in terms of hiring employees, meeting compliances regularly like those of maintaining CRR, SLR etc., setting up the digital infrastructure and finally creating awareness about our services amongst the people and what can be done to ensure that our services are better than all the others.

Fair enough. We can close the case now.

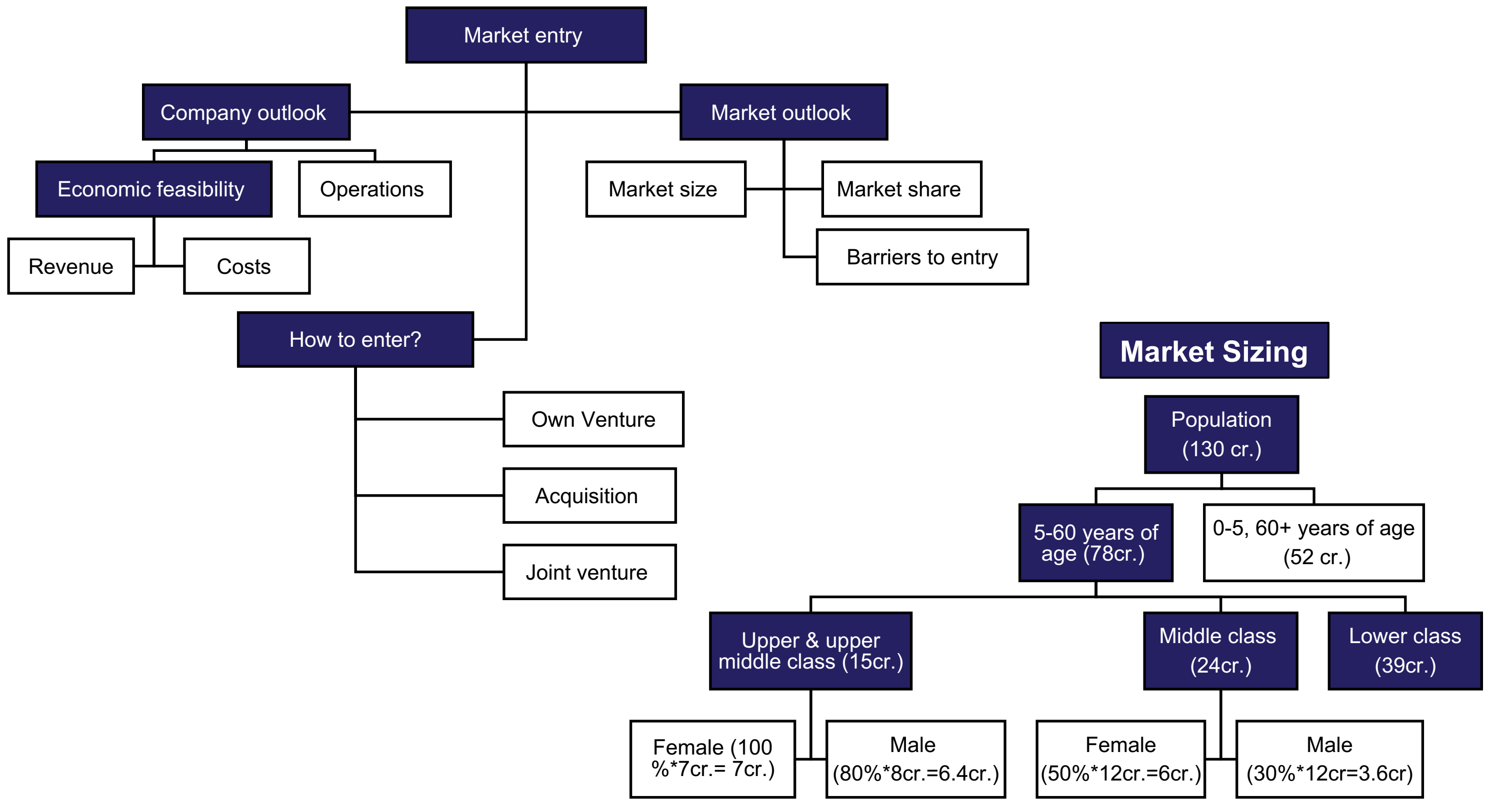
Market Entry | Services | BCG | ★★

Salon

Your friend wants to enter the salon business. You are supposed to advise him whether he should go ahead, if yes how should he enter?

Background Information

- **Objective** – Attain profits
- **Company** – Unisex salon
- **Products** – Premium services
- **Competitors** – Can assume a demography like India
- **Timeline for profits** – The earlier, the better



Case recommendations

- The client should evaluate the salon market to find opportunities and identify challenges.
- As the market is fragmented and gaining market share might take a long time, the client should also evaluate the feasibility of an acquisition or a JV.
- Since this is a case of a premium salon, the client should focus on targeted marketing to appropriate income group.

Case tips

- In a new market entry case , the investment can help in gauging the scale of business the client wants to start.
- The objective must be very clear before proceeding with why and how to enter.
- Brining in numbers and formula wherever possible presents a clear and concise picture of the case.

Salon

Your friend wants to enter the salon business. You are supposed to advise him whether he should go ahead, if yes how should he enter?

Why does the client want to enter the salon business in India?

India is a growing economy; the business will have potential to grow given the country's population.

Is there any specific objective that they are trying to achieve such as targeted % profits, % market share, etc.?

No, they just want to have a profitable venture as soon as possible.

Can you help me understand a little more about the kind of salon the friend wants to open.

It will be a unisex salon with premium services.

What is the budget for this business?

20cr.

So, am I right in assuming that with this budget, he intends to run a chain of salons and not a standalone store?

Yes, that is correct.

Does the client wants to open the salons pan India?

You can look at what factors should we consider for deciding the location of the stores.

Do they want to start a new venture or acquire an existing salon chain?

We would like you to analyze that.

Do you also want me to look at the opportunity cost of starting this salon for the friend?

No, you can ignore that and focus on what all will you consider for analyzing the decision to enter the market.

So, now that I know a bit about the objectives and business, I would like to analyze the decision to enter based on internal factors of the company and market factors. I'll start with calculating the market size.

Sure, go ahead.

23cr. (Refer to market size calculation in next slide)

Now that you have calculated the market size, what other factors will you consider?

I would look at the market share. Since India is a fragmented market in salon business, the client can look at attaining a higher market share only in case of acquisition of a large player in short run, otherwise establishing itself as a market player may be a long run phenomenon.

Sounds fair, what other factors will you consider?

I would want to understand if there any barriers to entry, or regulations which the client should consider?

No, there are no such barriers.

I will look at the internal company factors, comparing building the business from scratch viz-a-viz acquiring an established chain.

Sure, go ahead.

Starting with economic feasibility, his own venture, the costs would be – fixed and variable costs. Costs of land bought or acquired on lease, cost of equipment, admin staff and professionals, and running cost of utilities. For JV or acquisition, cost incurred will be the cost of acquisition. For revenues, in a JV or acquisition, the revenue would depend on profit sharing agreement and would be relatively higher in initial few years at least as compared to own venture, owing to higher pricing and already established customer base. In own venture, it might take a few years to reach the competitive pricing in the market.

So, what would you suggest that they should do here?

The decision here would depend on the success of their own venture and time taken. For the initial first year of business, a franchise model may have 2x customers and charge 1.5x price , resulting in 3x revenue. However, the dynamics can change in the long run.

Okay, beyond the profits, what other factors they should consider?

On the operations and marketing front, the own business would require more investment in terms of time and money to market the venture, hire staff whereas in the acquired business, the client can leverage the brand image and customer base.

Assuming they want to go ahead with starting the business from scratch, how should they go ahead with starting the business?

Salon

The client should acquire/rent the land, hire trained professionals, source the equipment. Once the infrastructure is ready, the client should invest in branding and marketing for customer acquisition.

What are the factors you will consider for determining the location of stores?

Since it's a premium salon, the working-class professionals in high income societies would be the target customer segment.. Further, availability of land, accessibility to staff would also determine the location.

Would you recommend any strategies for customer acquisition initially?

They can offer freebies, discounts and combos initially as an incentive for customers to try their services. Further, the client can look at attractive membership schemes for customer retention.

Fair enough, we can close the case now.

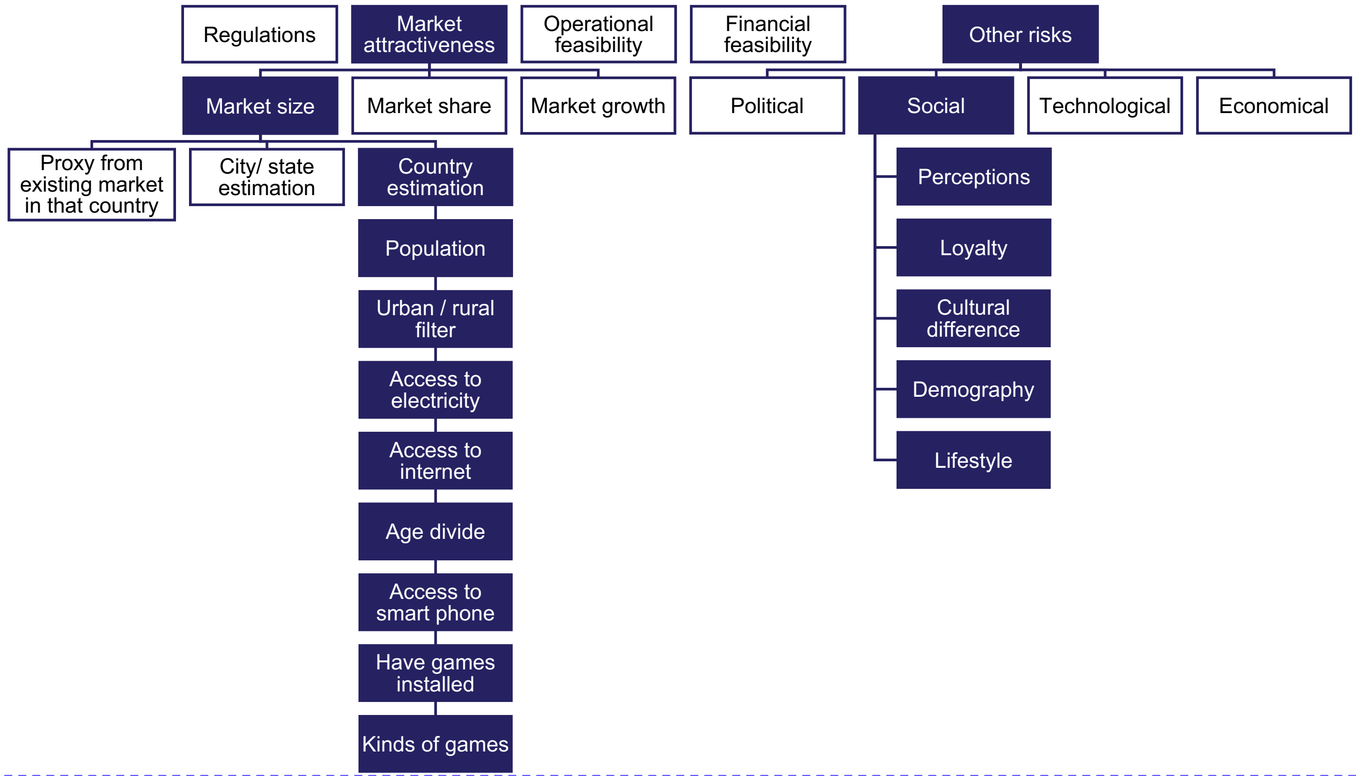
Market Entry | Entertainment | BCG | ★★★

Gaming Company

Your client is the CEO of a gaming company who has launched a series of games. They want to enter a new market. Give recommendations of the countries basis the factors that are to be considered.

Background Information

- **Client** – Ideate, develop and market smartphone application games.
- **Competitors** – All interested.
- **Competitors** – They are among the top 5 in terms of rating
- **Product** – The games are all mobile applications like candy crush, temple run etc.



Case recommendations

- Narrow down all the factors affecting the launch, including the objectives of the company and challenges of the Market.
- Take the company background into deep consideration in the analysis.

Case tips

- Clarify the aims the company wants to achieve.
- Have good mathematical and analytical ability for estimates.

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Country	# Players	% paid subscribers	Average pay per person	Growth % of players
X	200 million	35%	$300	15%
Y	100 million	25%	$25	40%

Revenue = # Players* % Paid Subscribers*Average Pay per Person*(1+Growth % of Players)^3

X = 31,938
~ 32,000

Y = 1,715
~ 1,700

Case recommendations

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Gaming Company

Is there any specific objective that the client is looking to achieve in the new market?

They want to quadruple their top line in the next 3 years

Okay, I'd like to ask a few questions about the client. What function exactly does our client perform? What kind of games are we talking about? Where are they currently based out of and since when?

They are involved in the entire pipeline from ideation, development to last leg marketing of the games. The games are all mobile applications. You can take the example of candy crush, temple run etc. They currently operate in Australia.

Have they launched their application in Australia? If yes, how is it performing. How competitive is the market?

They have launched. They are among the top 5 in terms of rating.

Lastly, what is their target customer base? Are they paid applications?

Its not particular, basically everyone who has a smart phone. They are partly paid.

Got it. To enter a new market, there'll be a variety of factors that need to be considered. First and foremost, the regulations and any upfront barrier in entering the market say for the technology used or the platform used for accessibility.

Next, I would like to look at the market attractiveness by evaluating the market size (of the desired population), our potential market share (basis the existing competition in that country) and the market growth.

Once this seems attractive, I'd like to evaluate the operational and financial feasibility of this opportunity. Lastly, it is also important to consider the risks- social, political, technological, economic etc

What kind of economic and social risks are you talking about?

In economic risks, I intend to highlight aspects like foreign exchange risk which would matter even more when these applications are paid, inflation, tax policy, purchasing power to name a few.

About the social risks, we should consider factors like cultural difference (in case the games have any unintentional bias against someone/something), customer perceptions, demography, lifestyle etc.

Is there anything else you would like to consider?

For mobile applications as mentioned, customer loyalty is a really important factor. Besides, market survey about existing games and the public response to them should be considered.

Okay. How would you estimate the market size?

There can be multiple ways to go about it. Since its already an established market in most countries, we can take proxy figures from existing competitors in those countries. Else, we can either estimate for a city/ state and extrapolate that to the entire country or estimate for the entire country as well.

Let's say you have to estimate for the country, what factors would you consider?

I can use two methods- one is supply side approach where we can deduce through existing data. The other is demand side approach where we can follow a top down approach. I would start with Population density, divide them on the basis of areas they live in- typically rural and urban. Bifurcate that on the basis of age, accessibility to smart phone, internet and electricity penetration, games installed and lastly the different kinds of games. Once that s done, we can see what kind of games meet our match and that will give us the market size.

Okay so you have shortlisted two countries, say X and Y. I have some data. Use that to deduce your conclusion. In X, 200 mn people play games of which 35% pay for them. The same is 100mn and 25% for Y. The average amount paid per year per person is $300 and $25 respectively and the growth rate for the next 5 years is 15% and 40% respectively.

Alright. I would like to calculate the potential revenue for our client in each of these countries. Since our objective was to raise top line in the next 3 years, I would consider the growth rate for 3 years only.

In X, Revenue is 200mn*.35*300*(1+.15)^3 = 31,938 ~ 32,000 and for Y, revenue is 100 mn*.25*25*(1+.4)^3 = 1715 ~ 1700

Hence, clearly the financials are stronger for country X.

Anything else you want to add?

Once we have decided which country to enter, we can look at the various options in which we can do the same- organically or inorganically. That would mean exploring options like Joint venture, partnership, merger or acquisition and so on.

Sure, thanks a lot.

Car Service Company

Your client is a premium car service provider deciding whether to enter the Indian market. Should they enter the market and if yes how should they do so?

Background Information

- **Company-specific** issue
- **Timeline to break even** – 3 Years
- **Company details** – Premium car service provider in the west provides end to end service solutions
- **Product** – One stop solution for all car related needs.
- **Location** – Planning to enter Delhi first
- **Competitors** – Local competitors or car manufacturers providing service

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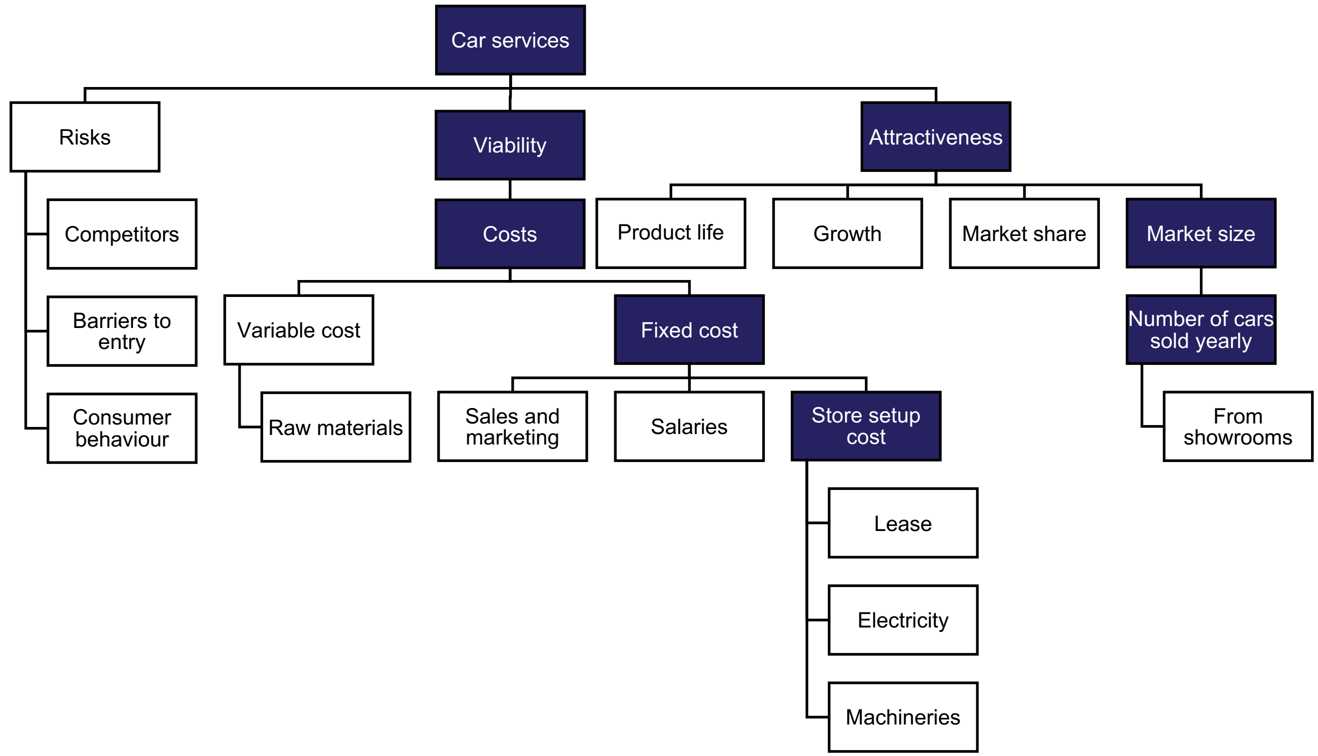


Case recommendations

- Clarify the market conditions specific to India before further analysis.
- Verify details regarding the client and their existing plans.

Case tips

- Remain calm and have good mathematical ability in calculating numbers fast.
- Structuring and evaluating small aspects of the case which might be missed out.

Car Service Company

Is there any reason for choosing India as the market to enter?

India is an emerging market, and the competition is fragmented.

Can you tell me something more about the client and how it operates?

Yes, the client is a premium car service provider in the west who provides end to end one stop solution.

Can you tell me something about the other players in the industry?

All other competitors are small local players or service providers from the car brands itself.

Is it fair here to assume we will be targeting premium customers only keeping in line with the model in which we operated in the west

That is a fair assumption.

As we are planning to enter the country is there any particular city, we are planning to launch the service in initially?

Good question, we are planning to enter only Delhi in the initial phase.

Is there any time period we are looking to break even

We are planning to break even in the first three years.

I want to look at two main things before I decide whether entering the market now makes sense the market scenario and how the company is structured now. Is there anything you want me to focus now or shall I go sequentially. First, I would like to estimate the potential market size. Do we have any information on the same or should I estimate it?

Yes lets go ahead with the approximate estimation. Tell me how you will go ahead with the approximating no of cars present in Delhi by 2031.

Starts with estimation based on no of families in Delhi and income-based segmentation followed by number of cars per family in each income bucket.

That's a good approach can you think of any other approach.

I can estimate it based on number of cars sold per day. I would estimate no of car showrooms in Delhi * average number of cars sold per showroom currently * life expectancy of a typical car (assumed to be 10 after confirming with interviewer)

Are u missing something.

Yes, I should also account for the growth rate.

Assume there are 10 Lakh cars in Delhi now (2021) and the growth rate expected is 10% how many cars will be there in Delhi by 2031. Tell me an approximate number in 50 seconds.

1.1^10, which should be around 25 lakhs in 10 years.

Ok let's continue with the case, quickly tell me what all will u check.

Now that we have looked at the market size and market growth, I would also like to look at the market share we can expect to capture, who all are the market stakeholders and any potential risks. Shall I deep dive into this.

Let's assume that there are no other external threats, what all other things you will investigate.

Financial and Operational constraints of setting the shop in India

Ok I think you have captured all the points well, lets end the case here.

Electrical Utilities Company

Indian company focused on the electrical utility segment had expanded into the manufacture of batteries for various purposes including those used in electric vehicles. Client is looking to move into the electric vehicles industry as well.

Background Information

- **Client** – Indian company in electrical utility segment.
- **Competitor** – 1-2 competitors in mid and premium segment.
- **Product** – Electric vehicles with a range of 250kms (15% greater than industry standard)
- **Timeline and purpose** – No specific timeline. Expand into the electric vehicles industry

Customer	Company	Challenges	Product
• Individual customers • Use as company vehicles • Cab drivers • Airport shuttles	• Established in electrical utilities • Manufacturer of the main component which are batteries • Better batteries compared to competitors	• Established EV manufacturers • Government policies	• EV with 15% higher range than competitors • Electric utility company focusing on battery manufacturing

Entering Market
- Investment Acquisitions
- Greenfield Operations
- Joint Venture
- Outsourcing

Case recommendations

- Analyze the companies' strengths and weaknesses.
- Capitalize on the strengths and strategize pricing based on the same.

Case tips

- Remain calm and have a clear structure in your mind.
- Break down any process into steps for clarity.

Electrical Utilities Company

Client is an Indian company that focused on the electrical utility segment and moved into the manufacture of batteries specifically for electric vehicles as well. The company is looking to moving into the electric vehicles industry. Analyse the market and industry to see whether they should move into the new segment.

Can I get some inputs regarding the industry and what would differentiate the company from its competitors if there are any?

Sure. The electric vehicles industry although quite niche is a growing market with one established competitor and another one who had recently entered the market. While the company has not manufactured electric vehicles directly, they have been manufacturing batteries for the same which have been proven to provide 15% higher mileage than any of its competitors.

That's great. Since the client does not have a production plant for electric vehicles, I would like to know what the timeline that they are targeting for entering the market.

The company wishes to enter the market as soon as possible. Preferably in under 2 years.

Normally for a company to enter a market, R&D on the final product would have to be conducted, followed by extensive testing and then manufacturing of the same. Since the timeline is relatively small, to save on R&D and testing, the most optimum route would be through a joint venture or acquisition of a company which already has invested in R&D and development of EVs. Would these be options that could be considered?

Yes, which of these two options would you suggest as most optimum?

The overall market for electric vehicles even though it is growing, is rather niche. Due to this, it would be in the clients' best interest to go for a joint venture.

Good insight. Once the joint venture is complete, how should the client go about with entering the market?

I would like to go about describing the same using a multi-stage process for the product launch.

Stage 1: Integration of technologies between clients' battery systems and joint companies' technology to come up with a final product.

Stage 2: During the integration period, to try and introduce the company name, with a history in electrical utilities, the client can try to set up EV charging stations in popular and frequently visited locations.

Stage 3: Launch of vehicles in Tier 1 cities along with partnerships formed between the company and popular hotel chains in and around the city to set up charging stations that will allow for intercity travel.

Stage 4: Launch of vehicles in Tier 2 cities along with setting up charging stations in the same.

Great. Can you provide some input on how the client should go ahead with pricing?

Sure, I would start by considering the total population of India,

There are 3 pricing strategies that can be followed. The first one is competitive pricing. Since the market is presently led by a single leader, our client can match the prices being charged by the market leader to grab a share of the market. The second is cost-plus margin pricing. Since the product manufactured by our client offers a 15% higher range and the company and competitor technologies are similar, it can be assumed that the per-unit cost of manufacturing the product is similar. In such a case the client should charge a price that is equal to cost plus a margin benchmarked to the competition. The third pricing strategy is value-based pricing. Here price will be based on the product attributes and the perceived sense of value by the consumer.

Those were some great strategies provided. We can end the case here.

Ed Tech Launch

A University wants to launch an Ed Tech platform for courses and preparatory classes. How would you go about doing the same

Background Information

- **Client** – MBA university wants to launch Ed Tech platform.
- **Location/Geography** – Targeting entire Indian market
- **Timeline** – Within the next 2 years

Market size	Market share	Price per unit	Cost per unit
• Size • Growth • Customer base	• Competitor analysis • Product differentiation	• Is the price justified?	• Development of platform and maintenance • Additional staff and course development

Strengths	Weaknesses	Opportunity	Threats
• Established MBA university • Content readily available • Availability of professors for guidance	• Development of platform • Additional maintenance activities • Market size is small	• Targeting new market segments • Focused training for candidates willing to join university	• Brand dilution • Threat of new entrants with similar Ed Tech platforms

Case recommendations

- Perform SWOT analysis while analyzing the market.
- Recommend stages passed on past launch success.

Case Tips

- In this case, a proper knowledge of operations is needed to formulate the strategy.
- The strategy can be broken into stages foe ease of implementation.

Ed Tech Launch

Client is an MBA university which plans on launching an Ed Tech platform coupled with an additional training program specific to the entrance examination for the university. Analyse the case and come up with possible scenarios and launch methods.

Based on the information provided, would like to clarify certain points in terms of the customer base being targeted as well as what types of courses the university plans to launch.

The university wishes to launch 3 types of courses on the platform. Details regarding the courses include:

1. University exam coaching program: Since separate entrance exam is conducted, for aspirants willing to join the university can enrol to prepare specifically for the examination.
2. Condensed MBA course: While the flagship MBA program runs for 2 years, the condensed course is will run for 1 year with specific topics the candidates wish to cover in detail.
3. Flagship executive MBA program: An extension of the executive MBA program which is completed in 1 year will be offered with a 2 year timeline.

Can you provide some details regarding when the university plans to launch the programs.

Due to three separate courses being offered, the university would like to have a tentative completion of the material and content with the platform development in the next 2 years.

Based on the information provided, the launch can essentially be broken down into 3 separate stages.

Stage 2: Development of material and content for the coaching program.

Stage 3: Development of content for flagship program.

Can you explain the reasoning behind the same.

Sure, in stage 1, since material for all the courses offered during the MBA program is readily available, the same just has to be converted into structured content for the major courses. While the content is being developed, a separate team can be hired for the development of the platform, so that the initial set of primary courses can be launched within 6 months.

For stage 2, in a period of one year, preparatory material for the university entrance examination along with final content for the platform can be made.

Based on the customer acceptance and satisfaction of the initial courses offered, additional content can also be made for additional specific courses as well.

In stage 3, as per the customer preferences, development of content for the platform pertaining to the executive MBA program can also be started post completion of stage 2.

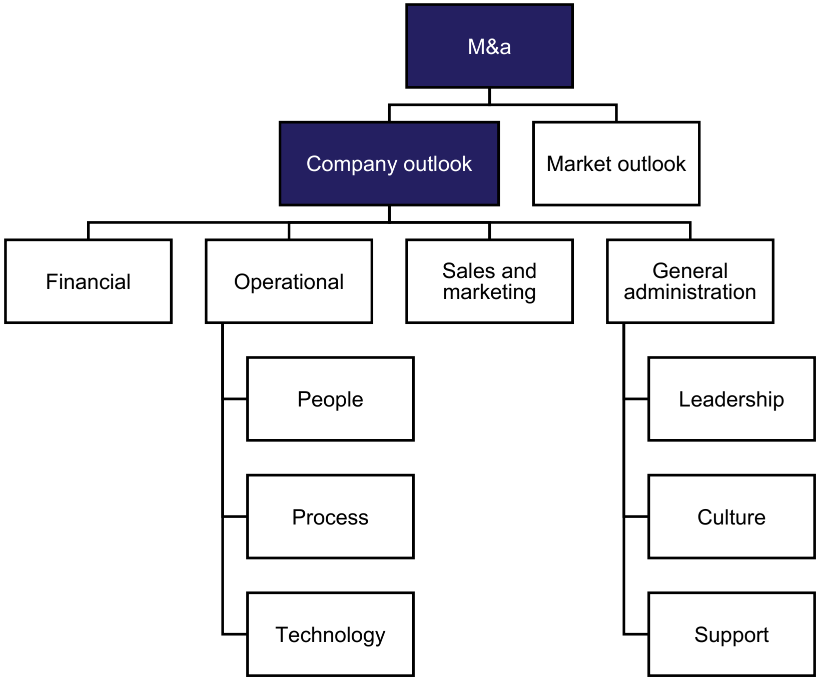
Good, this process of content launch seems perfect. We can end the case as all the points seems to have been covered.

Vodafone Idea Merger

Idea and Vodafone both had 2 million customers each that subscribed to their platforms. They merged their platforms in year X. Until now, which is not a very large timespan, you can assume less than 5 years, they are on the verge of bankruptcy. Despite having a merged subscriber base initially which was close to 450 million people, they are now down to 250 million and people keep leaving their platform for Jio every single day. The government has levied a fee of say around 10 billion on them for different issues which they have to clear come what may, and the customer erosion does not seem to stop any time soon. They cannot appeal for bankruptcy because they have an ongoing case in Supreme Court that disallow them from doing so. Because of Jio's undercutting of prices, they cannot charge their existing customers to raise money. What are your considerations on this scenario?

Background Information

- **Client** – VI
- **Customer** – Network
- **Competitor** – Jio majorly
- **Product** – Network Provider



Case recommendations

- All factors affecting a company's outlook should be taken into consideration.
- Operational and General Administration should be narrowed down to find the root causes.

Case tips

- This was not a conventional market entry case but following the M&A structure would help.

Vodafone Idea Merger

Can I know why was it failing initially?

The network quality is very bad, and they were facing marketing issue too. Why do you think this would have been the case?

Bankruptcy would have hit them cyclically. Because of bad network they were not getting subscribers and the lack of subscribers meant they had a low marketing budget and could not invest in making their network better.

Right, move on.

Post merger, were there any changes in the way operations were carried out, with respect to people policies, processes followed, technology used?

Not quite, no. everything was retained just like before.

Since you mention that everything was retained just like it was pre-merger, do we know the structure of the new leadership?

So, we have 2 CEOs now, one of each company. The exact hierarchies of the individual companies are followed in their respective vertical.

This seems to be an issue. Do we know the extent of cultural alignment of the two organizations post-merger?

It is a complete mismatch. Vodafone employees like to maintain a good work life balance and leave work at 5 pm daily, while Idea employees feel like they are having to shoulder the load of the employees who are leaving early.

Can you summarize your findings to me?

Sure, There are 3 broad issues that the Vodafone Idea merger is facing:

1)Lack of money – because of which they are unable to ensure 2 things:

i)better network quality as compared to competitors like Jio

ii)better marketing campaigns to capture new customers

As a result, they are losing customers.

2)Lack of leadership – There seems to be no coherent leadership structure, thus there is no one to define a common goal or plan of action

3)Lack of cultural synergy in the organization

Sounds fair, which of these would you go about solving first, assume you have all the control and resources?

I would solve the 2nd problem (lack of leadership) first, as that would require less time to solve and also be the crux of solving the other two issues. Thereafter, I would focus on building synergy within the organization, and once that is achieved at a considerable level, I would like the organization to devote time, energy and resources to solving the first problem of building better network quality and focusing on marketing.

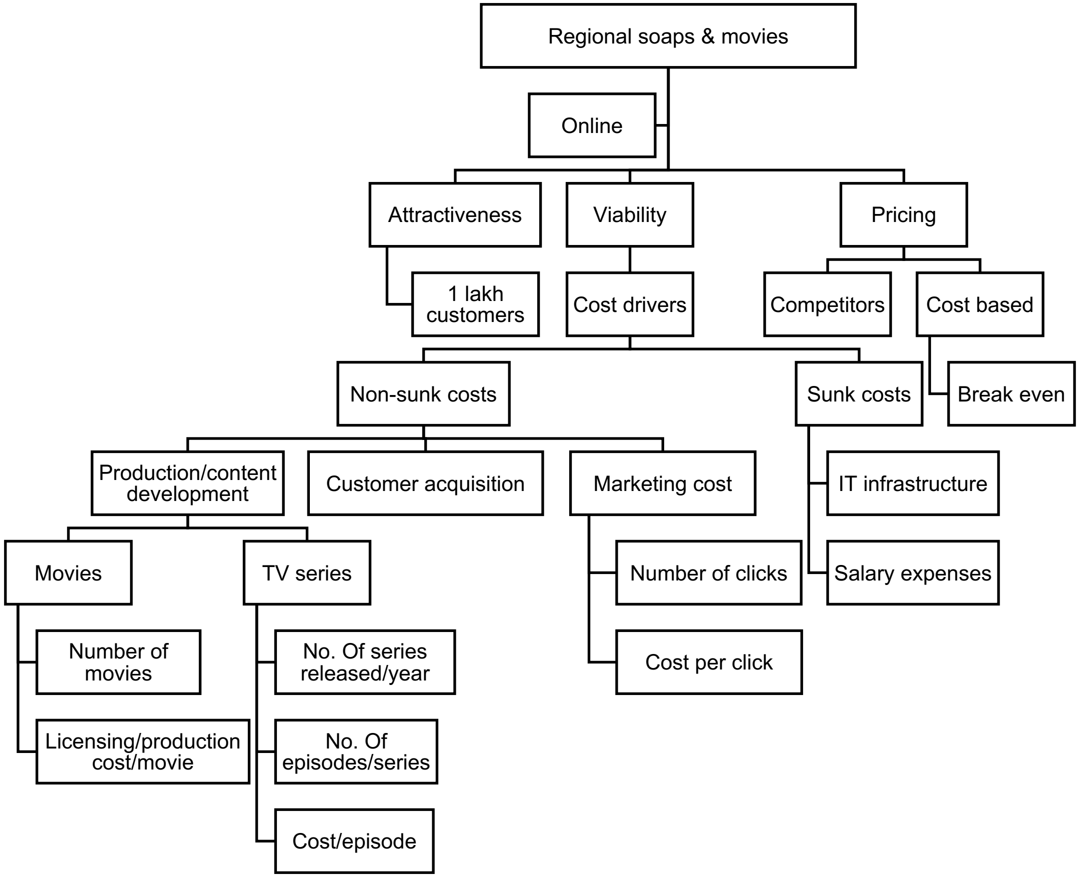
Thank you, we can end the case here.

Indian Media Company into Online Space

The client is a media company that wants to enter the online space. Develop a business case for them.

Background Information

- **Client** – An Indian media house operating in entertainment sector- movies, soaps, cartoons
- Major player with 30% market share in non-OTT space
- **Competitors** – Amazon Prime, Netflix, etc.
- **Offerings in online space** – Movies and online TV series English as well as regional language



Case recommendations

- With mid-range pricing enter with offerings in regional space as well.

Case tips

- In this case it is advisable to cover all possible factors while entering the online platform.

Indian Media Company into Online Space

The client is a media company that wants to enter the online space. Develop a business case for them.

Can I know a few details about the client? Where are they based out of, and what are their current offerings?

The client is a typical Indian TV media house. Can you think of a few offerings they might be having?

Sure. Mainly, Indian TV media houses are present in the entertainment space or the non-entertainment sector. Within the entertainment sector, they can cater specifically to movies, soaps, music, sports, kids' channels (cartoons) or a mix of them. In non-entertainment space, they can cater to news or education. All the above can be subdivided according to regional languages as well.

Alright, our client provides a mix of services in the entertainment sector currently – movies, soaps and a few cartoons.

What is the client's market share? Is there a particular reason for venturing into the online mode currently?

They are one of the major players in the country with a trusted consumer base & enjoying 30% market share. They expect an exponential growth in the online space & wants a piece of the pie as early as possible.

How's the competitive scenario in the online space? Is the client planning to enter the online space with the current product mix?

Consider the current competition in the online space with Netflix, Amazon Prime and Hotstar as the major players. Our client is planning to enter with only movies and some popular TV series – only in some underserved regional languages.

Sure, I shall start with analysing the attractiveness of entering the online space.

Let's consider that we have analysed the online market already & found it to be attractive and identified 100000 customers as early adopters. What else would you consider to develop this business case?

I would consider the financial viability of entering this business for our client. I shall start with identifying the major cost drivers & arrive at the price point through breakeven analysis.

Sure, let's do that. Let's now look at the costs.

These are the major costs associated with entering the online space: production costs, customer acquisition, IT infrastructure development and salary expenses. Do you think I am missing out on any major levers?

No, this seems good. IT development and salary expenses will be sunk costs and we don't need to consider those for analysis. Let's focus on the content costs & online advertising. What data do you need to go ahead?

Cost for movies = No. of movies released per year * Production/licensing cost per movie

Cost for TV series = No. of series released per year * no. of episodes per series * Production/licensing cost per episode

Marketing cost = No. of clicks * cost/click

The client plans to release 1 movie/ month, each with a production cost of 8 Mn INR. Each episode of TV series will be released monthly. A total of 3 series are in consideration currently, each episode having a production cost of Rs 8L. The client expects a 1% conversion rate from online ads with each click costing 1 Re.

Total annual cost comes out to be ~ 135 Mn INR. In order to break even, the client needs to charge at least INR 1350 in case of an annual subscription model.

Alright, so what is your suggestion? Does it make financial sense for the client to invest?

May I know if our client would be leaving the current business completely to enter the online space?

Good question. No, they are currently considering this as a supplement to their current business.

Thanks for that information. An annual subscription fee of INR 1350 is competitive enough, considering INR 1000 for Amazon Prime and INR 1500 for Hotstar currently. Compared to these platforms, the client is releasing fewer titles with the advantage of them being regional in nature. Hence, I shall suggest the client to enter the online space with this subscription fee.

Since this service is supplementary to the current business, we can also explore whether the client is willing to have a longer breakeven period. If so, they can charge a lower annual fee in the short term. While building acceptability among consumers, the client should also focus on acquiring more market share through targeted marketing & proper positioning of the service.

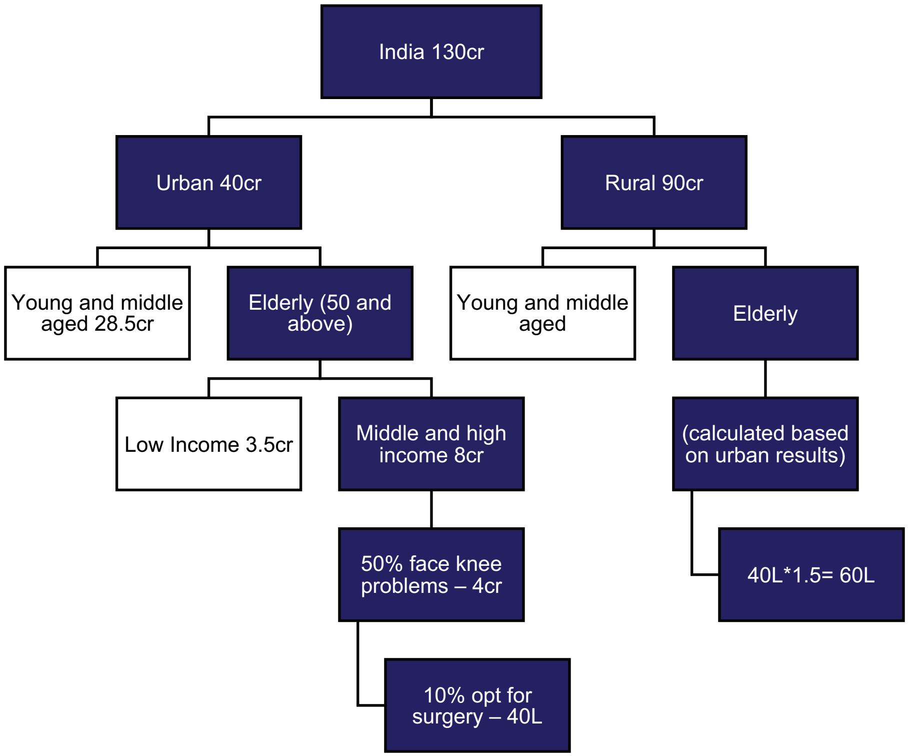
We can close the case here. Have a good day!

Medical Device Manufacturer

Client is in the healthcare industry; they make medical devices. They are based out of China but are looking for international expansion and want to consider India as an option. Advise them over the same.

Background Information

- **Client** – China based manufacturing, exporting to other markets.
- **Customer** – Directly to hospitals.
- **Competitor** – 3-4 competitors in mid and premium segment, rest of the market is fragmented.
- **Product** – Only 3 medical devices. (Discussed in the first question)
- **Timeline and purpose** – No specific timeline. India is a growing market thus the client wants to enter. No specific goal.



Case recommendations

- Conduct a thorough market analysis of the Indian healthcare industry, including demographics, regulations, competitors, and potential areas for growth..

Case tips

- There were about 5 min of BQs at the start around why Bain and a little about shift to consult from tech (workex). Being prepared helps.

Medical Device Manufacturer

Can I know about the types of medical devices our client manufactures?

Yes. They manufacture orthopedic devices. They have three main products:

1. Artificial joints: these are like the hip or knee joints that are used when the natural joints fail.
2. Trauma implants: Trauma implants are like plates and screws used to treat broken bones.
3. Spinal implants: Spinal implants are specific to the spine, to increase stability and reduce pain.

What does the value chain look like? Whom does the client sell the product to? Are they covered in insurance plans of customers?

Our client is the manufacturer, and they make only their own branded products (as opposed to being an outsourced manufacturing for another brand). Like any other product, there are third party distributors located in various countries. These devices are used only at the hospitals. Patients discuss the price range with the doctors, and it's up to the doctors then to choose which brand within that price range they chose. Medical insurance penetration is very low, you can assume most people would be paying out of their pockets.

Does our client operate in all the price segments? How do our products vary within price segments?

Yes, we have the premium segment that offers state of the art tech, the value segment with cheap prices and lower quality, and also the mid-tier segment with 1-2 generation old premium devices.

Why does our client want to enter in Indian market? Are there any specific goals?

Client wants to expand internationally to grow business. India seems like an attractive market.

What product is our client targeting to launch?

We know that the market of artificial joints is same as that for trauma implants, which is double that of spinal imparts. We can start with artificial joints. Why don't you start by estimating the market size?

Sure, I would start by considering the total population of India, performing an urban rural divide (due to awareness, access etc.), and then a division based on age group (since artificial joints are used mostly due to ageing). Post that I want to perform an income-group segmentation to account for affordability. Also, only certain percentage within the age group would have the need for such a device and a certain few will finally opt for surgical procedures for replacement. Do I consider any other parameters like market for each price segment?

We are limiting our findings to the total market size; hence we can ignore the market for different price segment products.

Sure. Refer structure on previous page. 40L is the total market size.

1/20 do this every year on an average: 2L

Are you missing something? Let us assume each device needs a replacement after 10 years, Also, medical surgeries can be planned, and you can assume access to good hospitals will not be preventing people from seeking treatment.

Sure. [calculations = 2L * 2 = 4L in urban. Rural need would be 1.5x based on population split. Hence total market at about 1M] At this point I would like to consider the competitive landscape for the three categories and even in that within the price segments in each product category.

Continuing with the competitive understanding, I would also like to compare the value proposition, profit margins, establishing value chain in India. There would be some regulations around importing medical devices. Lastly, risks around political tensions with China would also need to be factored in.

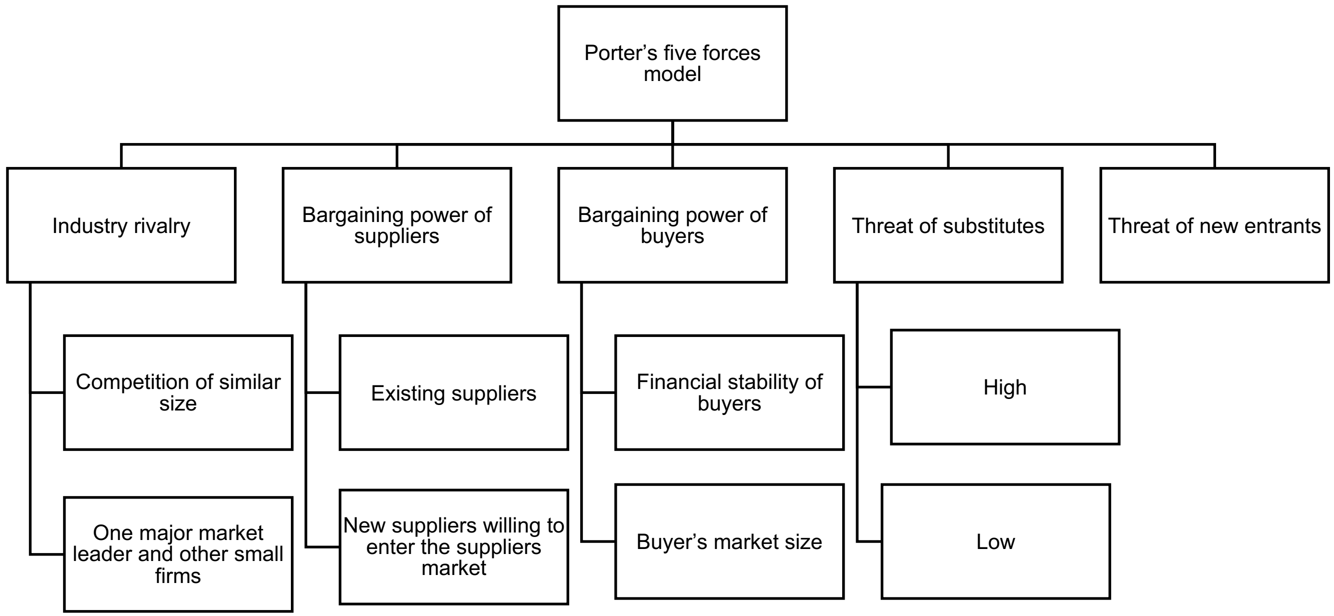
Thanks a lot, we can end the case here.

Furniture Industry

Your client wants to enter the furniture industry. What factors should be considered while taking this decision? Make recommendations to the client on the basis of your analysis whether to go ahead with the market entry decision.

Background Information

- **Competitors** – Similar size, similar pricing.
- **Substitutes** – No substitute available for the client's product.
- **Consumers** – Can afford client's product.



Case recommendations

- Focus on unique and appealing furniture designs with a strong emphasis on quality and durability..

Case tips

- Analyse each of the five forces in detail with respect to the given industry.
- Highlight the positive/negative impacts on the business.
- State the different scenarios that could take place by giving examples wherever possible.

Furniture Industry

I will first consider the Porter's Five Forces model to get a holistic view of the whole scenario. So, the first thing I would like to know is how intense is the rivalry in the market, how many competitors exist and is there a disparity in the market competition? The rationale behind this is that if there is a large disparity (one firm's quality is much better than others), in this case, if my product quality is good, even if I cannot be a leader in the market, my firm can still be a profitable one if I provide the market with better quality in comparison to other competitors.

There is not much disparity in the market competition and competitors are of similar size.

Since the competition is close, I need to make sure that the quality that I am offering is at least equal to or if possible, better than the leading competitor. The second thing I would consider is the supply power since I need a quality product, I need good quality suppliers. Also, I would like to know how many suppliers are there and what is the difference in the prices that they are charging?

There is little difference in the prices. However, the best quality supplier only supplies to the market leader and will not negotiate with any new entrant.

Okay. Then I will look for other suppliers who will provide the next best quality and for that I will benchmark all suppliers to see who has a good recent history and whose supplies are least defective. I can also look at a new supplier who is trying to enter the supplier market but is unable to do so because of the existing competition. I will benchmark his quality/product with other players in the supply market.

If you now have the quality product comparable to the market leader, what will be your next step?

Since the question talks about profitability and not about being the market leader, I will go to the third factor of the Porter's Five Forces model i.e., bargaining power of the buyers because if the buyers are not in a financially stable condition in the geography I am dealing with, I will ultimately be in a loss-making scenario.

Why would you be in a loss-making scenario?

For a business to sustain for a long time, it is very important that in the initial stages, even if the business is not making profits, then at least it should be in a break-even situation. To ensure this, the buyer power comes into play. For example, if I am dealing with a geography having 100 people of which only 10 can buy the furniture. Then those 10 people will not favor the new entrant and buy from the market leader. But, if there are all 100 people who can afford the product, even if they are not doing so in the current situation, then at least I have a chance to make them my customers through different marketing strategies.

Assuming people can afford the product, what will be your next step?

The most important factor to consider is the threat of substitutes in the market because whenever I am setting up a business, it takes a lot of capital. So, I do not want to end up in a situation where I enter a market, invest all my money but the product eventually goes out of practice 2-3 years down the line.

Because it is a furniture business, there is no proper substitute available for the product and there has been observed an increase in demand of the furniture according to the recent data. It will continue to increase for a few years. What will be your next step, if any?

Now, although I do not consider this as important as the other factors, I would still look at the 5th and the last factor, i.e. threat of new entrants which means how tough or how easy it is for a new entrant to enter the market. This is because if the entry into the market is either tough or easy, it does not predict that the new entrant will be successful or unsuccessful.

Can you give an example?

If I consider at a human level, the example of XLRI. If I would have thought that there is already existing stiff competition here and I will not be able to make it to the institution, then I would have quit in the initial stages without even trying. Even the case where I would have thought that it is easy to get into the institution, I would have slacked off and both the scenarios could have been detrimental for me because in both the situations, I would have been either over-confident or under confident. The reason for failure would not have been the belief but the lack of data to support that actual thought. Similarly, in this scenario, the data that would help me to figure out whether I should invest in the market or not would come from the other four factors and that would help me to make a wise decision.

If as a consultant I ask you whether to enter the market or not, what will be your response to the client?

I would ask the client to first, categorize all the data from the 4 factors given above in terms of their relative importance and I would ask the client if he wants to be a successful firm in a short period of time or is the client willing to stay in the market for a long run, even if the results are not favorable in the initial stages.

Why so?

With every other factor that we have evaluated, we have one ideal scenario (immediate success) and the other one is a practical scenario (failure in the initial

Furniture Industry

stages) that could be possible. So, if the client wants immediate success, if not all, most of the factors need to be in the ideal scenario. But if the client is willing to stay in the market for a long time, then we can look at all the possible scenarios that could exist and categorize them according to their importance to the client and look at the profit-making scenario. And then, based on the data that we have obtained, we will suggest him the optimal solution.

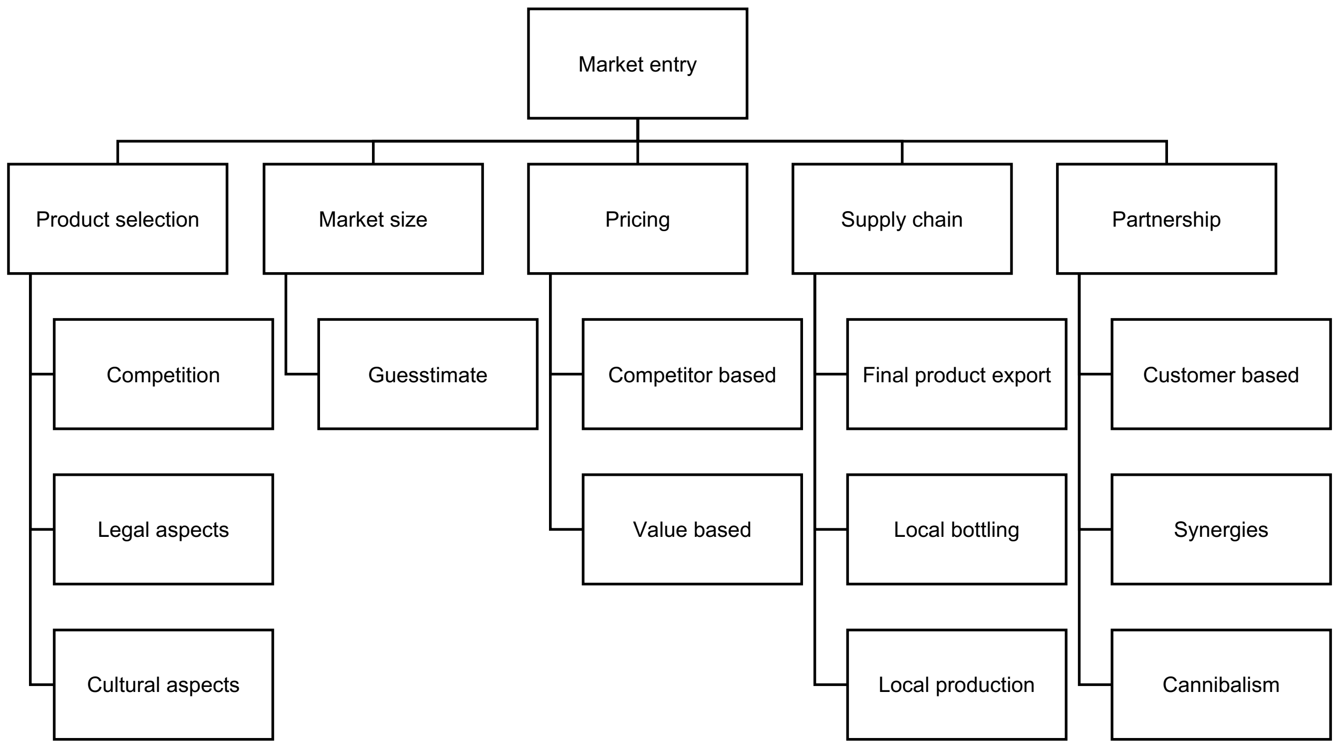
Market Entry | FMCG | Bain & Company | ★★★

Japanese Beverage Company

Your client is a Japanese beverage company, and they are planning to enter the Indian market. They need your advice regarding the same.

Background Information

- **Objective** – 10% market share in the premium drinks segment in 5 years. Decisions on supply chain (procure/ bottle/ manufacture in India?) and accordingly JV/partnership/M&A opportunities (if needed) to be discovered.
- **Product mix** – Both alcoholic (strong beer & whiskey) and non-alcoholic (juices, concentrates, fizz drinks, health drinks, ready to drink tea (RTDT) & coffee (RTDC)) drinks are available, the product(s) to be launched to be decided.
- **Company** – A 100+-year-old company with presence in Europe & Singapore.
- **Competitors and Industry** – Think of the current situation of the drink industry in India.



Case recommendations

- Setting up a factory in India right at the start does not sound like a good idea unless there are long term collaborations.
- For partnerships, look at synergy to determine if the companies complement each other's product range, ensure the effect of cannibalization on the product, analyze the distribution network to understand the company's footprint and determine if they cater to the right audience.
- If other parameters are favorable, look at the cultural fit as our Japanese client may have quite different corporate culture than an Indian company.

Case tips

- If other parameters are favourable, look at the cultural fit as our Japanese client may have quite different corporate culture than an Indian company.

Japanese Beverage Company

Why particular interest in India and why now, are there any reasons behind it?

India is a growing economy and hence an interesting market. The company had tried entering the market earlier but failed due to incorrect choices of products, partners & launch strategy. We have advised them on all these fronts.

What factors would you consider while selecting the product(s) that should be launched?

I would consider the current market size and competition for different products. Due to existing market competitors and saturation, we can eliminate Fizz drinks, concentrates & juices. We can also eliminate alcoholic beverages due to stringent legal regulations and compliances required. With these products eliminated we can support current consumer preferences and follow recent trends resulting in the growth of health drinks, RTDT and RTDC products.

This makes sense, so how would you estimate the market size (liters/year) of RTDT in India? Our RTDT is also very healthy, minimal/no sugar and many health benefits.

We can assume that most of the consumers of our product will be in the higher income group of the urban market. Our primary consumers will be in the age group of 20-60. We would assume suitable consumption rates based on age, pack size, frequency & competitor's cost. These factors should help us arrive at the total market size for our product.

Okay, once you arrive at the market size, how would you go about the pricing of the RTDT?

Since we are a premium offering we should be priced accordingly. Hence, cost-based pricing will not make sense for us. We should also be priced higher than competitors because we are healthier. Hence, we should follow a value-based pricing.

Right makes sense. How would you go about determining the value-based pricing?

There are three cases I would consider -

Case I: Here I am assuming the vitamins are the key value add. So, pricing will be based on the market price of those vitamin pills given the RTDT had no other health impact. Otherwise, I would follow case II to manage that.

Case II: Assuming that less sugar, and hence fewer calories is the key value add. Here we can determine the cost of the time (based on average salary) and effort (based on gym membership costs) for the difference in calories.

Case III: In case nobody cares, a 10-20% mark-up should do, as pricing value adds of health is tricky and not fair.

Okay and given the information about the client, should the client produce/bottle/ship in India?

Considering the 10-year timeline and failure earlier while entering India, bottling or shipping are more viable. We will have to look closely at the costs before taking a final call. Setting up a factory in India right at the start does not sound like a good idea unless we have long term collaborations set.

That is right, so we can then quickly discuss the market entry strategy. Let us say the company wants to enter in a partnership. What factors would you consider?

To enter a partnership I will firstly look at synergy to determine if the companies complement each other's product range. I will also ensure they do not sell any substitute products as products like that could cannibalise our offerings. Post this I would look at the distribution network to understand the company's footprint and determine if they cater to the right audience.

If other parameters are favourable, we can look at the company's mindset - Japan is known for very different work ethics and the target is also quite long visioned, building on it, what were the reasons that the previous entry failed, I will need details around those to understand company's vision and mission better. Finally, I would consider the scope of the partnership and determine if the company can be trusted with trade and product secrets.

Any top companies/chains on top of your head?

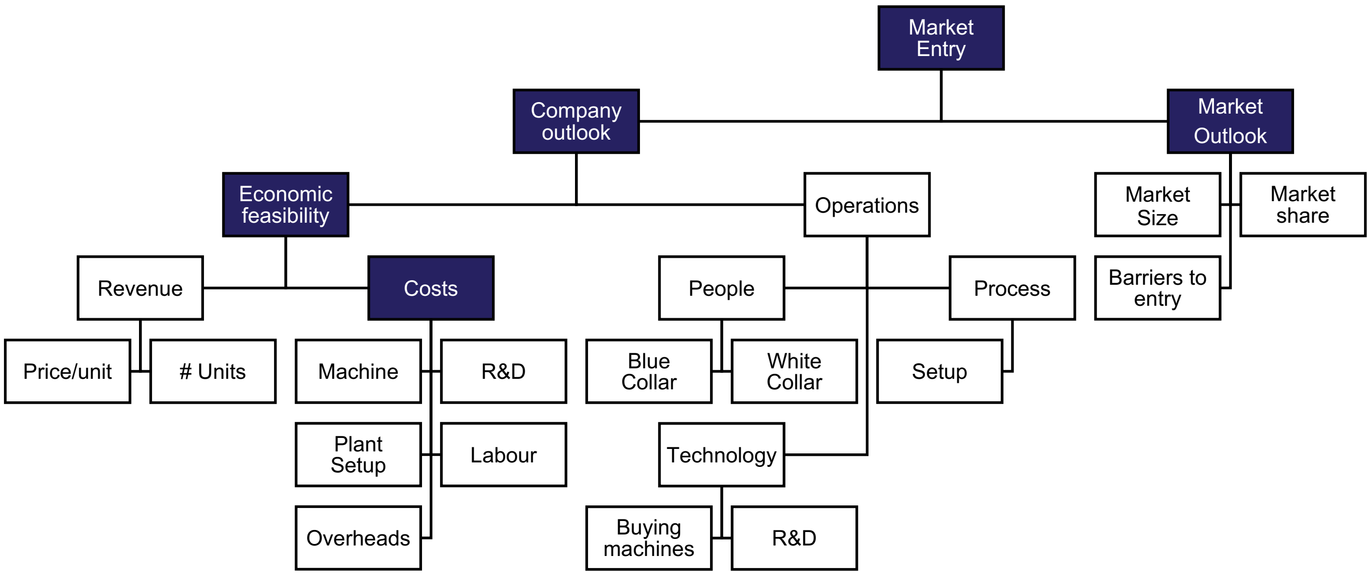
I could look at companies which cater to the premium segments, like health centers and food chains (like Subway). Secondly, high-end hotels, banquet halls. Lastly, exclusive tie-ups with high-end retail stores with a promise for aggressive advertising (as drinks work a lot on what you see and how accessible it is) can also be considered.

EPC Client

Your client is an EPC player looking to get into solar manufacturing. Design a strategy and provide inputs to the client on whether they should get into solar manufacturing or not.

Background Information

- **Objective** – Revenue growth
- **Company** – EPC player
- **Products** – Solar module
- **Competitors** – 3 to 4 competitors
- **Geography** – Pan India



Case recommendations

- To enter the solar modal manufacturing business, market and company outlooks need to be considered. In the company side, particularly looking towards financial feasibility is necessary to find the break even point (given investment considerations). Several internal and external risks to be factored in.

Case tips

- In a new market entry case , the investment can help in gauging the scale of business the client wants to start.
- The objective must be very clear before proceeding with why and how to enter.
- Bringing in numbers and formula wherever possible presents a clear and concise picture of the case.

EPC Client

Your client is an EPC player looking to get into solar manufacturing. Design a strategy and provide inputs to the client on whether they should get into solar manufacturing or not.

Before starting with the case, I would like to confirm if I have the right understanding of the problem statement. An EPC client wants to enter the solar manufacturing business and needs me to provide inputs on whether they should enter or not,

Yes, that is the correct understanding

What is an EPC player? What are the objectives of entering?

The client is an Engineering, Procurement, and Construction company. They want to grow their revenue and enter into the clean energy business since it is the future.

In which sector does our client want to enter? How many competitors are there in the sector? What is the market size?

Our client wants to enter the solar module manufacturing business which currently has 3-4 other companies. India is producing 200 GW of power through solar.

I will be looking into the client-side and market side. On the client side I will look into financial, and operational feasibility, and government regulations. I will look into revenue and costs in financial feasibility. In operational feasibility, people, processes, and technology will be looked into. Is there any particular side you want me to look into?

Let's look into financial feasibility. The cost of a module is Rs. 20/watt. A single panel has 500 watts of power. What price should be set for a 50% margin?

Manufacturing cost would be 20*500= Rs. 10000 and with a 50% margin, the selling price should be Rs. 15000 per panel.

The client has an annual maximum capacity of 1 GW. They have made an investment of Rs. 5000 Cr. Calculate the sales they need to do in GW and in how much time they will be able to achieve the breakeven point.

Our client will be able to make Rs. 10000 profit on 1000 W. So, on 1 GW, they will be making Rs. 1000 Cr. worth of profits. Hence, it will take them 5 years to reach the breakeven point.

What are the factors that you will consider for manufacturing location?

I will consider labor availability and rates, power, land, natural resources, logistics, supplier base, customer base, and laws prevalent in that state.

What are the risks involved?

Risks can be classified into 2 categories- internal and external. In internal risk, we could have the failure of machines, labor strikes, and administrative issues will be considered. In external, competitors, substitutes, new entrants, govt regulations, suppliers, and socioeconomic factors will be considered.

Thank you, I think we are done.

Calculations

Price Estimation

Cost of module (1W) = ₹20
No of modules in a panel = 500

Cost per panel = Cost of module x No of modules in a panel
= 20 x 500
= ₹10,000

Price per panel = Cost per panel (1+margin)
= ₹10,000 (1+0.5)
= **₹15,000**

Break Even Point

Maximum annual capacity = 1 GW
Initial Investment = ₹ 5,000 Cr

Cost of panel = ₹ 10,000
Price of a panel = ₹ 15,000
Profit per panel = ₹ 15,000 - ₹10,000
= ₹5,000

Profit per Watt = ₹5,000/500
= ₹10

Profit for 1GW = ₹10x10^9
= ₹1,000 Cr

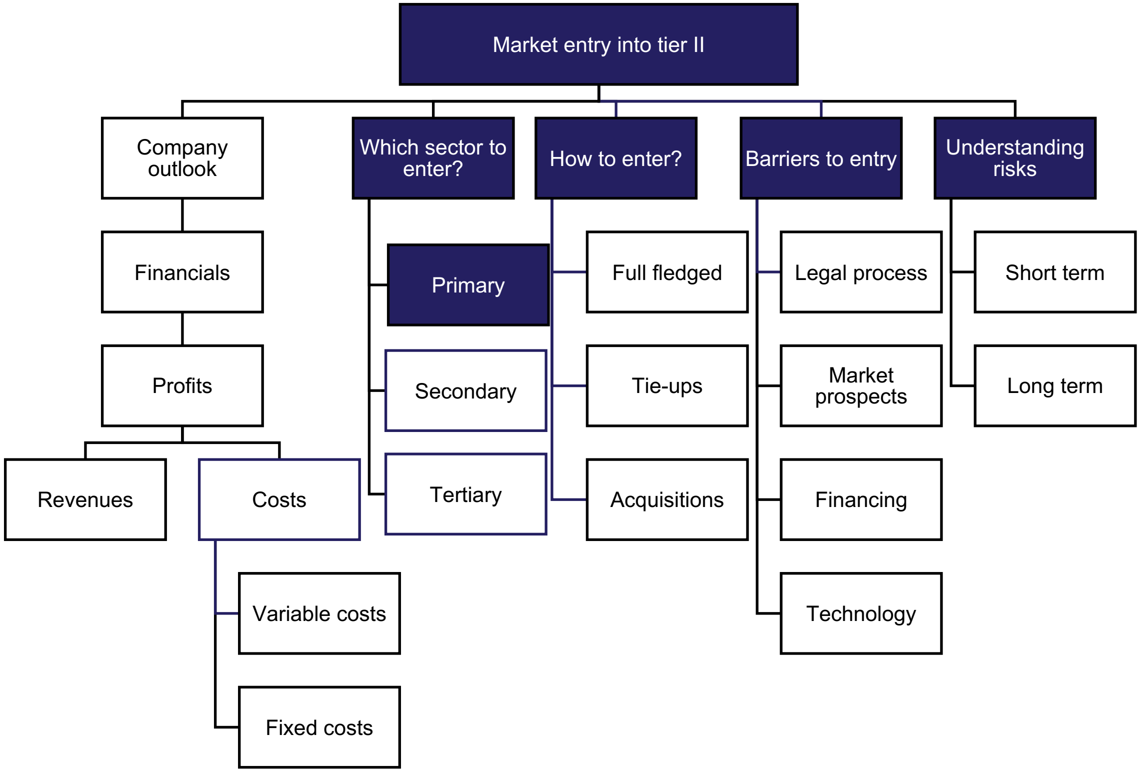
Break-even point = ₹5,000 Cr/ ₹1,000 Cr = **5 years.**

Hospital Chain

Develop a Market Entry strategy with a focus on "where to play" for a premium hospital chain (like Apollo) in any Tier II city.

Background Information

- **Client** – Presently a pan-India hospital chain with decades of experience.
- **Services** – Across all primary, secondary and tertiary product ranges.
- **Target Growth** – 20% YoY in the new market; Be as frugal as possible in expenditure.
- **Reason to enter** – Tier II city is an untapped market and holds uncontested white space.



Case recommendations

- Advisable to consider possible strategies and options to enter into the hospital industry in Tier II.
- Risks and threats should be evaluated.

Case tips

- Bring out the industry knowledge about healthcare in India. Also, have a look at recent developments in the space in India and news on use cases and policies launched.
- Clarify the scope of the problem as it is difficult to narrow it down to a significant conclusion without it in the stipulated time.
- Need to propose solutions for existing risks observed in the stipulated time of the interview to cap off positively.

Hospital Chain

I would like to understand the details of the market and the hospital chain before we can proceed. I would like to understand the geography that we are looking at. Also, could you let me know more about the offerings of the chain and the category they want to enter.

Sure, Consider any Tier-2 city in Jharkhand – with a lot of local doctors and government hospitals and keep in mind a chain like Apollo Hospital and make relevant assumptions with that in reference.

Ok great. Could you help me understand the reason for entering and the timeframe we are looking at for the entry process?

Ok. The leadership feels that there is a huge potential that can be harnessed in the Tier-2 cities in primary and secondary care with the growing income of people. The chain is looking to expand and be operational in 2-year time frame at the lowest possible costs to the chain.

Thanks for the comprehensive information. As we know Profits can be thought of as the difference between revenue & costs. So it could be either a cost-side problem like there is an increase in the cost of items or a revenue side like pricing or sales issues. Do we have details along these lines?

The costs of materials and across the supply chain have remained the same. Think of it through revenue terms.

So, focusing on revenue aspects. Revenue can be thought of as the selling price multiplied by no of customers, which can be further explored in all three baskets in order to pinpoint the issue. Do you want me to focus on anything particular out of these going ahead?

Given the constraints and your understanding of the semi-urban markets what do you think should be the focus areas?

I believe at top of my mind that the hospital given the poorer infrastructure and awareness of healthcare facilities in hinterlands, must aim for primary service provision.

Perfect. Consider that the client wants to enter the pathological testing arena and wants to provide basic clinic facilities to the townsfolk and proceed with your analysis.

I would like to discuss the methods the hospital chain can enter the Tier II market going forward and also discuss the barriers to entry and risks that the plan would face.

Sure. Sounds good. Go ahead and use the information that was provided till now.

For pathological & and testing labs, the client needs to first identify the prevalent diseases and arrange for the testing kits and personnel accordingly. At the same time with the goal of frugality in place, considering a joint venture with existing clinic chains can be the way forward to minimize the capital expenditure for setting up the centres. Further, the logistics of tests that need transport and cold chain need to be worked out in the setting up phase.
For clinic checkups, the client can explore setting up doctors with small capital investments across the city serving localities appropriately. The brand name of the client needs to be associated with the checkup services to gain easy traction owing to trust and proof of service quality. The clinics can extract synergy for service bundling by offering test packages/referrals to path labs setup.

Excellent job laying it down. Go ahead and let's discuss the risks associated with the plan proposed.

The major risks can be classified based on consumer behaviour, technology and labour sourcing. Due to lower awareness, the frequency of the visits remains poor and the pathological business would be hit harder. The absence of basic testing technologies leads to higher logistic and procurement costs which can adversely impact the bottom line. Labour sourcing gets escalated due to a lack of quality new testors and medical support which also leads to cost overruns in the form of salaries.

Excellent job & insights. Let's close the case now.

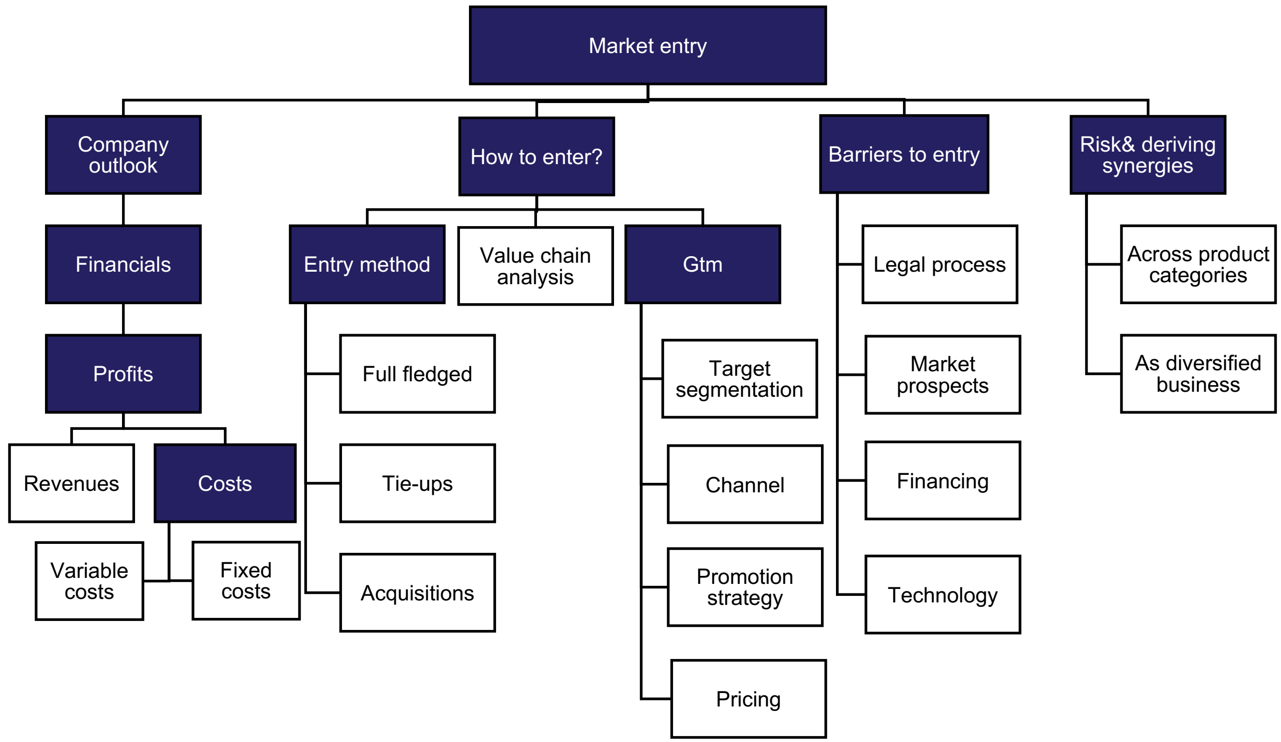
Market Entry | Manufacturing | Bain & Co. | ★★★

Indian Battery Brand

An iconic Indian brand operating in just one category of batteries has recently diversified into other segments of flashlights, lighting and appliances. You need to evaluate what should be the strategy going forward for all segments this player is present in.

Background Information

- **Client –** Market leader in batteries in India (60-65% share) based out of Kolkata
- **Product categories –** Currently Li AA batteries only
- **Competitors –** Formal + Informal sector with a strong recycling loop in place in batteries & flashlights
- **Reason to enter –**
  - 2x Revenue; 14% CAGR
  - 10-12% Topline Growth and Bottom Line (rest) also
- **Market details for new categories –**
  - High competitiveness in all sectors
  - Appliance sector is comparatively more formalized
- **Timeline –** 2-3 years



Case recommendations

- The client should on the Appliances market followed by Flashlights as they present better probabilities of success.
- The client should utilize both, offline and online distribution channels to ensure wide availability.
- The client needs to take heavy marketing expenditure to make consumers aware of their new products.

Case tips

- The interviewer has a lot of information to provide on product categories, it's best to extract/deliberate with your understanding of the same for brownie points.
- It is necessary to elucidate your responses clearly and lay out the approach across product categories well – rough tabulation can assist.
- The onus is on the candidate to take initiative and drive the interview despite the relatively unknown industry.

Indian Battery Brand

An iconic Indian brand operating in just one category of batteries has recently diversified into other segments of flashlights, lighting and appliances. You need to evaluate what should be the strategy going forward for all segments this player is present in.

Would like to know more about the client, as in, the position that it currently holds in the market and the competition that it faces across all categories.

Ok. There is high competition in the market of alkaline batteries, the currently operative sector, coupled with the presence of a high no. of informal competitors and reuse being quite relevant, leading to stagnation.

Got it. What would be the timeline for entering the markets? Also, are we planning to enter all three markets at once? And what is the larger aim that the client wants to achieve by exploring the said categories?

The timeline for the exercise remains 5 years and the client believes that the three new categories can help to explore untapped B2B/B2C demand. At the same time, our client wants to double its revenue and have a 14% CAGR. They also want an impact on the topline (10-12% growth) & bottom line (rest). Now I would like to understand from you the issue that the client may face across product categories – use the Indian market as context.

The following can be some pertinent issues in the sectors mentioned based on my understanding of the sectors:

1.Flashlight: Highly unregulated sector with high spread of me-too and unbranded product ranges. Also, the customers tend to be brand agnostic and buy products often on price and touch & feel.

2.Lighting: High unbranded and local variants can deter market prospects. Also being a low-price item and buyers having low involvement in the product creates a deterrence for new entrants due to lower margins.

3.Appliances: The presence of multiple retail and e-commerce outlets makes it a hard category for a new entrant to win. In consumer durable appliances, the customer often wants services to accompany with the product, which is not a forte of our client currently. Also, the investments in setting up outlets and experiential buying are high.

Ok great. So, what are your thoughts on which sector we must enter first & why?

(creates a table after asking for some time to organize thoughts)

Industry	Ability to win	Threat of competition	Margins	Synergy possibility
Flashlight	Medium	High	Low	Very High
Lighting	Low	High	Medium	Low
Appliance	High	Medium	High	Medium

I believe that appliances must be on highest priority for the firm to enter given their attractiveness. At second priority remains the flashlight segment due to its ubiquitous nature as well as its high scope for synergy formation with extremely well-known battery products.

Excellently put. Could you briefly shed some light on how exactly our marketing mix would look going forward for the appliance category given our current business.

Sure. We can consider entering consumer durables products as discussed earlier and target the typical family-man customer. For the pricing aspect, we need to consider the willingness of customers to buy at high prices and low prices without having quality issues. To pick the right channel, we need to enter offline channels expanding on our excellent pan-India battery distribution network coupled with popular/self-e-commerce sites. Also, for promotions, we need to invest heavily to generate awareness for customers and utilize brand equity of batteries, to promote battery/charging-based appliances. The biggest risk involved in the strategy would be: To create a brand association with batteries as usually customers first buy an appliance and are agnostic of low-involvement products like batteries at the time of the larger purchase. Hence, heavy marketing expenditure needs to be put in to create a reverse brand association.

Great job, this is a pertinent challenge for the client. We can close the case here. Thanks for the insights.

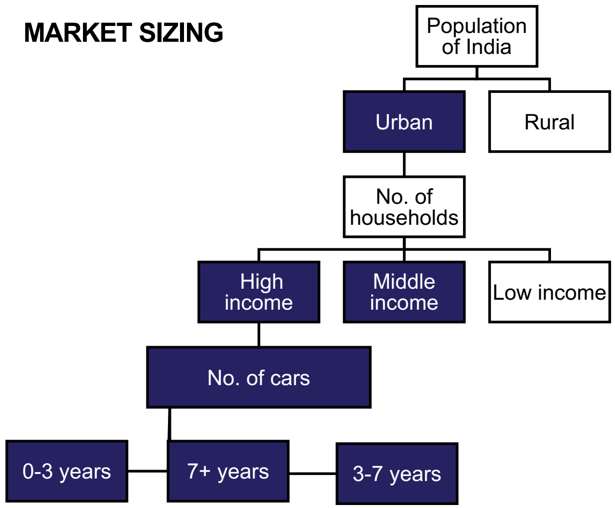
Spare Part Manufacturer

Your client wants to enter the market size and wants to estimate the market for spare parts for 4-wheeler passenger cars. Also, lets discuss what can be the risks which a player needs to counter can be successful in the spare part market

Background Information

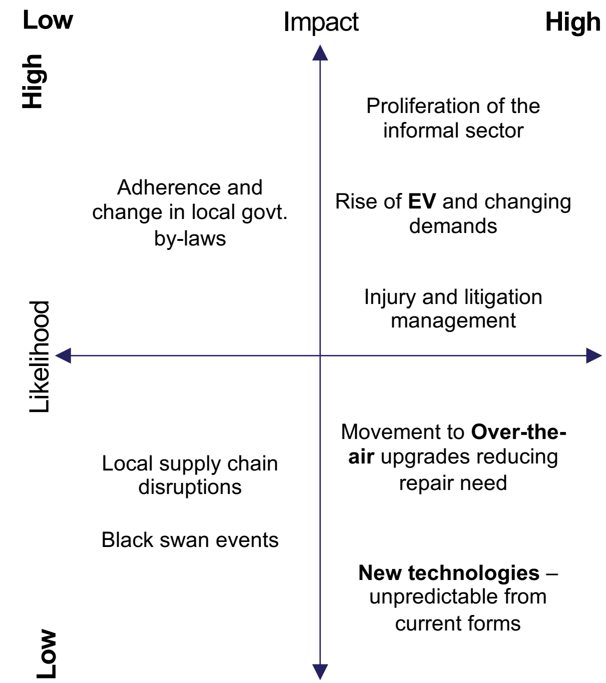
- **Client** – Presently an MNC with decades of experience in Car manufacturing
- **Target Growth** – 5% YoY in the new market
- **Reason to enter** – Wants to explore the Indian Market due to lucrative market

MARKET SIZING



Age of car	No. of cars (Total :X)	Frequency of repairs(/yr)	Cost of each repair (Given)
0-3	0.7X	1	10,000
3-7	0.25X	2	15,000
7+	0.05X	4	25,000

RISK MATRIX



Case recommendations

- Classifying car ownership pattern in India on the basis of income.
- Consideration of commercial cars required.

Case tips

- Being aware of the OEM about major economies like the US.
- Clarify the problem statement well – units/which market & segment – initially itself.
- Talking about risks in the stipulated time and overdelivering on probable solutions- seek brownie points.
- Able to come up with multiple approaches quickly and aligning with the interviewer with take his nudges is the key to the case.

Spare Part Manufacturer

I would like to ask some clarifying questions. First, are we talking about the market for both OEM parts and the local spare parts and second, we are doing it for the Indian market?

Yes market sizing for the entire India, and we are only talking about the spare parts in local garages.

Okay got it. I'll take a few seconds to structure my thoughts. I'll first estimate the number of cars running on roads in India followed by proportion of cars that'll get repair done through local garages and then the market size according to the frequency of such repairs and spare parts cost per repair.

Yea this sounds good you can go ahead with it.

I'll break down Indian population into no. of households, divided on the basis of rural-urban, the interviewer asked to ignore rural, broke down urban further on the basis of income levels, and estimated number of cars within)

This is good, now how would you estimate what proportion of these cars would go to local garages?

I would assume that most cars owned by high-income class people are more luxury cars and they won't trust their car repair with local garages and would go to the OEM-certified repair stores. So I'll take a greater percentage of middle-income group car owners and a less percentage of high-income group people going to local garages.

Sounds fair but what other factors can you divide the people going to local garages and OEM-certified garages?

Quality of service provided by local garages, time taken to repair in both cases (if someone is in a state of urgency), repair cost (if car isn't in warranty period), accessibility to such repair shops.

All this is right, but I'm looking for some criteria for grouping that can help you to get to a more accurate estimate

On the basis of how old the car is. Older cars people will take to local garages more whereas newer cars to OEM-certified stores.

Yes, that's what I was looking for. Now let's divide cars on basis of age 0-3 years, 4-6 years, and 7-10 years old. Which category do you think would have the maximum number of cars and why?

Maximum cars would be in 0-3 years as the income groups we are talking about people switch cars faster due to reasons like mileage, new models coming up, living standards etc.

No, but then there is also a second-hand market and the old cars remain in circulation. What other reason can you think of? Think specifically wrt a country like India.

As India is a growing economy, much more people own a car now than they did earlier. There is a good growth rate in car sales.

Exactly, now say on the basis of this we arrive at a number of 80,000 cars running on roads in India that'll go for repair to local garages. How will you go further?

Let's assume that each car needs a repair twice a year. Do we have numbers on how much an average car repair costs?

Yes, on average a car repair costs 15000.

But, I'm assuming this is the cost to the customer, thus it includes both spare parts cost and service cost, is that right? And do we have the split of the two?

Yes that's right, spare parts cost to the garage is Rs 10,000 and service cost (of labour and other things) is Rs. 5,000. Also do you think you've missed any category in your estimation?

Okay then the market size for local spare parts should be 80000*10000*2. At the same time, as we started with households approach, we haven't talked about the commercial cars (used by Ola, Uber, Taxis etc.) Do you want me to estimate that as well?

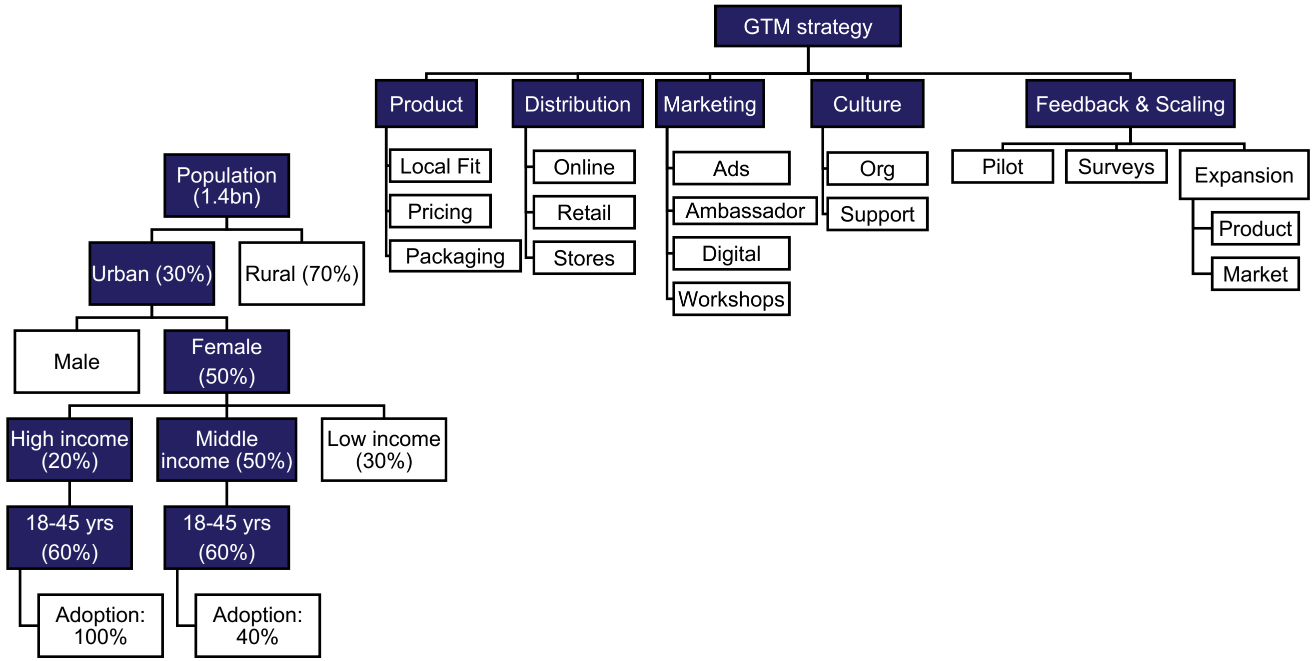
Great thought. But that won't be necessary.

Luxury Beauty & Personal Care Player

Your client is an international BPC player, and they have decided to enter India. Please advise them on what is the market size and how they should go about this?

Background Information

- **Client** – Global BPC player
- **Competitors** – There are 6-7 players commanding 70% of the market, rest 30% are startups and small players
- **Value Chain** – Manufactures and then sells it through 3rd party channels
- **Customers** – Urban female consumers
- **Products** – Luxury skin-care line, 100% natural
- **Industry** – Growing at 15%



Case recommendations

- Assuming the pilot launch of the product goes well, the client should then move to other major cities, prioritizing them based on market research on luxury consumer density. The product range can be diversified too, tapping into specific needs or gaps in the market..

Case tips

- Always be as exhaustive as possible while you are trying to scope during the start. Make sure you are able to understand the needs and wants of the case.
- Try to structure your approach to the key objective and requirement of the case, this will save time and cut down on time spent on things not required.
- Check with the interviewer whether he wants to look into specific areas before jumping into one.
- It is important to be well-versed in quick math. Please do make necessary approximations as and when necessary while sizing the market. Do run the interviewer through your approach first and then only dive-in.

Luxury Beauty & Personal Care Player

Your, client is an international BPC player, and they want to enter India. How they should go about this?

Just to be clear, the decision to enter has been made. I need to only size the market and figure out the GTM strategy.

Exactly.

I want to understand the client a bit better. Do we have any information on where exactly do they lie in the value chain? What kind of products they sell and who do we target?

So, they manufacture and sell products to via 3rd party channels. They are in skincare specifically luxury segment with 100% natural products. The target group comprise urban female consumers.

I want to understand why do they want to enter India and what is the current industry and competitive landscape? What are their goals?

The client feels like that India has an underpenetrated market and has a lot of potential, currently growing at a rate of 15% annually. There are 6-7 players commanding 70% of the market rest 30% are filled with start-ups and small players. They want to grow as much as they can.

Okay, to size the market, we can target the urban T1 cities. Here, since we cater to just the females, this will be half of the population so far. Our products are luxury in nature to only the high and middle-income segments can afford. Also, 18-45 is the age segment, that typically uses such products. (Calculations....) So, approximately the market size comes down to 9.6cr users.

Makes sense.

What price do we sell at? What is the typical ARPU or volume that a consumer purchases at once?

You can expect, an average basket size of Rs. 1500/user. The products lasts for 3-month on average.

Okay, so that gives us ARPU of Rs 6000. So, we are looking at a sales of approx. 8640crs , given we are able to capture 15% of the market here

Alright, let us move to the strategy part.

Alright, I would like to look at the GTM strategy in five parts starting with the product strategy, followed by distribution channel, marketing and branding, regulatory constraints and then feedback and expansion.

Sure, go ahead. Given our discussion points, let's start with the product itself. Can you talk to me about your thoughts on product strategy?

Product Localization: India has a diverse climate and unique skincare needs. It's imperative to consider localizing products or introducing specific SKUs tailored for Indian skin types and conditions.
Pricing: While we want to maintain the luxury image, pricing needs to strike a balance. It should be competitive within the luxury segment in India, reflecting the brand's premium nature but also the local purchasing power.
Packaging: Incorporating localized design elements could resonate well with Indian aesthetics, adding a touch of personalization for the market.

Spot on. Distribution is the next critical area. How would you approach it?

Online Sales: Tying up with popular ecommerce platforms like Nykaa would be beneficial. Additionally, a dedicated brand website can cater to direct sales and offer a platform for customer engagement.
Retail Partnerships: Collaborating with luxury department stores and established skincare outlets in metro cities could provide the desired brand visibility.
Exclusive Brand Outlets: To cement its luxury positioning, opening exclusive stores in high-end shopping areas in major cities can be considered.

Excellent. What about marketing and branding?

Brand Ambassadors: Associating with Indian celebrities or influencers can create a buzz. The key is to pick someone who embodies the brand ethos.
Digital Marketing: A significant portion of India's luxury consumers is digitally savvy. Platforms like Instagram and YouTube are crucial for engagement
Local Collaborations: Indian events like Lakme Fashion Week or popular movie premieres could provide the brand an opportunity to align with the luxury space.

Before going full-scale, how do you envision testing the waters?

Pilot Launch: Starting in a city like Mumbai can offer insights. It's the hub for fashion, luxury, and has a significant audience with the right purchasing power.
Feedback Mechanism: Establish channels to collect feedback during the pilot phase. This can inform tweaks in product offerings, marketing strategies etc.

Assuming the pilot goes well, how would you proceed?

It's logical to then move to other major cities, prioritizing them based on market research on luxury consumer density. We can diversify the product range, too tapping into specific needs or gaps in the market.

Thank you for the insights. We can close the case here, all the best.

Farm Equipment Manufacturer

The client is a manufacturer of farm equipment such as tractors and the location for their next plant is either Jaipur or Hyderabad. What parameters would you consider to help them decide the same?

Background Information

- **Company –** Farm equipment manufacturer with its own distribution network. Currently present in Faridabad, Delhi and Delhi NCR
- **Competitor –** The client is a major North India player with a 60-65% market share. No presence in South India
- **Product –** Manufactures and sells 3 types of tractors through exclusive stores and some retail tie ups

- New geography – manufacturing plant
  - Barriers feasibility
    - Legal requirements
    - Environmental compliances
    - Financial constraints
    - Government policies
  - Operational viability
    - Logistical needs
    - Raw material sourcing
    - Workforce availability
    - Technological availability
    - Storage facility
  - Strategic viability
    - Distribution network
    - Market demand
    - Market competitiveness
    - Cost to set up
    - Pricing

Case recommendations

- The client should consider the existing market size for tractors in total. This would include the replaceable factor and the market growth rate and cover the demand side of the market. Next, the client should consider the market share we can capture. This would essentially factor in the supply restraints the client would face.

Case tips

- This was a conversational case where the interviewer wanted to test the extensive approach adopted by the candidate while assessing a new initiative of the client. The key was to ensure that there were smaller breaks, and that the interviewer was kept engaged throughout the interview.
- This could have evolved into a guesstimate to understand the South India market for tractors.

Farm Equipment Manufacturer

The client is a manufacturer of farm equipment such as tractors and is planning to expand manufacturing with a new plant in either Jaipur or Hyderabad. What parameters would you consider to help them decide the same?

Can I know more about the value chain of the client, the location where they are presently based, and their products?

The client manufactures and sells 3 types of tractors used majorly in agriculture. They have their own distribution network and sell their products through exclusive stores and some retail tie-ups. The client has a presence in Faridabad, Delhi, and Delhi NCR region. They are a major player in the North India market with 60-65% of the market share. They want to start catering to the South India market now.

It looks like the client wants to set up a manufacturing plant in either Jaipur or Hyderabad to cater to the South India market where they have no presence at present. To evaluate this decision, I would like to evaluate the barriers, operational viability, and strategic viability.

Sure. That sounds good. Why don't you start with the barriers first.

The barriers can be of various kinds. I would like to look at the legal requirements, existing rules and regulations, environmental compliances, and financial constraints if any.

You need not worry about financial constraints as the client is a profitable company with sufficient cash flows.

Assessing the other barriers and looking at the current landscape when ESG compliance has been the talk of the industry, I would like to understand whether the client is already complying with the same or has faced some difficulties while inculcating the same at their existing plants.

Being a major market player in the north, the client has ensured compliance with all ESG requirements. They have been the frontrunner in this and are continuously trying to reduce emissions and improve their manufacturing processes. There is no specific regulatory compliance the client needs to consider besides the ones they are already adhering to. Why don't we move on to the operational viability.

To evaluate the operational viability, I would like to consider the raw material availability, logistical feasibility, workforce availability, technological availability and storage facility.

The client has already scouted a huge area to build the plant at both Jaipur and Hyderabad which can ensure that they have ample storage facilities.

Do we know anything about the availability of skilled workforce and unskilled labourers? What about the raw material availability, especially iron?

There seems to be a sufficient supply of skilled and unskilled workforce at both Jaipur and Hyderabad. About the raw materials, the client has established that sourcing iron would be cheaper in Jaipur than in Hyderabad due to reduced transportation costs.

Looking at the operational viability, Jaipur seems more attractive than Hyderabad. Moving on to strategic viability, I would like to look at the distribution network, market demand, market competitiveness, cost of setting up the plant and product pricing.

Sure, that sounds good.

Since our tractors are majorly used in agriculture, Jaipur would have a higher local demand as compared with Hyderabad. Also, outbound logistics from Jaipur would help cater to a larger market in South India. As the client already has their own distribution network, this would take some time to establish one in South India so initially they could tie up with retail outlets to sell their products and after a thorough market understanding, establish their exclusive stores in areas with higher sale prospects.

That sounds good. Can you quickly tell me two main factors to consider while determining our market size.

Sure. We need to consider the existing market size for tractors in total. This would include the replaceable factor and the market growth rate and cover the demand side of the market. Next, we need to consider the market share we can capture. This would essentially factor in the supply restraints the client would face.

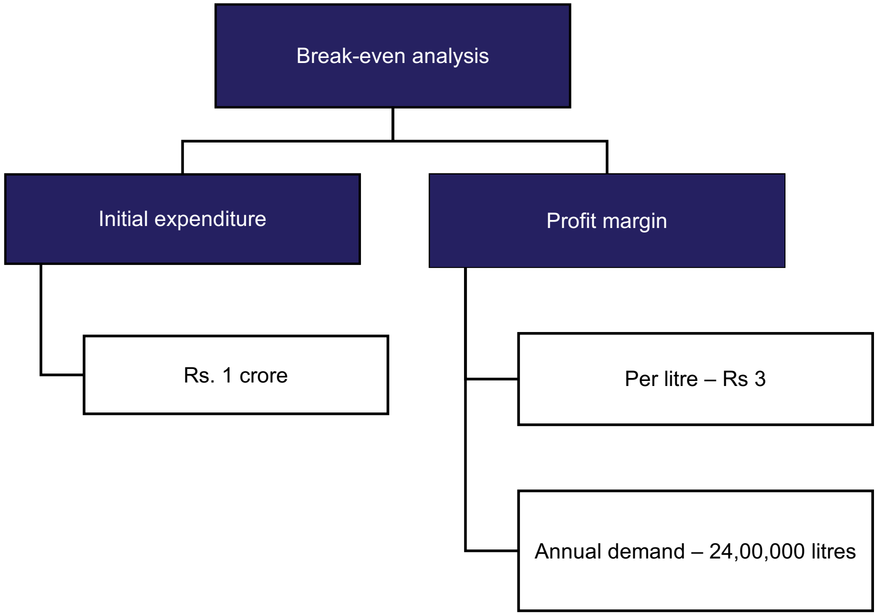
That's good enough. Let's close the case now.

Oil and Gas Market Entry

Your client owns a piece of land and wants to set up an Oil and Gas retail outlet in Maharashtra. How would you go about it?

Background Information

- **Location –** Highway
- **Customer –** private vehicles and fleet
- **Competition –** no other retail outlets in that area
- **Product –** Plans on selling only Petrol and Diesel



Annual Profit – Rs. 72,00,000

Time to break even – 18 months or 1.5 yrs

Case recommendations

- Since it will take 1.5 yrs. to break even, the client is financially capable and has prior experience in the business, recommended to enter the market.

Case tips

- Conduct a detailed analysis of potential locations, considering factors like accessibility, proximity to highways, population density, and competition.

Oil and Gas Market Entry

Your client owns a piece of land and wants to set up an Oil and Gas retail outlet in Maharashtra. How would you go about it?

Who is the client and what is the primary objective of setting up the outlet?

The client is an individual who owns a piece of vacant land and wishes to enter the Oil and Gas retail industry by setting up a retail outlet on his land.

What is the location of this land – urban, rural or highway?

The land is situated on a highway.

Could you help me with the what all does the client intend on setting up in the retail outlet? Is it going to be only a petrol pump or are there going to be other retail outlets within as well? And what products will be sold?

He will be selling petrol and diesel and would also be opening a small store like an in and out outlet.

Considering that, I'll be assuming there to be two kinds of customers, privately owned vehicles and fleet operators. Would you like me to consider any other?

No, you can go ahead.

I'll be doing a break even analysis to arrive at whether he should set it up or not and what are the different cots involved. Are there any restrictions on time or finances?

Okay, that sounds fair. No, there are no constraints.

The initial construction and setting up cost would be about 1 Cr and I would be calculating the profit margin using an assumption of Rs.3 per litre.

The profit margin assumption seems correct but could you elaborate on the 1 Cr figure?

I have considered the costs largely based on construction which would require the entire station to have a canopy, two under ground tanks – one for petrol and one for diesel will have to be built. In addition the entire surrounding area and the station itself will need to be paved. The cost of construction of the retail store.

Okay, these are good. You can carry on.

Through experience during my work experience stint, I would be assuming monthly demands of petrol and diesel to be 50,000L and 1,50,000L respectively. Is that a fair assumption?

Yes, carry on.

In a month, the outlet will generate profits of roughly Rs 5,50,000 after taking into account the demand and the margin earned per litre and subtracting the expenses and salaries. In 18 months or 1.5 years, the retail outlet will generate approximately 1 Cr and will be able to break even.

That looks like a fair calculation. You can go ahead with you recommendations.

Since it will take 1.5 yrs. to break even, the client is financially capable and has prior experience in the business, I would recommend to enter the market.

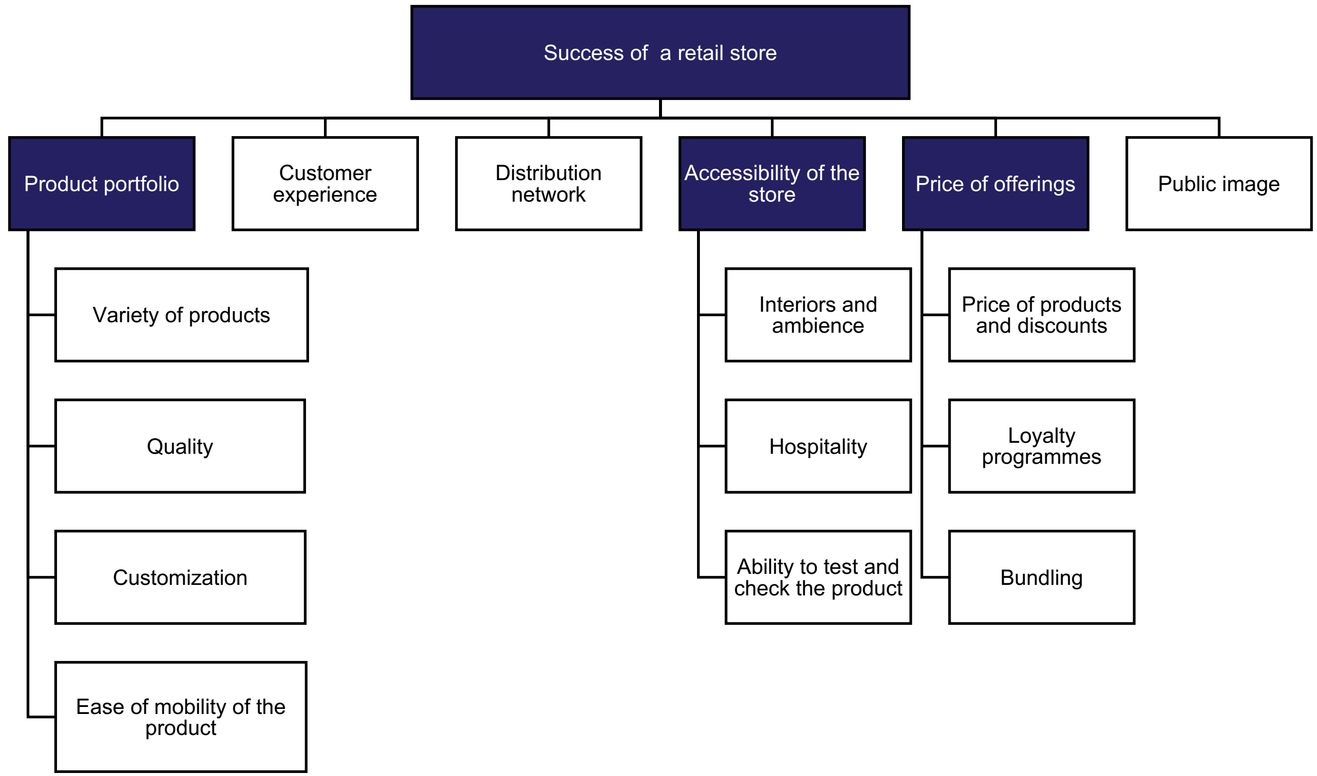
Alright, that's a fair conclusion, thank you for the discussion.

Manufacturer and Retailer of Furniture

Your client is a manufacturer and retailer of furniture and is one of the largest brands. Since the last 3 years, revenue hasn't grown even though the market size has grown and there have been new entrants in the market- Indian companies and MNCs. Suggest steps to be taken by your client to improve its market standing.

Background Information

- **Company** – Manufacturer and retailer of furniture with a pan-India presence
- **Competitors** – New entrants in the market – both Indian firms and MNCs
- **Consumer** – The customer segments it caters to are mass to premium - selling both affordable and premium products
- **Product** – Products that the organisation produces beds, sofas, and dining tables (which is their USP)



Case recommendations

- The client can improve the factors listed above to make them more competitive and the preferred choice among consumers.

Case tips

- Conduct thorough market research to understand customer preferences, trends, and competitors. Identify relevant stakeholder carefully.

Manufacturer and Retailer of Furniture

Your client is a manufacturer and retailer of furniture and is one of the largest brands. Since the last 3 years, revenue hasn't grown even though the market size has grown and there have been new entrants in the market- Indian companies and MNCs. Suggest steps to be taken by your client to improve its market standing.

What is the location of the client? Also please can you tell me more about operations in India, product portfolio, customer segment, revenue sources.?

The location is India and operations are Pan-India in 100 cities. Products that the organisation produces beds, sofas, and dining tables (which is their USP). The customer segments it caters to are mass to premium - selling both affordable and premium products. The revenue sources are the manufacture and selling of products.

That helps, now I want to focus on how the client can increase the market share. It can do so by developing a new product for the existing markets, finding a new product for a new market, or finding a new market for an existing market.

Good insights. Now I want to focus on what factors influence the success of a retail store.

Sure, the factors are Product portfolio, Customer experience, Distribution network, Accessibility of the store, Price of offerings, Public image.

Lets dive into the product portfolio. What factors do you think would you consider in this bucket?

Sure, the list is– Variety of products, Quality, Customization, Ease of mobility of the product

Okay, fair enough. Lets get into pricing now.

Sure, list– Price of each product & discounts available, Loyalty programmes, Bundling of products.

Tell me something about the loyalty programme.

The loyalty programme can be such wherein points get collected with each purchase, which can be redeemed for discounts/prizes later.

Okay good. Let's talk about accessibility of the store.

The factors are the interiors and the overall vibe of the store, hospitality of the store and the ability to test and check the product.

All in all, I am of the opinion that if the client takes these factors into consideration and starts working diligently, it would be really beneficial for them.

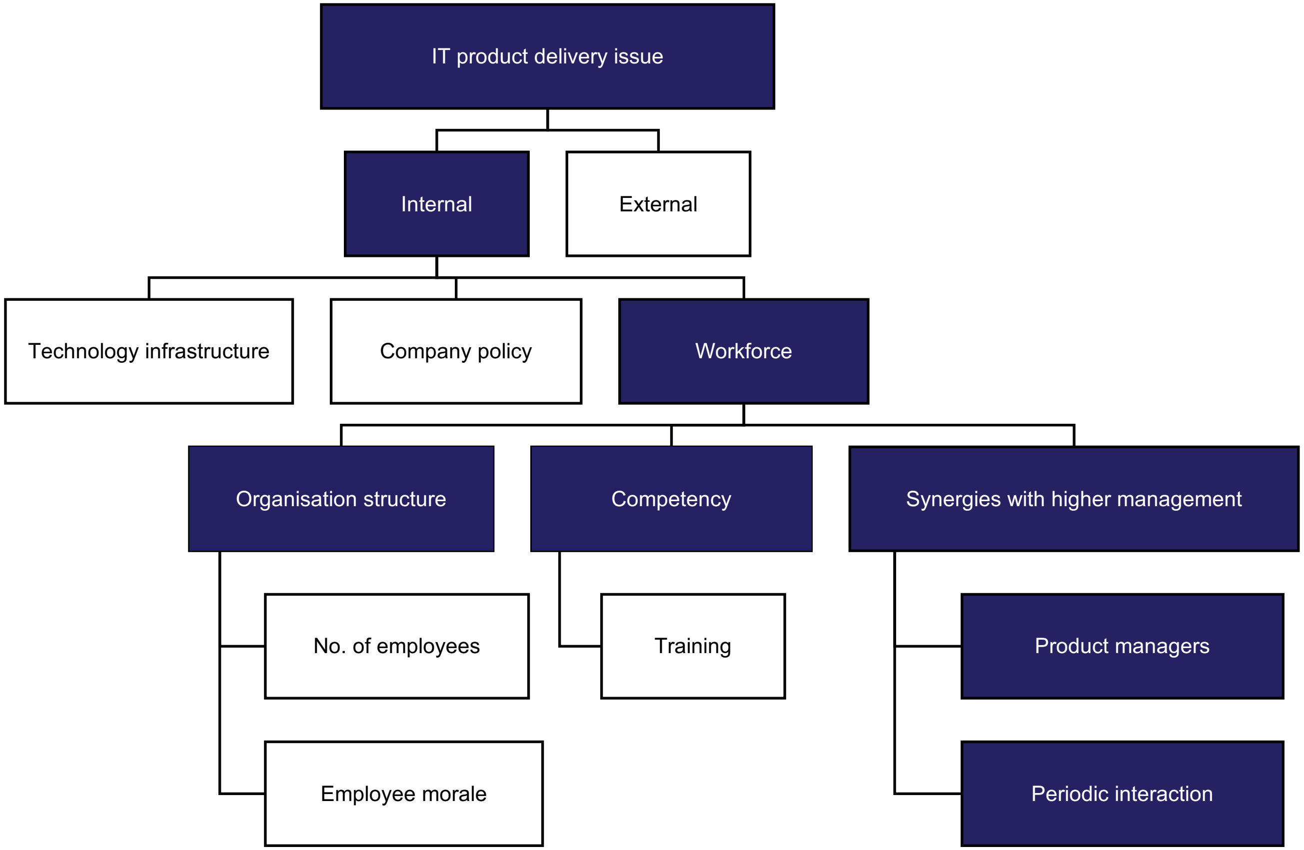
Sure, sounds great! We can close the case here.

Developers Communication Difficulty

Company X is building an end-to-end platform combining multiple core wealth management platforms and several smaller platforms. The company is operating globally with headquarters in New York.

Background Information

- **Company** – Private equity firm trying to develop a common platform to collaborate between its subsidiaries.
- **Competitor** – Company-specific issue
- **Consumer** – Not relevant to the case.
- **Product** – Internal product – Common platform to integrate its subsidiary firms



Case recommendations

- Hire Product Managers, which would help convey developers' progress to the higher management.
- Higher management should interact with developers to in frequent intervals to convey their expectations also understand the developers' needs.

Case tips

- This was a very tricky case with very little conventional structure. Adapt according to the situation and try to take insights about all the relevant stakeholders

Developers Communication Difficulty

Company X, a private equity firm, is acquiring platforms in the wealth management space. The company is facing some issues with delay in delivery of product. Company X's client has hired you to look into the issue and suggest measures to rectify the situation.

May I know more about Company X and the kind of work it does?

Company X is building an end-to-end platform combining multiple core wealth management platforms and several smaller platforms. The company is operating globally with headquarters in New York.

Can you elaborate more on the issue with the delivery?

There is no clear communication between top management and subsidiary platforms. Subsidiary platforms are not used to working under pressure and oversight.

Possible reasons for why the employees are feeling pressured could be –
1. Is it because they are working from different teams from different platforms and cannot collaborate?
2. Are the employees more inclined to work individually rather than in groups?
3. Are they working in different time zones, causing the issue?

All the above parameters do not significantly affect the core issue.

Are the employees competent enough to take up the new big project? Are there a sufficient no of employees to handle the project?

The issue cannot be attributed to any of these reasons.

Is the higher management pushing the employees through unmanageable deadlines?

The issue is not exactly because of unmanageable deadlines. But, senior management wants the developers to give period updates of work through reports which the developers are not comfortable with.

Okay… So, the issue may be the inability of developers to report the updates.
Do you want me to explore any other issues related?

No. This is the main issue. You can proceed with recommendations.

Recommendations–

1. **Hire Product Managers, which would help convey developers' progress to the higher management.**
2. **Higher management should interact with developers to in frequent intervals to convey their expectations also understand the developers' needs.**

That's good. Product Managers was what I was looking for.

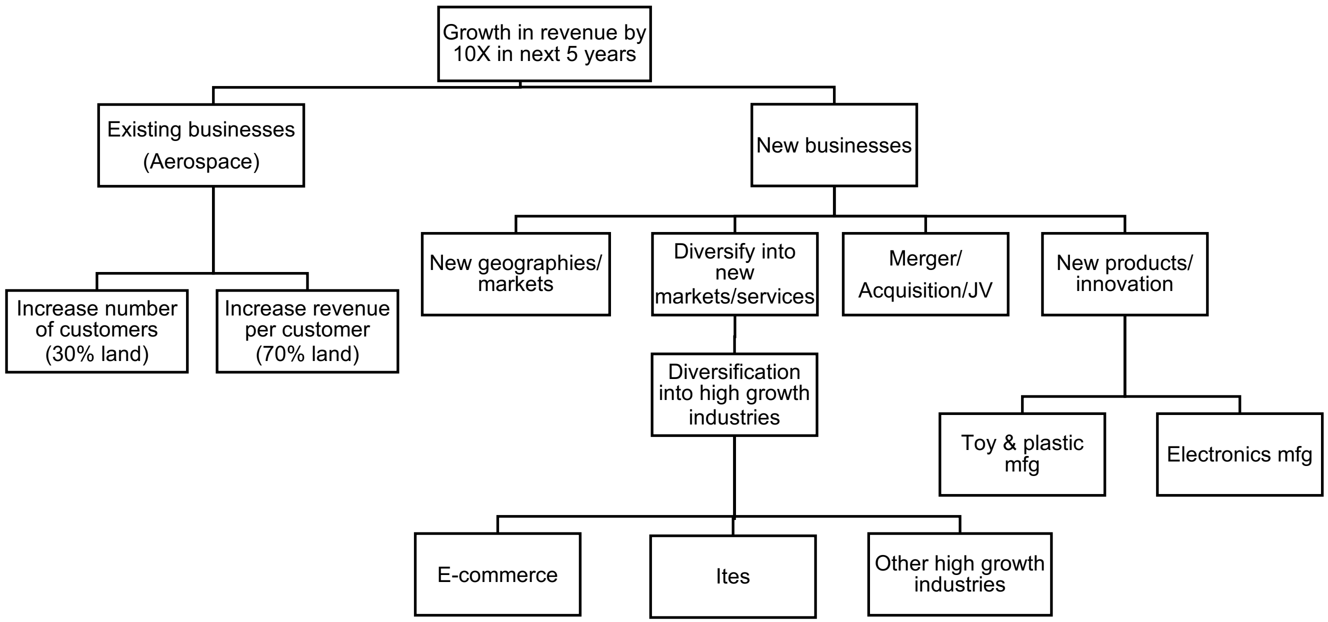
Market Growth

Private Industrial Park Developer

Your client is a private industrial park developer in South India. The client's current revenue is 100cr & wants it to become 1000cr over the next 5 years. Suggest the way forward for the client.

Background Information

- **Client** – Private industrial park developer in South India.
- **Competitor** – No other major competitors
- **Consumer** – Aerospace industry, Toys & Plastic manufacturers, Electronics manufacturers.
- **Product** – A typical park is around 400-500 acres in size, and offers services such as power, Infrastructure, sewage treatment, roads, etc. to its inhabitants, like an SEZ does.



Case recommendations

- For an immediate action, the client should evaluate when and how the competitors could dominate the landscape given the change in tariff scenario.

Case tips

- If interviewer asks a generalized question like "suggest a growth plan for the client" it's best to analyze what the current and potential new sources of revenue are.
- Important to identify any scope of growth in the current existing sources of revenue.
- In terms of market growth always go with the bifurcation of organic and inorganic growth unless directed otherwise

Private Industrial Park Developer

Your client is a private industrial park developer in South India. A typical park is around 400-500 acres in size, and offers services such as power, Infrastructure, sewage treatment, roads, etc. to its inhabitants, like an SEZ does. The client's current revenue is 100cr & wants it to become 1000cr over the next 5 years. Suggest the way forward for the client.

Okay. So our client, who is an SEZ developer, wants us to chart a strategy to help them grow from 100cr to 1000cr revenue in 5 years. Does our client have 1 SEZ or multiple parks?

Our client has 3 parks.

Are the parks of the same industry or do they cater to different industries? Also, where are the parks based out of?

That's a good question. The client has 3 parks which cater to different industries – Aerospace, Toys & Plastic, and Electronics manufacturing, all based out of south India.

Understood. I'd like to understand a bit more about the current operational status of these 3 parks. Are all 3 parks operational or are they in the partial development stage?

The aerospace park is currently developed and is in use extensively. Toys and Plastic park is almost developed and would be ready within another year while the Electronics park is still in the conceptualization stage.

Okay. So just to reiterate, aerospace park is operational and the remaining two parks are still in development/conceptualization stages. Therefore, we can first look at existing business and how it can be leveraged further. Afterwards, we can look at the new business opportunities and what could be the opportunity cost of new investments.

That seems like a good way to go about it. First look at the existing business park and then we can move to the new business opportunities.

For the aerospace park, we need to identify whether we have already utilized the entire park to the fullest, i.e., whether there are any empty spaces yet to be put up for the rent/sale. If not, we can look at who our clientele are how we can increase average revenue per customer by either increasing the current rent or providing further value-added services.

Currently, 70% of the rental spaces are occupied and 30% are empty. Spaces include empty land plots as well as ready-to-use infrastructure. Current players include major airplane manufacturing and servicing companies.

Interesting. Here, the approach can be two-pronged: Firstly, to utilize the 30% land, acquire new customers or sell more land existing customers. Secondly, to offer more VAS to the customers in the existing 70% such as industry 4.0 facilities, renewable energy sources, etc.

That's interesting. Let's talk about what you would suggest in terms of new business opportunities.

Since toys and plastic manufacturing park is about to be ready, we can focus on it first. The client needs to conduct market research and identify the key players, their current setups, how our park and associated amenities can help clients lower their production costs, get possible tax benefits on production linked incentive schemes from government. Since bigger players would already have their own manufacturing setups, targeting smaller players would be a better strategy as it would help them leverage economies of scale & lower production costs.

Sounds good. What else would you suggest for electronics park? Do you have any other ideas through which you would like to achieve the client's revenue goal?

For electronics park, instead of limiting ourselves to any southern state, we can also look at other states which have more lucrative production incentive/SEZ schemes and are closer to current electronic manufacturing hubs in India. Identification of players who would be willing to buy into the park would also be crucial.

It is also important to consider the opportunity cost of diversification into other high growth industries such as e-commerce, ITES, video streaming services, etc. It can be done through a joint venture, merger/acquisition, or through organic establishment. Due-diligence of the industry landscape in India for high growth industries would help in identifying the industries which our client can venture into.

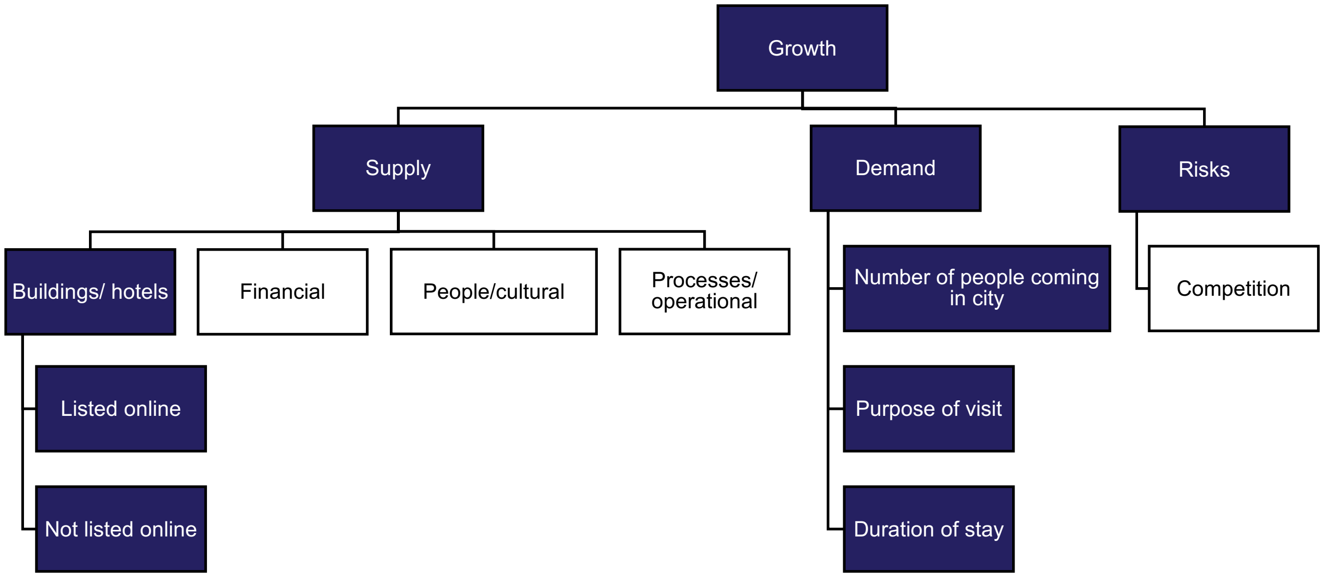
That will be sufficient. We can end the case here.

Hotel Leasing Company

Your client is a start-up in hotel/hospitality industry. They are in the business of leasing/buying hotels and refurbishing them. They are looking for growth and want you to identify locations where they should focus.

Background Information

- **Client** – Startup working for buying and leasing hotels
- **Service** – They refurbish hotels and lease it out again. Not in the premium segment.
- **Objective** – Identify the locations with availability of hotels for refurb and service purposes



Case recommendations

- For an immediate action, the client should evaluate when and how the competitors would enter the landscape given the change in tariff scenario.
- The client should focus on creating brand loyalty among the existing market to maintain their market share under changed competitive landscape.
- The client can also lobby with the government for relaxation in the tariff regime to ensure growth of in-house companies.

Case tips

- The case majorly dealt with structuring and identifying where to get the data from.
- There is no right or wrong answer in this case, just back up your answer with good reason.

Hotel Leasing Company

Look on this from the supply side with a focus on how and where you will get the data from. We need not to focus on the calculation part, just the approach.

Understood! I do have a few questions for the clarity of understanding. Where is the client operational?

They are looking for locations across India.

How exactly does the process of renovating happen?

They send their BD (business development) people on the ground for that.

And when we mention growth what exactly do we mean by that?

Good question! So, by growth we need to identify the locations where there is availability of hotels for our refurb and service purposes. We'll focus on the customer demand side later.

Are we into any specific kind of hotel business- premium or otherwise?

We are not into the premium business, as there are already big players in that segment.

To shortlist the locations I'll start by looking at the supply side- which includes the availability of Hotel Buildings, Workforce, Process setup, and the financial aspects of it; then I'll look at the demand side which includes the number of visitors, purpose of visit- business or personal, and duration for which the people visit the location. And thirdly, I'll look at the associated risks which includes competition.

Yes, we can start with that. You can assume, that availability of people is not an issue for us.

Okay, so starting with the supply side. To figure out the number of hotel buildings available for us to reach out, we can bifurcate them into two types-

a) the ones listed online on different platforms like Agoda, MMT etc

b) The ones which are not listed.

Sounds good, how can we get the exact number for these hotels? Don't you think counting the number of hotels online will be a hectic task?

For the ones listed online, I might be getting a little technical, but we can use web crawling (wherein through automation you can get the details of the hotels) to get those numbers.

This is perfectly fine. What about the ones not listed?

For these since a lot of taxi drivers and tourist guides are associated with these hotels, we can reach out to them and run a survey to get an idea about the number of hotels available for us.

Perfect! Let's move onto shortlisting the locations down in India. Let's leave out the metro cities for that.

Okay, for this now we need to look at the demand side.

Firstly, for getting an idea about the inflow of people, We can get the data regarding number of people entering into the cities via trains and flights, and assume a certain percentage of native people and their relatives who wouldn't be staying in hotels

Yes, we can get this data from the government portals. And let's say, we can assume a certain percentage of hotel stayers.

Secondly, for the type of crowd, we can break the locations in terms of Personal and Professional visit. Personal visit account for vacation places. The professional ones include where there are different industries which require people to go there for business purposes.

Can you list down some of these industrial places.

One could be Jamshedpur for steel industry. Kanpur can be another for leather industry. Kota for sarees.

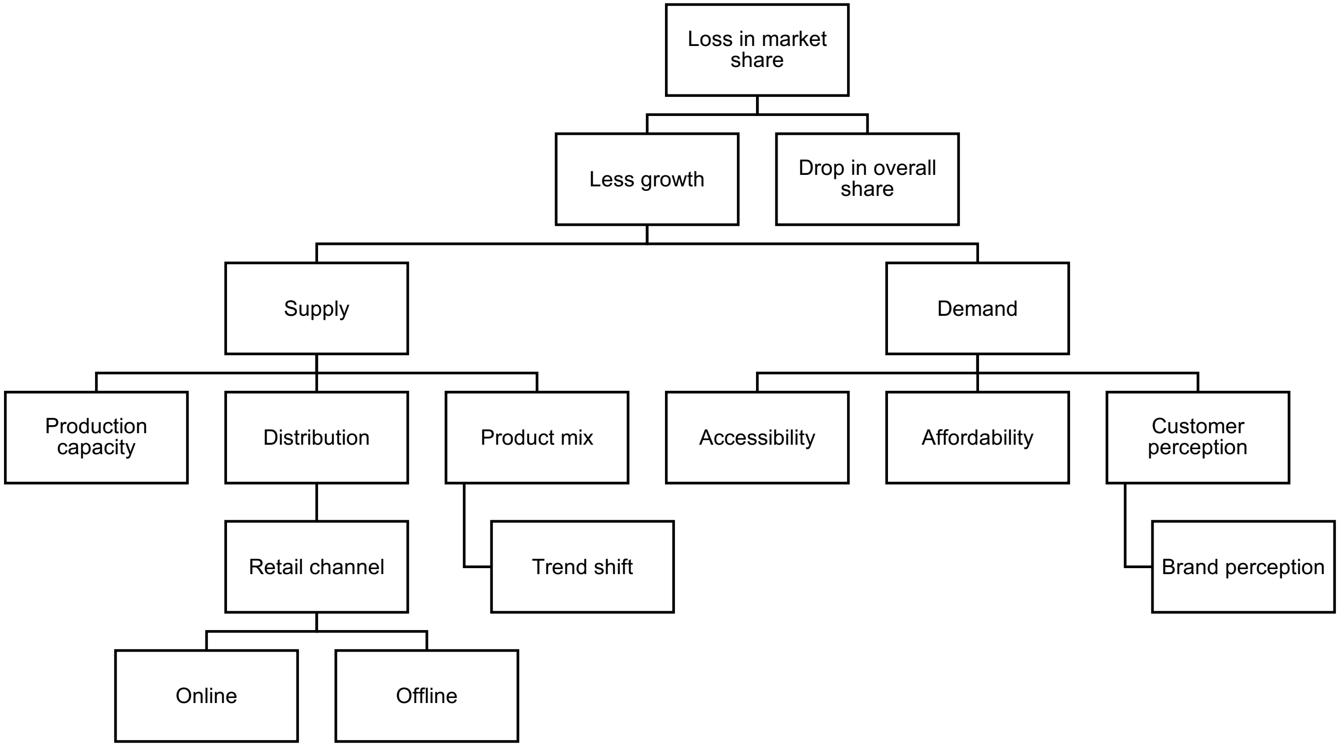
Sounds good! We can close the here. You did good.

Skin & Beauty Business

The client operates in the Skin & Beauty Segment and has seen a loss in market share. Find out why?

Background Information

- **Company** – Have been market leaders in Skin and Beauty, seen loss in the market share from the last 1 year. The dip seen is company specific.
- **Competitor** – Few major competitors w.r.t our product offerings
- **Product** – The client makes products for both premium and affordable segments. They include skincare products (facewash, scrubs, creams etc.) and some beauty (cosmetic) products
- **Geography** – Operate PAN India



Case recommendations

- The client should change its brand positioning for the skin whitening cream to avoid tarnishing of brand image.
- Strategize and establish positive PR for the brand.
- It can have a robust online presence on e-commerce platforms and can explore D2C which is emerging these days.
- To capitalize on the trend shift to more natural and herbal skin care products, can look at launching new products given cost feasibility.

Case tips

- The case began with an introduction to the candidate and a few BQs.

Skin & Beauty Business

I would firstly like to know how much loss in share the client has seen. Do we know about that?

Yes, I would like to give you some information.

Consider - 5 years ago, the market was INR 100, and we were INR 50 of that.

Today, the market is at INR 200, the client is at INR 80.

In the next 5 years, the market will be INR 500 and we want to figure out our problem now which will decide whether we see a further dip, stay stagnant or manage to regain our old share.

Thank you for the inputs, so we presently have a market share of 40%, down from an earlier 50% and must diagnose why to be able to accurately understand our position in the future.

That's right.

Breaking down Revenue into # of units x Price/unit, I want to know if there have been any changes or decrease in the same?

There have been no changes in the prices and overall sales have remained same.

Since the demand for the products and in general the size of market has increased, is it safe to assume that the demand for our products has also not seen a decline?

Yes, that is right.

I am going to further divide the # of units to understand where the problem may lie. Considering the Production Capacity – (Procurement of Raw Materials, Processing & Manufacturing) and Distribution. Could you shed some light on any major overhauls made in these and our distribution channels?

No major changes in the first one. We primarily retail our items in offline stores.

Alright. Since our major sales are from retailing, I want to know if our accessibility in the stores and shelf space remained the same?

Yes. It has remained the same.

What about online channels? Do we have a significant presence there?

No, we don't. One of the reasons why we have been facing a decline in market share is that we have not got a good stronghold in the online presence. Our competitors have moved to these digital channels where a lot of cosmetic, skin and beauty related items are sold. Could you explore more reasons?

Sure. I would now like to move on to customer perception. Is our brand image and likeability affected by some external/internal factors?

Yes, good. Recently, we faced a lot of backlash for our skin brightening creams and faced a disconnect with our consumers. Our brand image has also taken a hit because of some unflattering PR.

Do we know how much this product contributed to our revenue stream?

Before the fiasco happened, it contributed 80% to the revenue streams which has now fallen to 60%.

This seems like a significant reason for the drop in market share. Should I explore any other reasons for the same?

Yes, you can dive in a little further.

I would like to look at the product differentiation and perception of skincare products in general. Is this a good line of approach?

Alright, you can proceed.

Considering the major consumer shift in the perception of beauty, there has been an increased focus on healthy skin being an internal determinant of beauty more than a superficial one. Skincare is also exploding with a growing trend shift and new players entering the segment with more natural and herbal products which are not harmful.

Can you be more specific about these products?

There have been new products for skincare like serums, sheet masks, peeling solutions etc. There are some companies which are moving in the dermatological product segment as per concern at affordable prices compared to skin clinics as well.

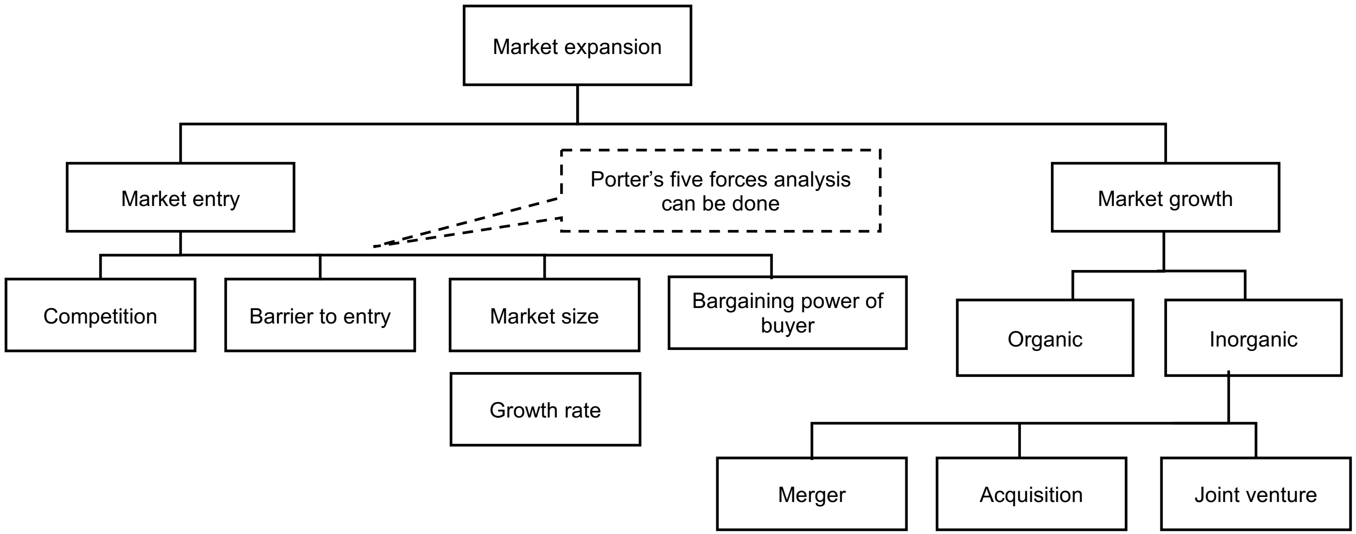
Very good. This was the third reason for the decline in our market share, the inability to cope with trends and launch new products. We can close, thank you.

Japanese Radiator Company

Our client is a Japanese company manufacturing radiator for the construction equipment. They are the market leaders in Japan and planning to enter the Indian markets. Suggest a market plan for the same.

Background Information

- **Client** – Japanese company manufacturing radiator for construction equipment like JCBs.
- **Competitor** – Market leader in Japan. Planning to enter in India. Indian market having 4 major players with 2 occupying 60% of the market share and the other 2, 20%. Rest of the market is fragmented.
- **Consumer** – Construction company equipment manufacturers working on heavy duty projects.
- **Product** – Radiator used to dissipate heat generated during the heavy-duty work. Ours is compact, weighs less, cools faster, and has a higher heat dissipation rate hence is more fuel efficient.



Case recommendations

- Use consulting frameworks optimally in interviews to maximize finding solutions to problem statements

Case tips

- If interviewer asks a generalized question like "suggest a market plan for the same" it's better to analyze both the entry as well as the expansion aspect of it.
- Use of porter's 5 force analysis in case of market entry is a good technique.
- In terms of market growth always go with the bifurcation of organic and inorganic growth unless directed otherwise

Japanese Radiator Company

Okay, can I know more about the functionality a radiator performs in the construction equipment?

Yes, so a radiator is used to dissipate heat generated during heavy duty work performed by construction equipment used in mining, digging, or carrying load.

Got it, and what exactly are our plans after entering in the Indian market. Do we have any targets in mind or any benchmarks to assess our performance?

So, we are looking forward to selling 10000 radiators in 3 years.

Sure, here I would like to divide my analysis into two segments. One is the market entry and second is the market growth for our client. First, I would like to focus on the market entry part where I would like to analyze different factors like competitive scenario, barriers to entry, market size and market growth rate

Please go ahead.

What is the competitive scenario? Are there any major players in the market or is the market fragmented?

Good question, so, the market share is divided among 4 major players with 2 of them occupying 60% of the share and the other 2, 30%. Rest is the fragmented market among many players.

Interesting. Are there any barriers to enter in the new market? Any government regulations, market hostility, or the media channels?

There is no barrier as such for now.

Okay, now, do we have any data regarding the current market size and growth rate for the radiators in India or we must figure that out?

We have the data regarding the total number of radiators sold in the Indian market which are 100000. Also, the growth rate can be taken around 7-8%.

Got it. So, we are targeting to achieve approximately 10% of the market share in 3 years. The growth rate seems to be healthy too. The data tells me that we are going for an aggressive push in the market. Also, radiator being an integral part for a construction equipment, buyers are looking for quality rather than the price of such products in the market. Are these correct assumptions?

Yes, that seems fair.

Got it. Now I would like to shift my focus to the market growth part of the plan. We can either look for an organic growth or an inorganic growth or we can go for a mixed one. Since we are pushing for an aggressive expansion it must be inorganic for first three years. Here I can think of mergers, acquisitions, and joint ventures. Before choosing any one of these I would like to know the unique selling points of our radiator. What are the differentiating points in terms of cost and performance?

Great question. So, our radiators have higher heat dissipation rate that helps them cool faster which prolongs their life. They are also smaller in size and weight. Overall, this makes them more fuel efficient. In terms of cost, all of this comes at a price which is higher than the market standard. Also, our product design is patented so there can be no duplication in the market.

And how big a difference in cost are we talking about here. Is there any chance that long-term contracting can help bringing down the costs or we can provide some discounts on the earlier purchase?

So, we are not inclined to provide discounts but contracting can bring down the cost to about 1% higher than the market standard.

Interesting, finally I would like to analyze the risks associated with the product. Are we providing any coverage regarding the same?

Yes, so there is a risk of an explosion if the radiators do not perform as required. In our case it is significantly reduced due to superior design. Also, we provide product warranty of 5 years.

And what is the life of our product?

It is 10 years.

I would like to synthesize my analysis there. According to the market entry perspective, I would like to recommend entering in the market due to following three reasons:

1. Healthy market growth rate of 7-8% over 100000 units sold per year
2. Low barrier to market entry
3. Buyers looking for quality over price as it is a long-term investment thus the bargaining power remains in the hands of the supplier

As per the market growth perspective, I would recommend going for acquisition of the 10% fragmented market because of the following reasons:

Using the established market channels from the fragmented players will not only help us gain the 10% market share in a short span of 3 years but also help our organic growth in future by spreading the name.

Japanese Radiator Company

The individual suppliers will be willing to sell our product because of its superiority in terms of cost, efficiency and risk reduction
Our design is patented and thus the rights to sell the product always remains in our hands giving us an upper hand in decision making

Great, we can close the case here!

The Bus Manufacturing Company

The client is a bus manufacturer who already has one product in the market called 'speed.' They are planning to bring in another product called 'Velocity'. Their consumers are mainly long-distance transportation companies. Should you bring the product in the market and if yes, how? What would be your product proposition?

Background Information

- **Company** – Bus manufacturer having a product in the domestic market named "Speed". Planning to introduce a new product named "Velocity".
- **Competitor** – Our client is the market leader and thus the trend setter. The competitive market is not relevant to the analysis.
- **Consumer** – These are the people who use luxury passenger vehicles to travel for a long distance.
- **Product** – Velocity and Speed both are luxury passenger vehicles used for long distance commute. The product differentiation majorly lies in the comfort and mileage.

Product	Company	Customer	Competition
1. Luxury Bus 2. Long distance ply 3. Speed - functional 4. Velocity – to be introduced	Bus manufacturer providing long distance passenger transportation services	Premium customers preferring long distance travels through bus and valuing luxury	Currently our client is the market leader and thus we are the trend setters. No competitive barrier

Speed	Velocity
Cost Calculation: Total miles = 600*250*3 = 450000	
Maintenance Cost:	
6000*450000/20000 = 135000	6400*450000/20000 = 144000
Fuel Cost:	
(450000/10) * 25 = 1125000	(450000/12) * 25 = 937500
Total cost:	
For Speed = 1260000	For Velocity = 1081500

Speed	Velocity
Revenue Calculation: Total Trips = 250*3 = 750 Seating Capacity = 40	
Ticket Cost:	
$60	$60
Load Capacity:	
80%	85%
Total revenue:	
= 0.8*60*40*750 = 1440000	= 0.85*60*40*750 = 1530000

Case recommendations

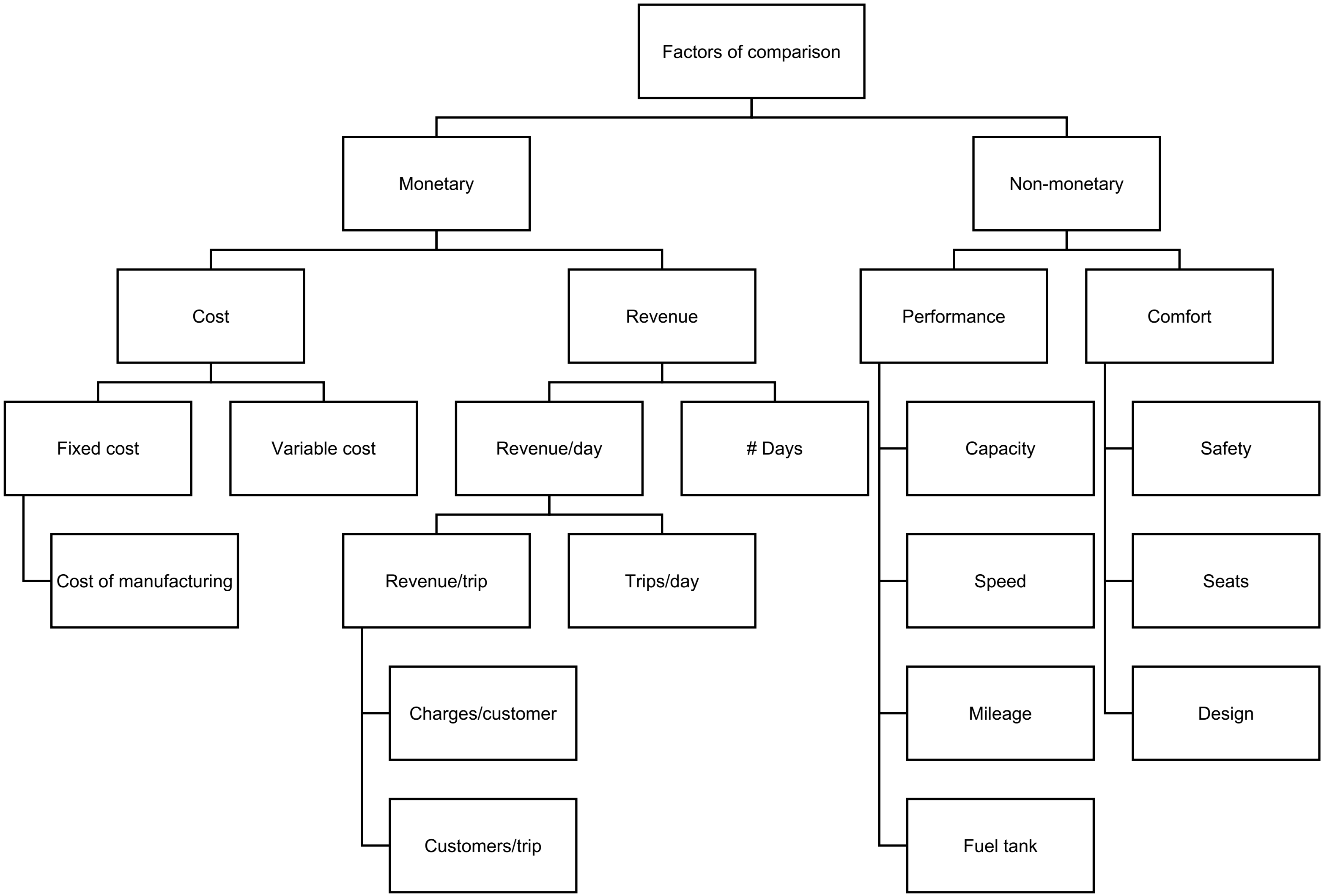
- Client should introduce velocity, as it has lower costs, while providing higher revenue, making it an attractive proposition.

Case tips

- In such cases the interviewer is ready to spend most of the time of interview in the case itself. Don't worry if it is extending for a long period.
- Calculations are a mandatory part of such heavy cases. Be sure to be clear and clean in your approach and reduce the complexities wherever possible.
- Don't forget to check the non-monetary factors' analysis in such cases. They might lead to a completely new product differentiation.

The Bus Manufacturing Company

The client is a bus manufacturer who already has one product in the market called 'speed.' They are planning to bring in another product called 'Velocity'. Their consumers are mainly long-distance transportation companies. Should you bring the product in the market and if yes, how? What would be your product proposition?



The Bus Manufacturing Company

Okay so to confirm my understanding of the problem I would like to state it again, our client is a bus manufacturer who already has one product in the market by the name "speed" and they are planning to bring in another product called "Velocity". The consumers are majorly long-distance transportation companies. We have to figure out that should we bring this product in the market and if yes how will we do that. Also, what will be the product proposition?

Yes, that is correct.

So, what kind of markets are we dealing with, is it domestic or international? Are we dealing in the premium segment or the non-premium segment?

Consider domestic markets for now and "Speed" is a luxury passenger vehicle.

Okay, and why are we planning to introduce new product in the market. Is there a threat from the competition or is there any technological shift?

So, we just have a better product, and we want to introduce it in the market. The feasibility of it has to be figured out by you. As far as competition is concerned, we are the market leaders and we set the trends.

Sure, I would like to know about our product more and what differentiates Velocity from Speed. I would like to divide the factors of comparison in two major parts – Monetary factors and Non-monetary factors. The Monetary Factors will include the Cost and Revenue part. The Non- Monetary factor will include Performance factors, Comfort factors. In performance factors I would like to look at Capacity of seating, Speed, Milage and fuel tank capacity. Do we have any information about it?

Yes, so top speed, capacity of seating and fuel tanks for both the products is same. Although there is a difference in the mileage of both the products. While, "Speed" provides 10 miles/gallon, "Velocity" gives you 12 miles/gallon.

Interesting, now I would like to move on to the comfort factors. I would like to know about the safety features, seats, and design features. Do we have data regarding that?

Yes, so safety features of both the products are same, design is more aesthetically pleasing for "Velocity" but scientifically same but yes there is a difference in the seats. "Velocity" seats are more comfortable than "Speed".

Got it, now I would like to analyze the cost features of the products. So, I would like to divide it into two parts, fixed cost, and variable cost. Under fixed cost can I know about the manufacturing cost of the "Speed" bus and that of the "Velocity" bus.

So, we sell our "Speed" bus at $1,07,000 and for the "Velocity" bus we would like you to find out the price at which we should sell that.

Sure, for that I would like to investigate the variable cost too. So, what I can think of is the maintenance cost that would be incurred by our client as a variable cost apart from what is included in the selling price. Am I right assuming that?

Yes, that is correct, and the maintenance cost is different for both the products. So, I can tell you that every 20000 miles both the products require maintenance. The one-time maintenance cost for Speed is $6000 and for Velocity it is $6400.

Since we have investigated the costs incurred now, I would like to deep dive into the revenue part of the analysis. So, revenue for a bus comes from revenue per day times the days of operation. We can further divide the revenue per day into number of trips per day times the revenue per trip. Further the revenue per trip can be divided into number of customers per trip times the price charged per customers.

That seems like a fair division.

Can I know about the seating capacity of each bus? And are we operating at the full capacity?

So, the seating capacity is 40 passengers, and the operations happen at different load factors for both the products. For Speed it is 80% and for Velocity it is 85%.

Got it, now do we have the data about how many miles per day we are plying and how many days a year we are operational. Also, can I know about the life of both the products?

Yeah sure, we are travelling for 600 miles/day on an average with ply for 250 days a year. The life of both the products is assumed to be 3 years.

And do we have any data regarding the price of fuel they are running on?

Take it as $25/gallon.

Sure, now we have the data so I would like to do the calculations and find out the difference between the cost incurred and the revenue generated. Can I proceed with that?

Yeah, go ahead with that. Do the calculations loudly.

Sure, so first I would like to find out the cost incurred in maintenance and fuel for both the products. For that I would like to find out the total miles plied by our vehicles i.e., 600 miles/day * 250 days/ year * 3 years. That gives us 450000

The Bus Manufacturing Company

miles. Now we know that for Speed the cost of maintenance is $6000 for 20000 miles. This gives us 6000*450000/20000 i.e., $135000. Similarly, for Velocity it comes out to be $144000.

Correct!

Now calculating the fuel cost, we need to calculate the gallons of fuel used i.e., 450000/mileage. So, for Speed it is 450000/10 = 45000 gallons and for Velocity it will be 450000/12 = 37500 gallons. The cost comes out to be (gallons * 25) i.e., $1125000 and $937500 for Speed and Velocity respectively. Adding up to the maintenance cost the total cost comes out to be $1260000 and $1081500.

Okay, that is correct.

Now moving on to the revenue calculation. We have a seating capacity of 40 with 80% and 85% load factors for Speed and Velocity respectively. Do we have some knowledge about per ticket charge?

You can assume it.

Okay so taking per ticket charge to be $60 we get - 0.8*40*60 dollars for a single trip for Speed. That comes out to be $1920. Now total trips = 250*3 = 750. That gives us the total charges = 1920*750 = $1440000. Similarly, for Velocity we get = $1530000. Now the overall difference comes to be:
For speed it is $180000 and for Velocity it is $448500. Since we are making more profits from Velocity, we can charge up to $200000 higher here for the product. So, the cost of Velocity will be around $3,07,000.

That is great. Now what would you suggest the risks can be here?

So, I think the biggest risk is of cannibalization of the older product as velocity is providing better comfort at the same price. Secondly the price of the ticket can be capped by the government regulations and thus the analysis may come to a different calculation.

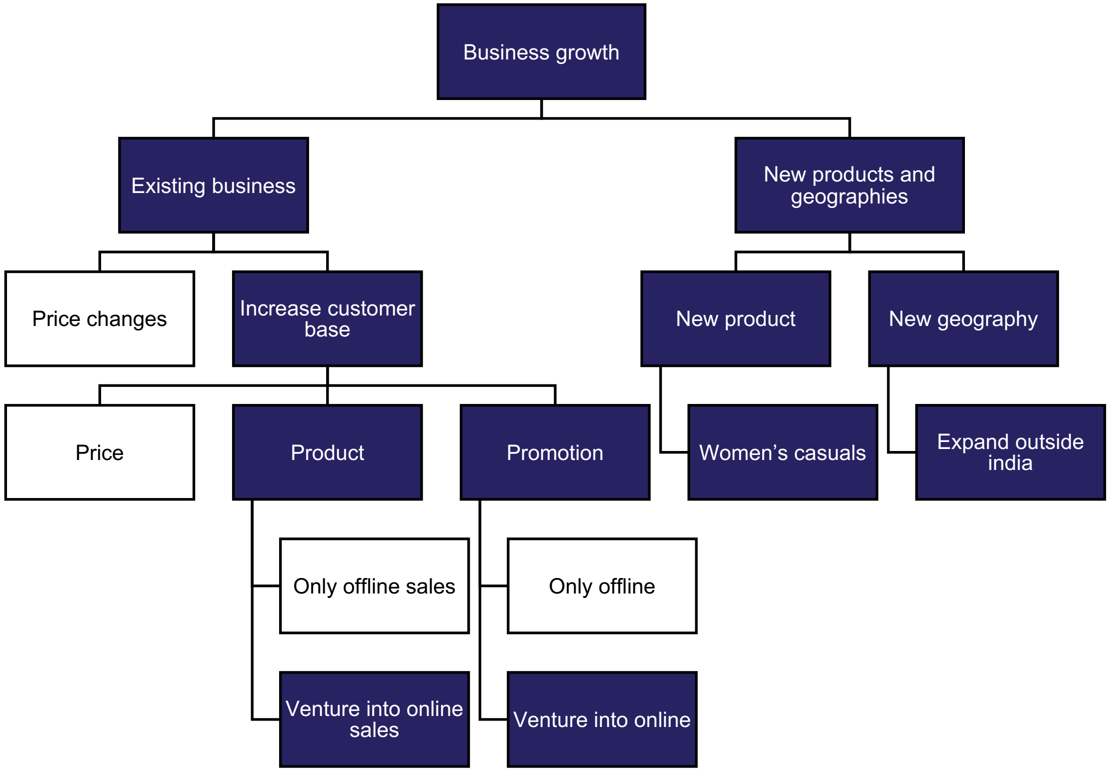
That is right. We can wrap the case here. Thank you.

Textile Manufacturer

Your client is a textile manufacturer. Develop a growth strategy for him for the next couple of years.

Background Information

- **Growth** – 2x in the next year.
- **Current Products** – Women's Formals, Men's formals, Men's Casuals.
- **Consumers** – Age group of 20+
- **Competitors** – Many Competitors.



Case recommendations

- Client should look at online modes of promotion as well as sales.
- They can look at selling Men's casuals through their own stores.
- Venture into selling Women's casuals as well.
- They can also look at exporting our finished goods internationally to increase revenue.

Case tips

- The ranks given here can be used as well if we are lagging in our ranks in a particular product segment to boost our sales.

Textile Manufacturer

Given that we are looking at growth opportunities and the market has many competitors; can you now tell me about your current market standings?

Yes, the client lies 2nd in the Men's Formals. 2nd in Women's Formals and 6th in Men's Casuals. Overall, we are they are the 4th biggest in India.

Understood. Can you now tell me about the supply chain the client currently functions in?

Yes, the client produces the finished goods and then sells it via two ways. 1. Their own stores. 2. Via retail stores.

Can you give me an idea of the distribution of sales from the outlets?

Yes, so 70% of the client's sales happen from their own stores. 30% of the sales happen from other retail stores.

Is there any differentiation at a product level between the store types?

Yes, the client only sells Men's and Women's formals through their stores. These products as well as men's casuals are sold through retail stores as well.

Does the client only cater to a particular geography or do they sell pan India?

They operate pan India.

Understood. I would now like to formulate a strategy to grow the business. I would first focus on existing business.

Sure, go ahead.

I would first want to focus on the prices. Are the client's prices lower than the market?

No, the client's prices are consistent with the market.

Okay. Now, I want to look at ways to increase the client's customer base. For this, I will be looking at Promotions and Sales Avenues of their products as it will help me understand if they are currently missing out on a potential customer approachability option.

Sure, go ahead.

To start with promotions, I would like to divide them into online and offline promotions. In terms of offline promotions, I want to understand if the client is using all available resources to reach our customers.

The client is completely covered in terms of offline promotions. However, they do not have any presence in the online area.

Got it. That is definitely one area the client should be looking at since the majority of the target customers are moving towards embracing e-commerce. Also, can I also gather from this that they do not sell their products online either?

No, currently they do not.

Then that is also one avenue the client should look at. I would now want to look at the growth opportunities for the current products they have.

Yes, are there any areas of improvement there?

As I can currently see, they rank 6th in the Men's Casuals which are not being sold by their own stores. However, apparels sold through their own store: Women's and Men's formals have a high market share. Can the client look at selling Men's casuals through their stores as well?

Yes, they can look at that option as well.

Would you like for me to suggest new products and geographies as well for our business?

Yes, we should explore that option as well.

Okay, I will first look at the products. The client can introduce new products to the market. I wanted to understand is there any specific reason as to why don't they product women's casuals currently?

The client just ventured into the women's apparel business a few years back. They can definitely look at this opportunity.

Sure. Also, in terms of entering newer geographies, they can also look at exporting our finished goods internationally to increase revenue.

This sounds like a good approach to consider as well.

Would you like for me to do a feasibility analysis for the measures suggested above to find the best possible way?

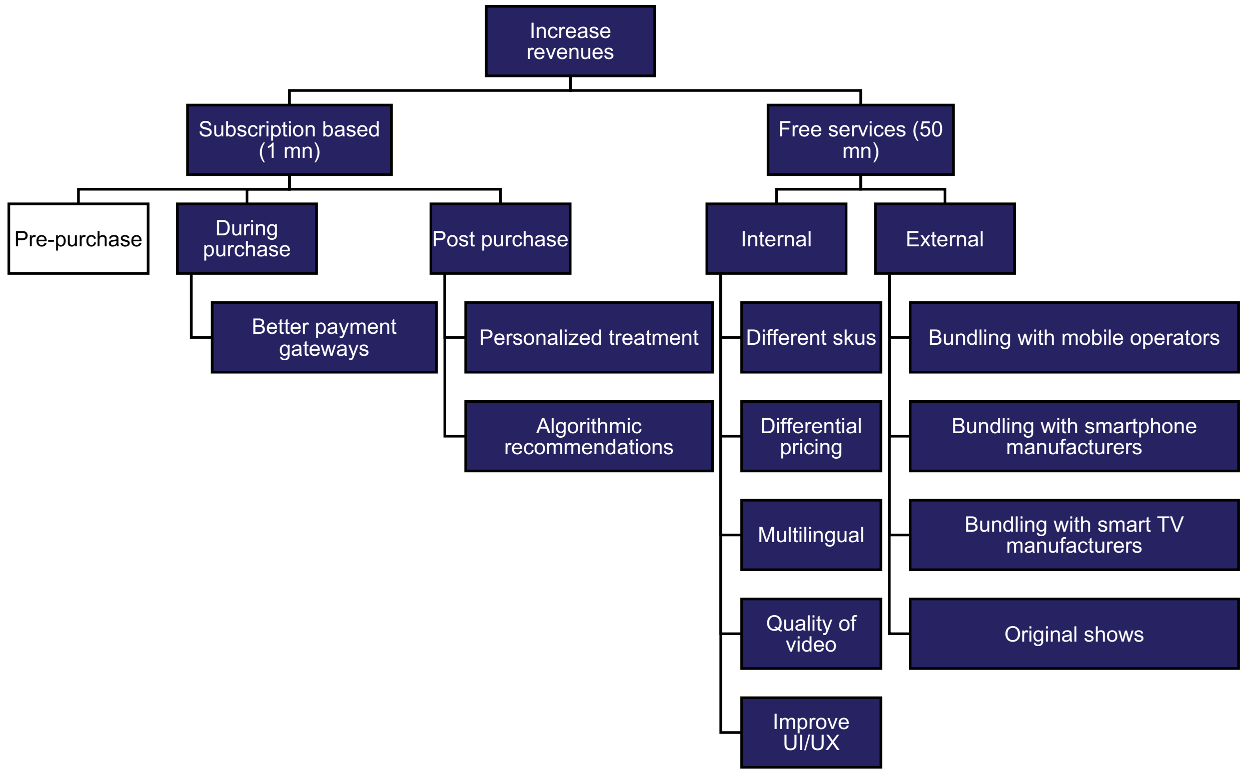
Not required, we can close the case here. Thank you.

Video Stream Service Provider

Your client is a video streaming service provider. They want to increase revenue. Presently the customer base is 1 million for subscription based and 50 million using free services provided.

Background Information

- **Client** – Video Streaming Service Provider (like Netflix**)**
- **Services** – Subscription based and Free
- **Competitors** – 2-3 major competitors (YouTube, Amazon Prime)
- **Timeline** – Medium term
- **Customers** – 1 million subscription, 50 million free services
- **Location** – PAN India.



Case recommendations

- Client should first focus on converting those with free plans, by using various internal and external techniques.
- They can then focus on the Customer Journey and improve the process during and post purchase, by using better payment gateways, and providing algorithmic recommendations, coupled with personalized treatment.

Case tips

- There is no right or wrong answer in this case, just back up your answer with good reason.

Video Stream Service Provider

Revenue can be increased in 2 ways here:
- Charge higher prices from existing subscription-based customers.
- Convert customers from free-services users to subscription based.

What should we focus on first?

First, we should focus on 50 million subscribers. If we can convert 2% of them to existing subscription model, we would be better off.

Okay, great. How will you do that?

We can divide it into two parts: Internal and External, i.e., what the client can do in-house and how it can cooperate with external stakeholders respectively.
- Internal:
  - i. Introduce different SKU's (differential pricing for different services on the basis of number of users watching at the same time, quality of the video i.e., HD, ultra-HD, also monthly, semesterly, yearly)
  - ii. Different pricing for different types of content (some people might like particular genre)
  - iii. Multi-lingual shows to cater to more customers
  - iv. Improve UI/UX, improve lags if any
- External:
  - i. Bundling with Mobile operators
  - ii. Bundling with Phone and Smart TV manufacturers
  - iii. Come up with more originals to differentiate from competitors (sign popular actors to gain traction)

Look at the existing subscription-based customers now and make suitable recommendations.

I would like to make the Customer Journey map here:
- Pre-purchase-Awareness: Already aware.
- During Purchase:
  - i. Better Payment Gateways, different options like Paytm, PhonePe
- Post Purchase:
  - i. Improve Experience: with the content, UI/UX, quality of video (both on mobile and TVs) to retain
  - ii. User profiles gives leverage for users to personalize their user account and preferences
  - iii. Receive algorithmic recommendation for new items to watch

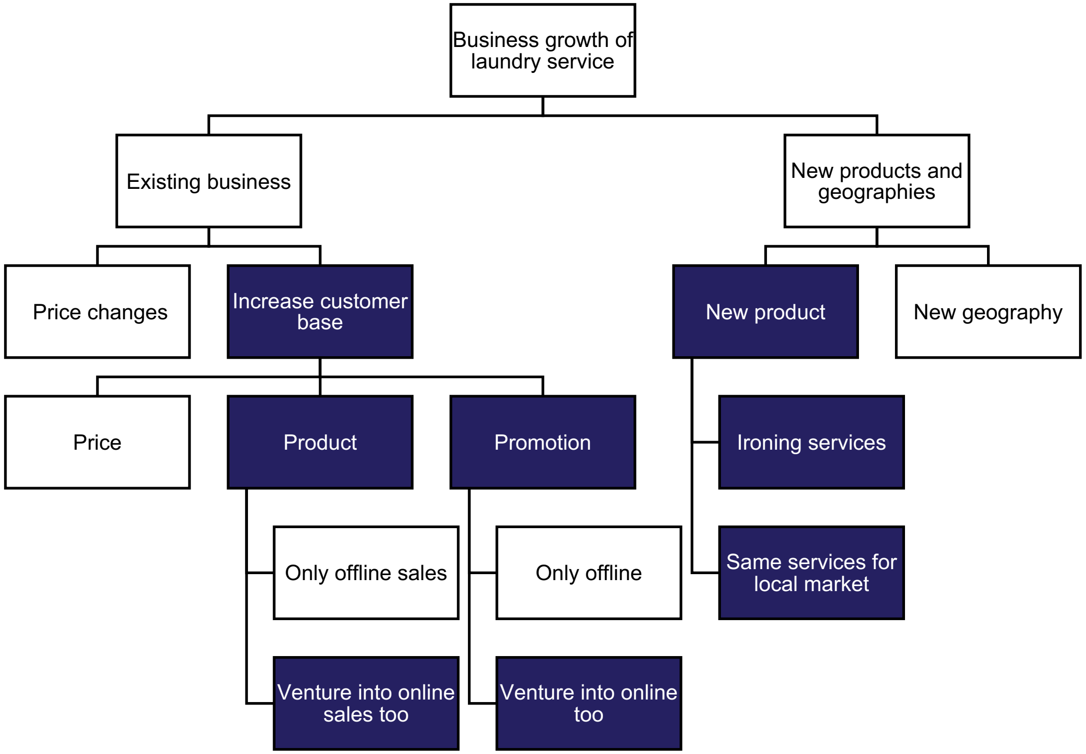
Alright. Thanks. We can close the case here.

Laundry Service in South Africa

Your client is a laundry service provider based out in South Africa owning multiple stores across the country. They are witnessing stagnant growth for the last 3 years. Recently numerous local players are emerging in multiple cities. Help the client grow.

Background Information

- **Client** – Laundry service
- **Competitor** – No major changes, few local players emerging. The potential threat of erosion of market share due to localized monopolies by the new players
- **Time Frame** – Growth stagnant for the last 3 years.
- **Geography** – Located in South Africa



Case recommendations

- Prioritize regions with a substantial local demand for laundry services.
- Target the middle-class population as the ideal customer segment.
- Assess economic conditions, favoring countries with conditions similar to South Africa.
- Explore expansion opportunities in the Middle East due to limited prospects in Africa.

Case tips

- The case here is an open-ended case, and structured application of organic and inorganic growth models will keep you on right track. Since it is open ended, maintaining the structure till the last moment is crucial as on can tend to just call out points which are on the top of mind.

Laundry Service in South Africa

To begin with the problem, I would like to understand our client's business better. Do we have information on the stores' location and the region's competitive landscape? Also, what kind of services are available at the store?

Sure, the information I have on the client is that the stores are located across the country in multiple cities. The chain is the market leader in laundry services. Currently, they only provide clothes washing as a service; You can compare it to any laundromat you see in the US.

That comparison has helped me understand the business. I see that the client has been in the service for a long time. Has the client been providing the same service since the business's inception?

Yes, they have been very good at providing washing service, and this service excellence has propelled them into the market leader position. However, many local players are recently coming up who are providing additional services.

So, as I see it, I should focus on ensuring that the client can maintain the market position and achieve growth while doing it.

Yes, that should be the way to go.

Thank you. There are two factors to consider here; first, growth opportunities can lie in the existing business. Secondly, the client can venture into new service segments and geographies through inorganic means.

Can you elaborate on each option?

Yes, sure, to begin with, opportunities in existing business opportunities, one option can be to increase the price of our service. We risk losing market share when it is executed.

Our client is not open to increasing the price as the customers hail from the price-sensitive middle-class segment.

Okay, now another option is increasing the customer base. To do so, we can augment our current services and service delivery channels. Currently, customers avail of the service by visiting the physical store. To provide convenience, pick-up & drop services can be provided. Promotion can also be channeled using online mode.

Well put; can you walk me through the new products and geography part?

Yeah, this part will require investing and developing new competencies. New services like ironing, carpet cleaning, etc., can be introduced.

That one innovative way to go ahead, now when you suggest venturing into new geographies, what positives and negatives does the firm have?

First of all, laundry service should have a substantial audience in the region of operation to make it profitable. Hence, the moderately populated middle class is an ideal target segment class. Most importantly, the country's economic condition should be similar to SA. Hence in Africa presently, the operations are limited. The nearest option can be Middle east countries.

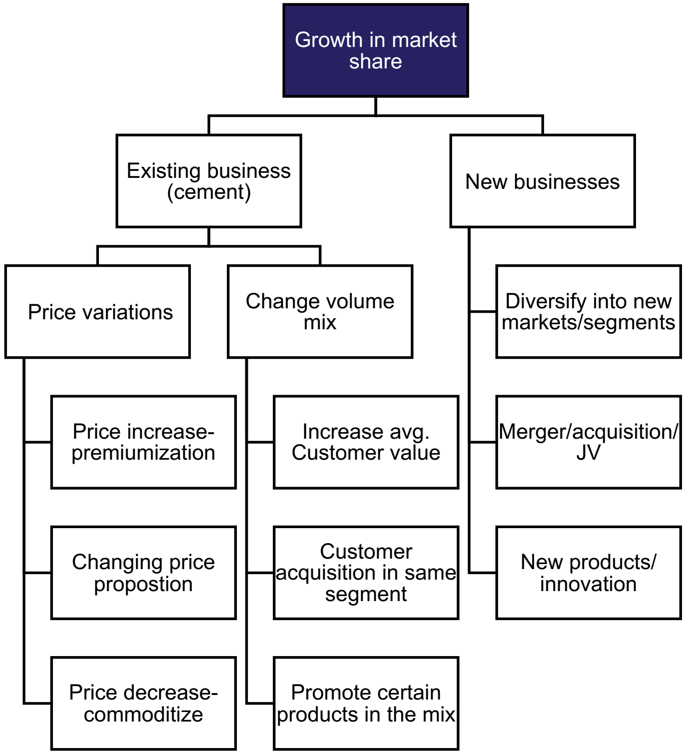
Perfect, you called out apprehensions precisely. It was great talking to you! We will close the case now.

Regional Cement Manufacturer

Your client is a regional cement player who has entered the market recently and is looking to grow his market share. Currently, he has sales of 1 Lakh tonne per month and a market share of 3%.

Background Information

- **Client** – Presently a regional cement manufacturer in Eastern India
- **Product** – Only deals with grey cement
- **Channels** – 70% through the retail channel and 30% through Institutional sales.
- **Market** – 60% is controlled by 2 big players, while the rest by regional players.



Case recommendations

- Adjust prices and margins, coupled with strong advertising efforts.
- Partner with distributors of related products for cross-selling.
- Study industry examples like Asian Paints and Birla White for insights into effective strategies.

Case tips

- Create quick tables for easy calculations and explain the approach of calculations extremely clearly to the interviewer with clarifying assumptions at every stage
- The Asian Paints example (refer to transcript) worked wonders for the interviewee as it showed the ability to link learnings and utilize the information gained from SIP experience. – Use experience/use cases to gain brownie points.

Regional Cement Manufacturer

I would like to start with some clarifying questions. What is the geography we are talking about and when exactly did the player enter the market?

Eastern part of India (Bihar, Jharkhand etc.) and entered the market last year.

Okay. What all products does the player has? Grey cement of white cement or both. Also, what is the customer split of the player among retail sales, institutional sales and any other? What is the competitor's landscape like? Is it more of a fragmented market or controlled by few large players?

They have one type of cement which is grey cement. Sales consist of 70% through the retail channel and 30% through Institutional sales. Also, 60% of the market is controlled by 2 big players, while the rest by regional players.

Does the client have any specific objective in mind wrt to percentage growth in sales or market share? Also, as you mentioned before he has sales of 1 Lakh tonne per month, what is the present capacity of the plant, and do we have any time and financial constraints to fulfil this growth objective.

The present capacity of the plant is 2 Lakh tonnes per month, and the client wants to reach a capacity utilization of 80% in one year. Doesn't have any financial constraints.

Got it, so right now he's working at 50% capacity and would want to increase sales to increase the capacity utilisation. I'll take a few seconds to structure my thoughts.

Sure. Go ahead

So, since the objective is to increase the market share, I'm assuming the market share in the current geography and current product, is that right?

Yes, he only wants to focus on the existing markets.

In the existing markets he can grow inorganically by acquiring competitors of some vertical integration. But since the client already has excess capacity and wants to increase the utilisation, it'll make more sense to increase the sales organically to achieve the objective.

Yes, you're right. The client is not looking for any inorganic growth right now. What will you advice the client to do?

Since the major portion of sales is coming from the retail channel I'll start with that and then can move to the Institutional sales. To do that I would like to see the customer funnel and see at which level can we increase the sales.

Yes, focus on only the retail sales.

Right, so starting with need, since cement is a commoditised product and given the time to fulfil our objective, I don't think we can increase the need of specifically our cement in the market.

Yes, that is right.

Coming to awareness and accessibility, have we built enough brand awareness of our cement in the market through promotions and all? And what are the distribution channels we are using and is our product accessible to final customers?

Yes, the client has already worked a lot on brand building and building an accessible distribution channel.

Okay, then coming to the customer experience and affordability part, if the quality of cement is good enough (in terms of time taken to dry, strength etc).

Yes the actual quality of cement is very good and better than many competitors. Let's talk more about the affordability part.

Sure, for that I would need the price point at which we and our competitors are selling the product. Also, the margins that they are giving to their distributors.

Me: (Made the table myself by asking for specific info points)

	Big Players	Client	Other Regional Players
Price to customer	Rs 400	Rs 390	Rs 380
Price to distributors	Rs 380	Rs 370	Rs 355
Margins	Rs 20	Rs 20	Rs 25

Analyzing the information I feel the reason for low sales can be unclear positioning of the product. From my understanding of the cement market, there are two types of customers, one only looking for the brand name and good quality and doesn't care about price and the second category who sees cement as a commoditized product and want the best price and won't pay more for minor differentiation. Right now we are not positioned for either of the category and would need to decide on one and work accordingly.

That's a good analysis, if you had to advise the client of picking any one category which one would it be and why?

Regional Cement Manufacturer

Let's weigh the pros and cons of both. Since the client is a new player, let's look into competing with the regional players first. For that, he will have to reduce the price to Rs 380 and also increase the distributers margin but that would reduce the profit margins of the client by a lot. Also, as mentioned earlier, the client's cement quality is better than these players, which might mean the production cost might be more as well and can even lead to losses for the client.

Yes that is right that would make the client to incur losses and the client would not want to position his product in that category. What else can he do?

Then the second option is to position the product at par with the product of big players. Right now even though the actual quality of the client's product is good, the perceived quality by the customer might not be that good as he is selling at a lower price. The client should increase the price to Rs 400 and can use the additional profits to increase the margins for distributors. This would help to increase the sales even further because of distributors pushing their product.

That sounds good. What can be some risks involved with this and what would you recommend your client.

As the big players are already very well established in the market, it might become difficult to compete with them. The client should couple this price and margins change with strong advertising, onboarding influencers and stars (gave examples of **cement TV ads**, how they target the aspirational feels of people while building a house) and tie-ups with distributors of related products, cross-selling
(**To cap off**, Gave an example of how Asian Paints is getting into the white cement market to utilize a dealer network of paints while Birla White is starting Birla Paints)

Excellent. Thanks for your time and a great set of analysis done overall.

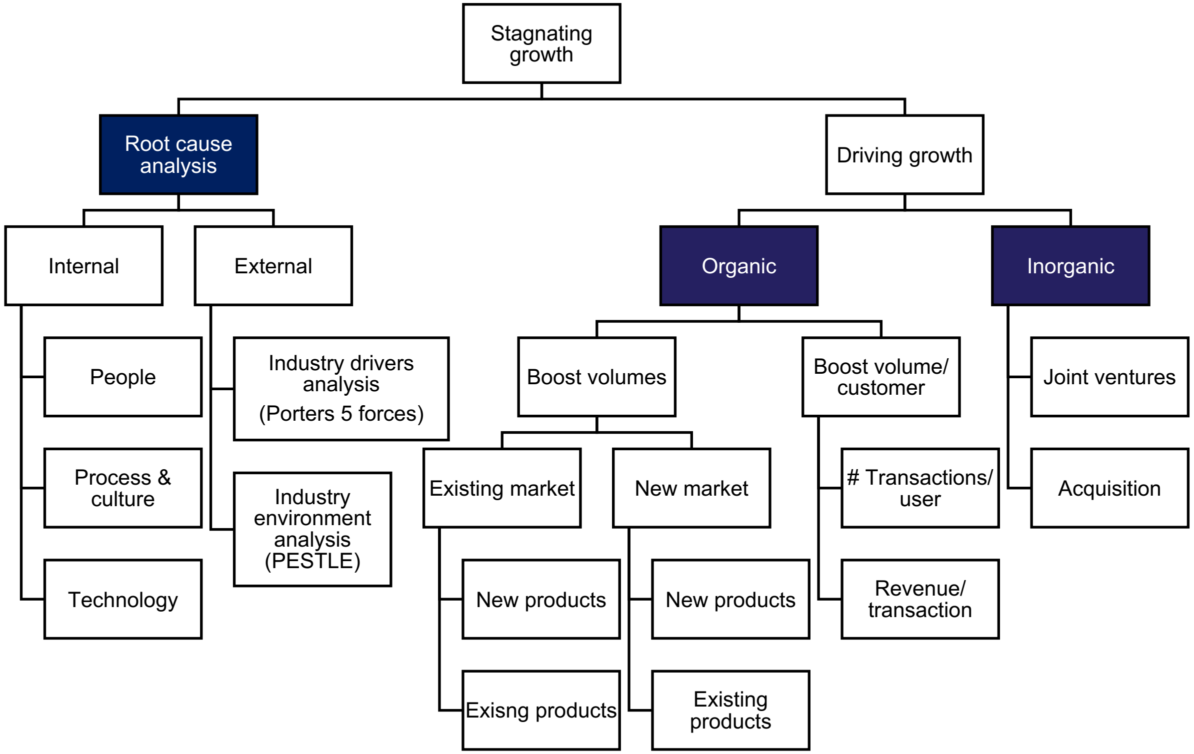
Life Insurance Company

CRUX

Your client is a private life insurance company. They are not growing as fast as the industry. In the last year the growth has been slow, what is the problem? Suggest ways to resolve the same.

Background Information

- **Client** – Top 5 insurance player in terms of revenue
- **Competitors** – High
- **Products** – Health & Home insurance (minor)
- **Time frame** – Stagnation over the past year
- **Ask** – Want to come out of the stagnation; and exploring new avenues



Case recommendations

- Boost Engagement: Improve incentives, culture, and recognition.
- Growth Strategies: Consider acquisitions, new markets, and diversifying products.

Case tips

- Remember the problem involves two critical aspects wherein the candidate is expected to ask for.
- The workforce and motivation angle is crucial to bring out in this case.
- A sound knowledge of the insurance industry helps to come up with relevant recommendations.
- Bring out all aspects of framework and explain it to the interviewer before seeking out specific information.
- The interviewer may not always provide the information asked for and instead may ask for your logic on that question.

Life Insurance Company

For how long has this been happening? Is this stagnation just for us or for competitors also?

Last 1 year. Just us suffering from this problem.

Assuming that slower growth is due to slower revenue growth or a higher rise of cost dynamics. Further, revenue growth can be thought of as changing prices or decreasing quantities sold/volume. Any particular item to focus on?

Great. Consider that volumes have decreased.

Who are our customers? What kind of insurance do we sell? Has any category taken a hit? What are the channels that we sell the insurance through?

Think of customers for any insurance company and proceed. Various types of offerings there in health and home segments, but all of them have taken a hit equally. The client operates across 3 channels predominantly:

a. Online
b. 3rd party service
c. In-house- employees call, then salesforce is mobilised based on the leads.

The third category has specifically taken a particular hit over the recent period.

Got it. Are our systems intact, any issues from the supply side?

No, our systems are intact. There have been no issues from the supply side. Our processes mainly involve printing necessary documents.

Alright, the demand is not increasing as much. I would like to inquire which of the following hypothesis are true:

1. New customers are joining at the same rate and old customers are leaving.
2. Old customers are intact but new ones are not joining at the same pace.

Old customers have shown no significant changes in their behavior. However, new customer acquisition has been declining.

I would like to trace the customer journey via various channels. Also, just to clarify, In house employees generate the lead and then salesforce takes this forward? I would like to explore where the performance gap is.

Employees who call are doing their job well.

Now, I would like to explore if there has been any change in the ability or motivation of salesforce. Has the hiring changed? Has the training changed? Has the incentive structure changed?

Okay. Could you shed some light on how can you improve the motivation of Salesforce?

Sure. The salesforce would have been given rationalized targets and continuously monitored for burnouts issues and parallelly.

Ok. Answering your previous questions, hiring is the same and so is the training. The incentive structure has also remained the same.

Got it. So, it has not changed for us. But, have the competitors improved their hiring, training, or incentive structure in the past 6 months?

Yes, you are right, what is happening is that the competitors are poaching our talent by providing better incentives. What do you suggest for the firm?

Can address the core issue via policy and non-policy measures. Policy-related measures: Formulating industry-wide no-poaching agreements, Employee non-compete clauses, non-solicitation clauses etc. would be harder to execute but will be extremely effective. At the same time, the client can try to revamp its incentives, develop a positive learning environment and culture, recognition of employee efforts, etc. as ways to engage employees more and integrate them into the culture making switching harder.
At the same time, the client can look for growth opportunities to tackle revenue decreases. They can grow via acquisitions/mergers, but the stagnation may be a challenge for the client to execute this effectively. At the same time, they can explore new markets (B2B, rural, countries) for business as well as consider adding new insurance products along with exploring bundling, upselling.

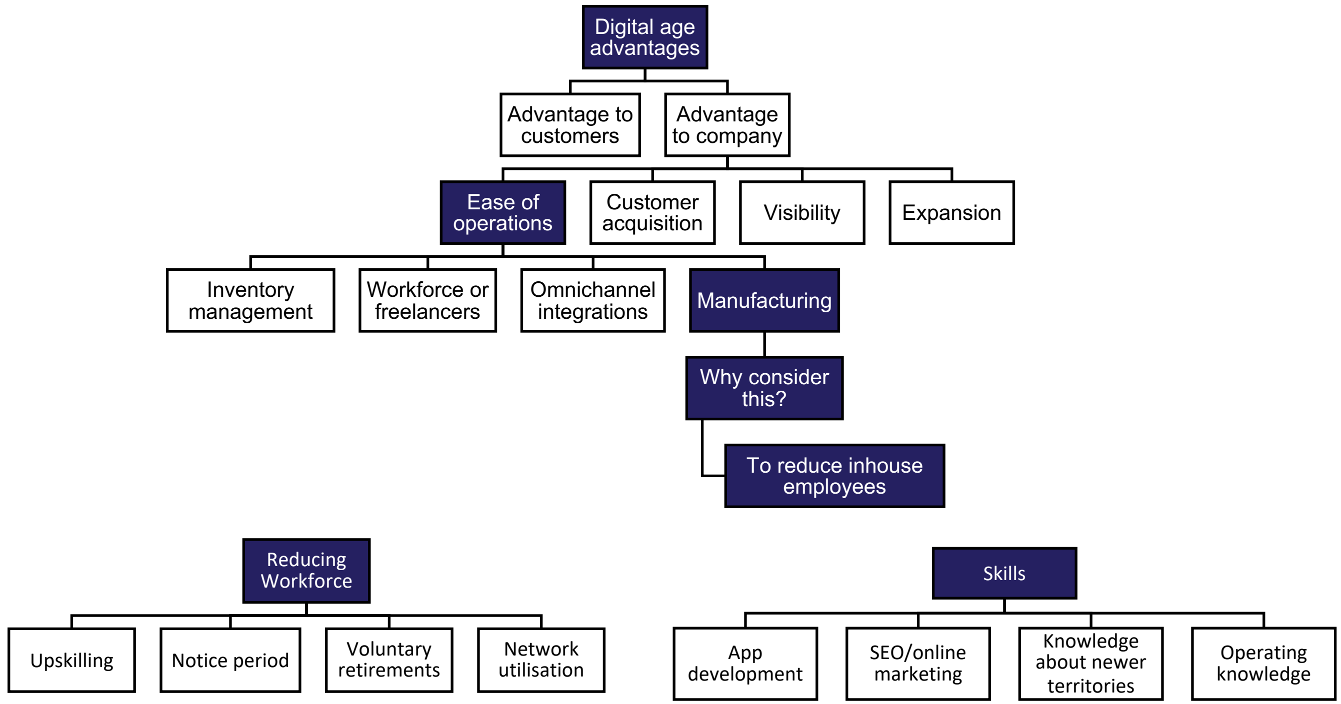
Excellent job. We can close the interview now.

European Lifestyle Brand

Your client is the CEO of a lifestyle retail organization in Europe. Your client sells garments, apparel, shoes home decor etc. They have multiple brick and mortar stores and have an online channel, where customers can order products. Customers can also collect their orders physically from nearby stores. You need to study the effects of the digital age and suggest if the client should explore the digital space.

Background Information

- **Client** – They are the market leader
- **Products** – Owns multiple lines under different brands
- **Value Chain** – Manufacturing is outsourced to 3rd party



Case recommendations

- The company should make a move towards digitization owing to its growing customer base and high growth opportunities.
- Digitization would also help in operations optimization and cost control.
- Instead of new employees, existing employees can be upskilled and retained in the firm.

Case tips

- This was a very conversational case. The interviewer's intent was more towards looking at the overall approach instead of arriving at any specific conclusion.
- Most recommendations were based on real-life examples, so bringing them into the case worked here.

European Lifestyle Brand

Your client is the CEO of a lifestyle retail organization in Europe. Your client sells garments, apparel, shoes home decor etc. They have multiple brick and mortar stores and have an online channel, where customers can order products. Customers can also collect their orders physically from nearby stores. You need to study the effects of the digital age and suggest if the client should explore the digital space.

Does our client manufacture their product or get it from a 3rd party? Do they have their own private labels? Are they market leaders?

3rd party manufacturing & yes, they have their own private label. Yes, the client is currently the market leader in this space. Let's move to the case now.

I would first like to explore the possible advantages associated with the upcoming digital age.

Okay, go ahead.

I have categorized the advantages into 4 buckets namely visibility, expansion, customer acquisition and ease of operations (gave a brief explanation and breakup of each bucket based on my understanding of the textile industry and digital trends).

Let's talk more about ease of operations.

Sure, I would like to break this category further into 4 different categories, namely omnichannel integrations, reduced workforce, inventory management and manufacturing (gave industry-specific brief for each header and examples of new popping startups in each space, but didn't get to discuss manufacturing here).

Why would you talk about manufacturing when I already told you that the client is getting manufacturing done by 3rd party vendors?

I would love to give a reason for that. Even though manufacturing is being done by 3rd party, the client must have employees, in-house labour, production managers and a quality assurance team to make sure that the productions are on time and up to the quality. This in itself is a major cost. This can be further cut down if we utilize services of new-age startups like for e.g. Fashinza. This startup takes care of the entire production and quality process for clients and manufacturers in cost-optimized locations like India, China, Bangladesh and Vietnam. Also, they take care of every step of the value chain including sampling approval to final delivery at the client office locations.

Alright, if we utilize these, what about new skills required?

I have identified 4 different categories of skills required, namely operating knowledge for digital platforms, SEO/online marketing, knowledge about newer territories and App development. c

If these new skills are required, which employees do you think we can let go of?

Looking at the current work force, we can reduce employees from S&M, production & quality, accounting and admin.

How would you let go of these employees?

We can offer 4 different options. First, since most of the skills mentioned above are not very hard to learn, we can upskill our existing employees and retain them. Second, we can use the standardized method of notice period for them to look for new opportunities. Third, we can offer voluntary retirement to employees and fourth, we can utilize our network in this space to get them into other firms based on their relevant experience and skills.

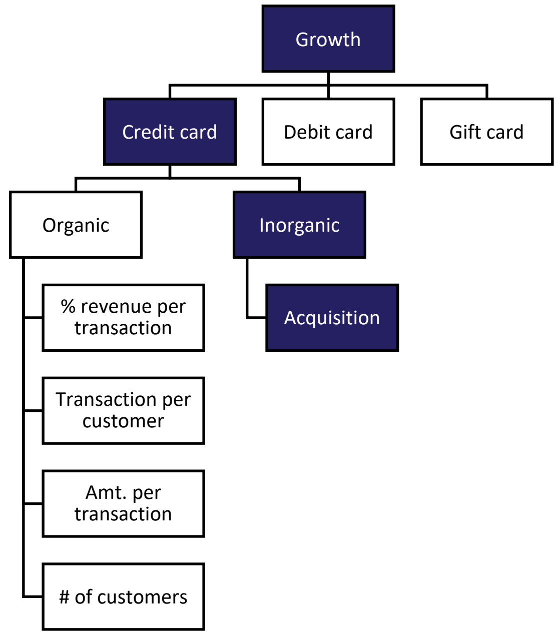
Okay, we can close the case here.

Credit Card Processing Company

Our client is a credit processing company. They do background processing services of credit card, debit card and gift card. They take profit as a percentage of every transaction. The growth rate of credit card transactions is 3%. Due to slow growth in the credit card market, suggest how to grow the company.

Background Information

- **Client** – Handles background processing for credit card and debit card companies.
- **Geography** – The client is operating in India



5 year revenue	
Model 1 (existing model)	**Model 2 (SAAS model)**
Revenue/Client = $3m upfront + $0.3m/year	Revenue/Client = $1m/year
5-year revenue/client = $3m + 5*$0.3m = $4.5m	5-year revenue/client = $1m *5 = $5m
Total Revenue = 10*$4.5m = $45m	Total Revenue = 10*$5m = $50m
Hybrid Model	
Revenue/client from Model 1 = $4.5m	Revenue/client from Model 1 = $5m
Total revenue = $45m	Total revenue = $25m
Total Revenue = $70m	

Case recommendations

- Company should go with hybrid model for maximizing revenues and increasing customer base.
- Client can evaluate acquiring competitor companies in Debit card and Gift card space.

Case tips

- The candidate could have modified the approach for debit card and credit card, since they wanted to explore each of them separately.
- The candidate missed out on fact that current customer in credit card market have 90% share, so shifting to other 10 companies might reduce our market share.

Credit Card Processing Company

Our client is a credit processing company. They do background processing services for credit cards, debit cards and gift cards. They take profit as a percentage of every transaction. The growth rate of credit card transactions is 3%. Due to slow growth in the credit card market, suggest how to grow the company.

Where is the client operating? What market share we command for all 3 markets?

The client is operating in India. Out of the top 20 credit card companies, 10 are our clients which occupy 90% of the current credit card user base. The debit card market is fragmented, and we have a 5% market share. No other player with more than 10% share. In the gift card, 50% growth rate. No major player, we have not entered the market yet.

I would assess all 3 divisions individually. First, in credit cards, I would like to look into organic and inorganic growth opportunities.

What could be inorganic growth avenues?

Since there are other competitors companies and we are market leaders, we can acquire other companies to expand our company.

What would you do in organic?

I would like to break it down into a formula: Revenue= %revenue/transaction * transaction/customer * amount/transaction * # of customers.
For % revenue/ transaction, we can increase the commission percentage, but that could lead to a decrease in market share. So I would suggest not doing this. Second, we can increase the amount/transaction. For this, we can look into where the credit card is used. We can focus on big items like televisions, refrigerators etc. We can partner with those companies and provide incentives to customers to use credit cards for payments. Third to increase no. of transactions, we can incorporate systems like loyalty points or reward points. And lastly for increasing # of customers, since we are present mostly in their 1 cities, we can look into expanding into tier 2/ tier 3 cities.

Okay, let's talk about debit cards. What would you do in that segment?

It would be similar as the credit card for inorganic growth, we can acquire a few competitors companies. For organic growth, the formula would be same, just the usage purpose would change. The debit card is usually used for daily usage, so we can collaborate with retail grocery and other shops and would increase our penetration through them. Also we would do cross selling and push to sell debit cards to customer who are buying credit cards.

Alright, we can leave the gift card for now. Let me give you some data and based on that evaluate 2 models. First is our current model per transaction charge and the second model is the SAAS model. We have estimated that if we go via the SAAS model, we can convert 50% of existing clients to that model and capture 50% of companies which are not currently out clients. For SAAS, we would charge $3m as an upfront fee and we would charge a maintenance fee of $300K annually. So, calculate revenue of 5 years for both models.

Since we currently have 10 clients, so we would retain 5 of those clients in SAAS model. Also we would be able to capture 5 more clients from the rest of 10 companies which are not our clients currently. Thus, we would have 10 clients. Per clients, we would charge $3m upfront and $.3m/ year for 5 years which would amount to $4.5m/year. So total revenue would be $45m in 5 years. I would like to know if we are continuing our earlier services for the 5 clients who didn't opt for the SAAS model.

No, we are not providing them the services for now. We would close the previous service model completely. For 1st model, we earn $1m/ year from each client.

So for first model, we were earning $50m in 5 years in revenues. Since we have a growth rate of 3%, we can take that into account for more accurate calculation.

No, you can ignore that for now. Can you calculate if we work on a mix model, what would be our revenues?

Sure, if we go by mixed model, we would earn $45m from SAAS model and $25m from current model as there would be 5 clients. So total would be $70m in 5 years.

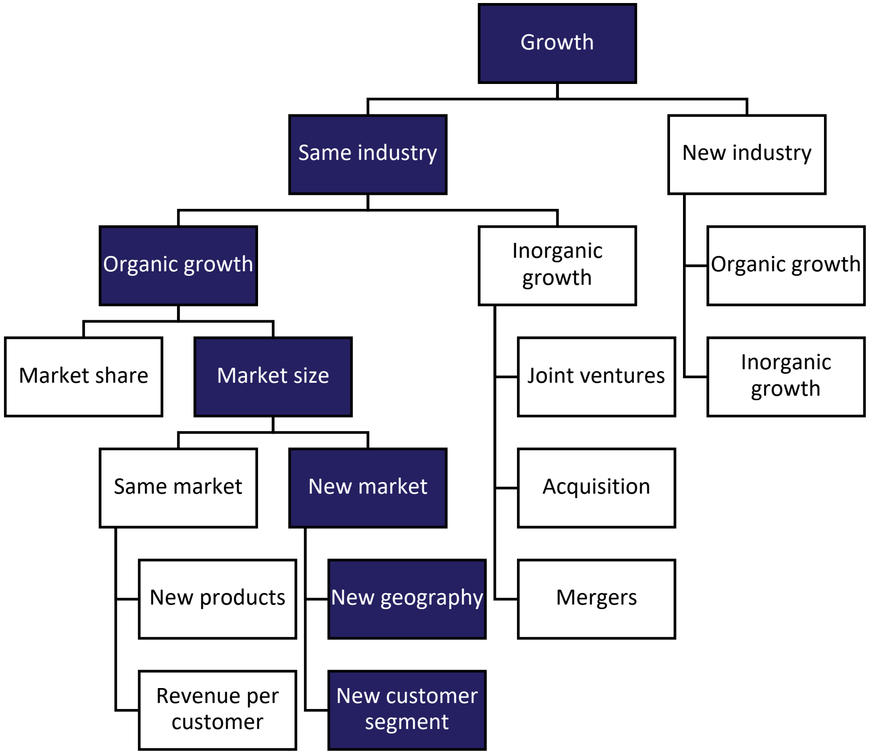
Okay we can close the case here!

Fire Extinguisher Manufacturer

The client is a fire extinguisher manufacturer. You are hired to help them grow their revenues from x to 3x in 3 years.

Background Information

- **Company –** Fire extinguisher manufacturer with pan-India operations
- **Competitor –** The client is a major industry player
- **Product –** Manufactures and sells red fire extinguishers which are common carbon dioxide fire extinguishers



Case recommendations

- Since the target of the company cannot be achieved with the current growing rate of the market, inorganic growth is a better solution.

Case tips

- This was a conversational case where the interviewer wanted to test the extensive approach adopted by the candidate and quick thinking. It did not matter if the candidate knew the fire extinguisher industry.
- The case developed in the structure provided by the candidate which can decide how the questions would be.

Fire Extinguisher Manufacturer

The client is a fire extinguisher manufacturer. You are hired to help them grow their revenues from x to 3x in 3 years.

Can I know more about the value chain of the client, their market share, and their area of operations?

The client is a legacy fire extinguisher manufacturer and they specifically produce red fire extinguishers. They have pan-India operations. They are involved in the procurement of raw materials, manufacturing and distribution.

Can I know who are their customers?

Why don't you tell me who could be their customers?

I would like to break down their customers into two segments – one with inherent fire risk and others. I would further break it down as industrial and non-industrial customers. So it could be industries with inherent fire hazard such as oil and gas companies, and non-industrial with fire hazard could be fire brigades. Cinema halls and entertainment parks could be other industries with no inherent fire hazard.

That sounds good. Let's continue.

May I know more about the product?

It is a common carbon dioxide fire extinguisher. Let's proceed with the case analysis.

Sure. So growth can be achieved by expanding operations in the same industry or a new industry. Does the client have a preference on this?

Let's look at same industry first.

In the same industry, the client can choose to grow either organically or inorganically. Would you like me to elaborate on either of these or both?

Can you tell me some ways to achieve inorganic growth.

Inorganic growth could be achieved by entering into a joint venture, by acquiring a competitor, or by entering into a merger.

What about ways to achieve organic growth?

For organic growth, I would like to consider two factors through which it can be achieved – market share and market size. An increase in either would lead to organic growth.

There are several ways to assess and achieve growth in these areas. Should I suggest some ways for either or both of the areas?

How do you suggest increasing market size?

Market size could be increased by continuing in the same market or entering a new market. The client could manufacture and sell new products which could be complementary or have some common synergies in the manufacturing process. They could also look at increasing their revenue per customer through cross-selling or upselling.

What do you mean by new markets?

By new markets, I mean that the client could enter new geographies or new customer segments. Would you like me to share some ways to increase the market share?

No. Why don't you tell me how would you choose between organic and inorganic growth?

I would recommend organic growth when there is potential in the market, that is one either has the capacity to increase the market size or increase their market share. Basically, when the market is not saturated, I would suggest organic growth and when the market is saturated, inorganic growth would be better.

Say your client is the largest player in the industry and you are expecting to grow 44% in 3 years. What additional information do you need to decide on organic or inorganic growth?

I would like to know the rate at which the market is growing.

The market is growing at a rate of 10%.

At a market growth rate of 10%, we would not be able to achieve our target of 44% growth in 3 years. I would therefore recommend going for inorganic growth.

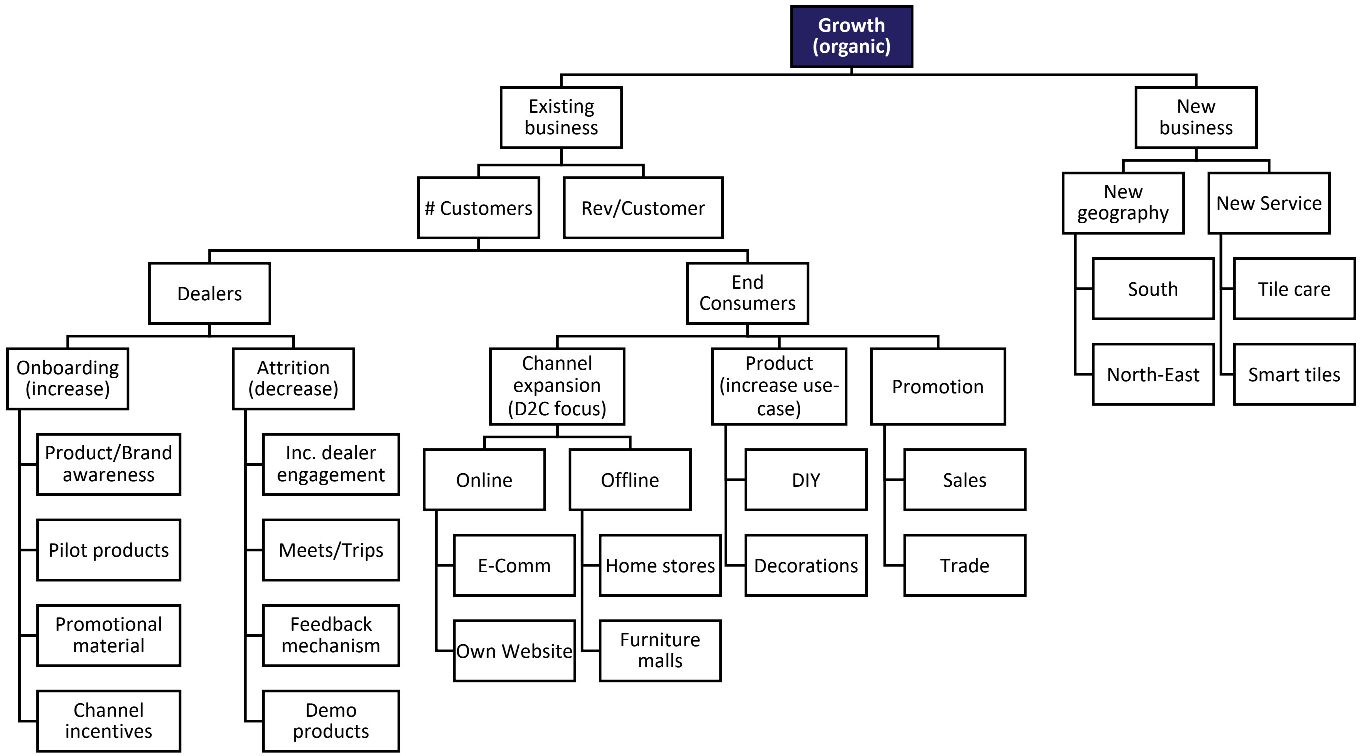
That sounds good. Let's close the case now.

Tile Manufacturer Turnaround

The client is a tile manufacturer with a market presence for 2-3 decades. They were the market leaders (70% share) but now have slid down to second place. They tried a few strategies 4 years back but have had no success. Suggest a few growth initiatives for the client.

Background Information

- **Client** – Tile manufacturer – prior industry leader
- **Competitors** – 2-3 major players holding 80-85% of market share
- **Customers** – Both B2B & B2C and selling via dealers
- **Location/Geography** – Based out of Gujarat, catering to the entire Indian market but majorly in NW and Central India
- **Products** – 100's of SKUs and decline across all
- **Value-chain** – They manufacture and sell through dealers



Case recommendations

- Dealer Engagement Strategy: Improve dealer onboarding and retention by offering better incentives, dealer meet-ups, and product support.
- D2C Expansion: Reduce reliance on dealers by entering the direct-to-consumer market through e-commerce and retail channels.
- Product Diversification: Expand the product range with innovative offerings like tile care, smart tiles, and sustainable options.
- Market Expansion: Explore untapped markets in South and East India to regain lost market share.
- Promotional Strategy: Position the brand as a trusted industry leader through effective trade and sales promotions.

Case tips

- Bring out all aspects of framework and explain it to the interviewer before seeking out specific information
- At each step broadly lay down your approach and explain the rationale to the approach at each step before seeking out specific information.

Tile Manufacturer Turnaround

Before I start, I want to understand where does the company lie in the value-chain? Do they only manufacturer or do they sell too?

They manufacture and majorly sell through dealers

Where are we based and what geography do we cover?

We have our factory in Gujarat and cater to entire Indian market majorly in north-west and central India.

You mention some remedial steps were taken. What were these and what was the impact?

Some product modifications were made, and few new dealers were on-boarded

What is the competitive landscape like?

There are 2-3 major players holding 80-85% market share.

How many SKUs do we have, and are we seeing a growth/decline in a particular category?

We have 100s of SKUs across 10-15 categories, decline is seen across all.

On the consumers side, do we do B2B and B2C both? Also are dealers our primary consumers?

We do some B2B, but let's focus on B2C where we are primarily selling through dealers.

Is there any other objective that the client wants to achieve in terms of timeline, profits or other metrics?

No only market share growth. Let's quickly move to ideas.

Sure, so my approach is that so we can look at organic growth in the existing business or in the new business. Within existing businesses, we can increase the revenue per customer or the overall number of customers. While focusing on increasing overall customers, we can look at the dealer's side and the end consumers' side.

Okay, how would you go about this via the dealer's route?

On the dealer side, we should be looking at increasing the onboarding rate and decreasing the attrition rate. We can increase onboarding by spreading awareness about the product and the brand, by placing the product on a pilot basis and by offering better promotional material and commission structure than competitors. We can reduce the attrition of dealers by increasing dealer engagement and adding sales-linked incentives. We can organise dealer meet-ups and trips to increase brand affinity. We should incorporate dealer feedback on sales and put demo products for dealers so that it is convenient for them to understand products and push better.

Okay, let's move on to the consumer's side.

On the end consumers side, we should prioritise the D2C channel to reduce dependency on dealers. Additionally, should make a product available through new retail channels like e-commerce where we can use existing players or create our own website. We can also look at evolving our products to increase use cases like decorations and DIY etc. Lastly, we should evaluate our promotion strategy for pushing both, trade and sales promotions and position ourselves as a long trusted brand of the country.

That's good. Do you want to focus on something else?

Yes, we can evaluate potential on the new business side, wherein we can expand into new geography such as tapping the potential of the South and East Indian market. If we were to offer new products and services, we can think of things like tile care, smart tiles, sustainable tiles etc. to appeal to the value of different consumer groups.

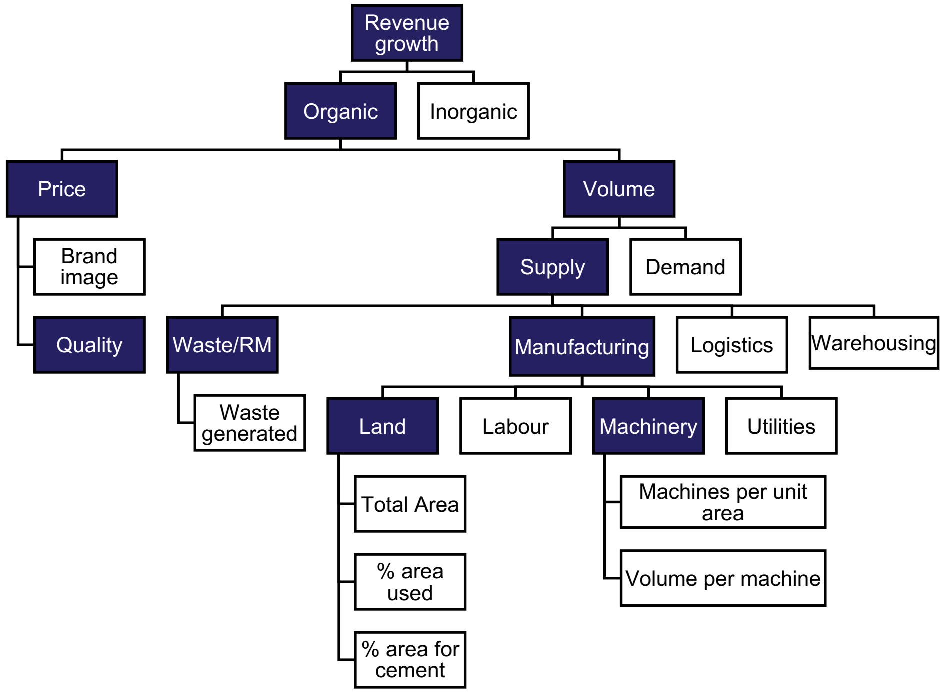
Okay, thank you so much. We can end the case here. All the best!

Cement Manufacturing Company

Your client is a chemical manufacturing company. Cement is one of the products manufactured by the company and the revenues from cement have stagnated for the past two years. You have been hired to grow the sales revenue by 10%. How to go about it?

Background Information

- **Client** – A Chemical Manufacturing company
- **Products** – Produces construction-related products including cement
- **Geography** – The company is a regional small player operating in North West India.
- **Trend** – It has seeing revenue stagnation from the cement segment for the past two years



Case recommendations

- To increase the revenue, the client can focus upon producing more wastes that can be used as a raw material for the cement manufacturing.
- The efficiency of cement manufacturing processes can be improved through some technological advancements to ensure that more cement is produced using the same wastes generated.
- Unused land area within every manufacturing plants should be minimized to increase the volume sales.
- Since the client produces a better quality cement, price can be increased to increase the revenues.

Case tips

- Ensure to understand the situation exhaustively during the scoping and refer to scoping information repeatedly.
- Try unique formulations/segmentation whenever required when standard structures don't work. The interviewer wants to understand your approach more than the final answer

Cement Manufacturing Company

Firstly, Is there any timeline by when the client want to achieve the 10% top line growth? Also, I would like to know if the client wants us to increase the revenue only from the cement revenue stream or other streams as well.

The client wants to achieve 10% revenue growth in the next year. The client is doing nice in other products, so let's focus on increasing cement revenues.

Before going further, I want to understand more about the client's business. Can I know where the client is located? Who are our customers? What parts of the cement value chain are managed by the client? Are there any different qualities of cement produced by us?

The client is operating in NW India only and is catering to construction companies. The client is manufacturing cement whose raw materials are one of the wastes generated by other products manufactured by the client. We have a third-party distribution network. There are 3 different qualities of cement: A, B and C. The client manufactures only A category (best) cement.

Great. And how about the competitors? Where are they located? Which category do they manufacture?

The competitors are major national brands like Ambuja, ACC, etc. and are spread across the country. The quality they manufacture is poorer than the client but they have a better brand while the client is a regional player.

That's interesting! Now, let's focus on the various growth avenues from the company. I would consider organic growth options before the inorganic ones. So revenues can be increased by either raising the prices or the volume. Do you want me to focus on any of these?

Go with the volume first. Consider there's excessive demand for the product.

Sure. So we can increase the overall volume considering the demand as well the supply side. Since we already have sufficient demand, let's focus on where we can raise the volume throughout the supply chain of cement.

Sounds good. Go through the major buckets in the value chain to consider.

So the first bucket would be wastes that are used as raw materials. Post this, we will consider the various capacity constraints within the manufacturing process. Transportation of final products to warehouses, warehousing and transportation from warehouse to distributors would be other buckets to consider.

Nice. Explain me how can we increase the volume from wastes generated.

Total cement produced can be written as wastes * cement produced per unit waste. To increase the cement production, we can increase either the overall wastes generated or have some technological advancements to raise the cement per unit of raw materials.

Sounds good. You can now proceed with the manufacturing part now.

Okay. Here we need to consider availability and utilization of labour, land, utilities and machinery. We would also consider the proportion of defected / unapproved cement and see if that can be reduced.

Help me understand what can be land and machinery related constraints here.

Sure! So the overall cement produced within a plant can be written as total plant area * % area used * % allocated to cement production * # cement machines per unit land * volume per machine.

a. Land Constraints- 1) % area used is low and can be increased, 2) the area allocated to cement is not effective (lower # of machines/area)
b. Machine constraints- Volume produced per unit of the machine is low and the efficiency of the machine can be increased.

Okay. Assume that we are completely utilizing the entire capacity and the volume produced can't be increased. Is there any way to increase the revenues?

Yes, since volume can't be increased we can raise the prices to raise sales revenue.

Right. But wouldn't it affect the volume sales negatively?

According to me, price depends upon two factors: Brand image and Quality perception of product. Since cement is a commodity product and the company is a very small player as compared to established brands, I don't think brand image would be relevant here. Also, we know that the quality of our client's cement is better than the major competitors. Do we know the prices that we and our competitors are offering?

We are selling the cement at the same price as our competitors.

That's a good insight! Since we are selling at the same price despite having a better quality, it would be possible to raise the price slightly and still convince the construction companies to prefer our product. Is there anything else you want?

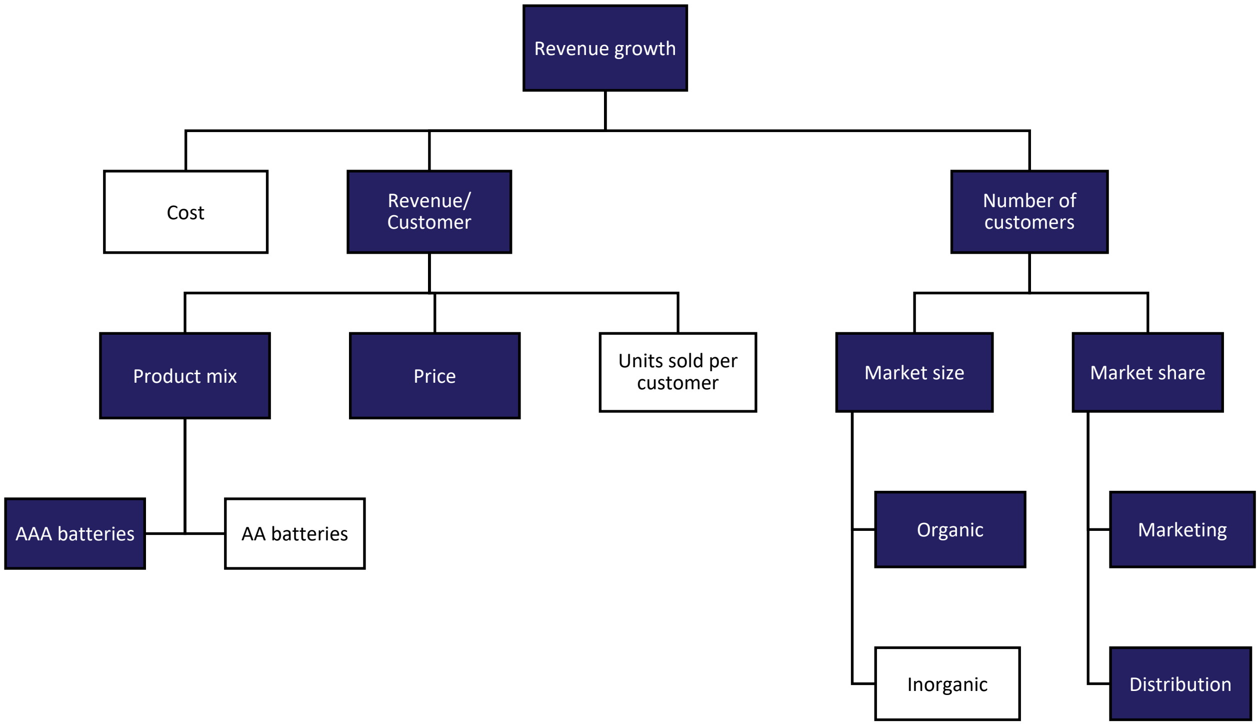
We can close the case here. Thanks!

Primary Battery Manufacturer

Your client is a primary battery manufacturer. Although the market size is growing at the rate of 3%, their market share is declining. They wish to have a revenue growth rate in double digits by next year, provide recommendations to do so.

Background Information

- **Company** – Primary battery manufacturer based out of north India and sells PAN India through distributors
- **Competitor** – There are 5 other major competitors and the client holds a market share of 50%
- **Consumer** – Majorly Households and Businesses. No further data is available
- **Product** - There are 2 SKUs that the client wants to focus on. AAA and AA batteries of normal capacity. Our products in this category are priced slightly higher than our competitors



Case recommendations

- In the short term, companies should focus on improving their marketing both online and offline through commercials and online advertisements. They can focus on expanding their distribution channels to geographies where their presence is low. As a long-term strategy, they should focus on improving their AAA batteries which are lacking behind in quality as compared to that of competitors through investing in R&D. They should focus on bringing the price down to those of competitors to not lose the market share to customers.

Case tips

- There are multiple areas to increase growth, it is important to be exhaustive with the approach to find all those. Proper scoping and structured MECE approach is essential to solve this case.

Primary Battery Manufacturer

Your client is a primary battery manufacturer. Although the market size is growing at the rate of 3%, their market share is declining. They wish to have a revenue growth rate in double digits by next year, provide recommendations to do so.

I would like to approach the revenue growth by dividing it across three broad headers, the cost incurred, revenue per customer and number of customers.

Let us focus on only the revenue part. Please proceed.

Sure. In Revenue per customer, we can look at the product mix, price and units sold per customer. Among AAA and AA are we facing slower growth in any product?

Let us focus on the first two headers. Our AAA batteries are not at par with those available in market. The growth rate for this is particularly lesser than our competitors.

Why is our price higher compared to our competitors for a standardized product? Are we providing higher value compared other products in market?

Not really, the prices were set higher simply because we control a larger market share.

Understood. Coming to the number of customers we have; I would like to discuss in terms of market size and market share

Sounds good. Go ahead.

Given the market share is organically growing at 3%, I would like to explore options to increase the same through expansion. Is there a possibility to increase the total addressable market through new product or by exporting our product internationally?

Interesting options but let's focus currently only on the products mentioned and the Indian market.

Understood, moving to the next bucket i.e., market share; I would like to explore our marketing strategy and current distribution channel. Are we facing any challenges across these two? What is our current marketing strategy and are we present across all geographies inside India?

We have not put much effort into our current marketing. No, there are certain geographies inside India where our competitors have a stronger presence compared to ours where the distributors but our products in lesser quantity.

Is there a reason we haven't focused on the marketing? Is there any challenge involved and how are our competitors doing the same?

No reason. Our competitors have higher online commercials and offline advertisements than our client.

Understood. Is there any other aspect you would like me to cover?

No, that was an exhaustive approach. Please provide your recommendations.

In short-term, company should focus on improving their marketing both online and offline through commercials and online advertisements. They can focus on expanding their distribution channels to geographies where their presence is low. As a long-term strategy, they should focus on improving their AAA batteries which are lacking behind in quality as compared to that of competitors through investing in R&D. They should focus on bringing the price down to those of competitors to not lose the market share to customers.

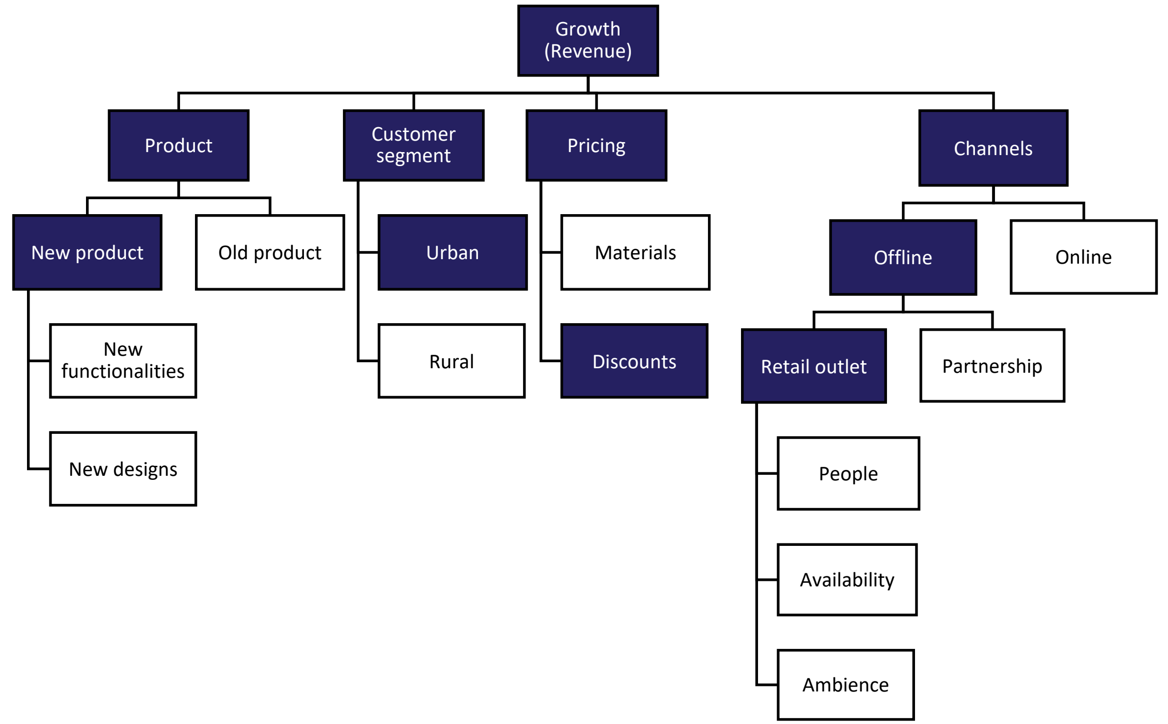
This looks good. We can close the case now.

Furniture Retailer

The client is a retailer of furniture. They are one of the largest retailers in India and are a part of Top 100, but they are not able to grow their business. Can you help identify what could have gone wrong?

Background Information

- **Company** – Furniture retailer selling in the offline format
- **Competitor** – The client is a major retailer with a position in the Top 100
- **Customer** - The store in question serves urban customers
- **Product** – Sells furniture via retail stores pan India



Case recommendations

- Breaking down such cases into different channels of distribution.

Case tips

- The focus of the interviewer was mainly on the breadth of factors covered by the interviewee. The more understanding of the business one would have, the better it would help in such a case.
- The recommendations played an equally important role as the focus of the client is on increasing growth (revenues).

Furniture Retailer

The client is a retailer of furniture. They are one of the largest retailers in India and are a part of Top 100, but they are not able to grow their business. Can you help identify what could have gone wrong?

Sure. May I know more about the client. Does the client sell through an offline or an online presence? If it is offline, how do they sell and where are the stores located?

The client sells furniture only in the offline medium through retail stores. They have a pan-India presence but let's consider that the problem faced by them is at a particular location only. Why don't you tell me what factors you would consider to assess the present condition?

To understand the present situation, I would like to essentially look at four factors – product, customer segment, pricing, and channels. Since we know that the client sells furniture only via retail stores, I would like to understand the other factors because I can make any recommendation. To start with products, may I know what kind of furniture does the client sell and is it in line with the latest trends or is it more classic in nature?

The client sells normal day-to-day furniture. They are trying to introduce new furniture similar to the old ones but with better designs and functionalities.

Can I know more about the customer segment the client caters to? Are the customers urban or rural?

The customers are urban residents. The location of the retail outlet is not in a rural area.

As the client serves more urban customers, do we have any data on the customer demographics? Are the customers a couple or single or are they looking to buy furniture as a replacement?

We do not have this data as of yet.

Okay. To move further, can I know more about the average revenue per customer. This would be a function of the number of addressable customers*the conversion rate*number of items purchased*price mix.

Let's not look at this formula. Why don't you look at the pricing of a product.

Sure. In that case, I would like to consider the material cost and discounts given to understand the pricing of the products. May I know whether the products are of high quality or low quality? Also, are the discounts competitive in the market?

The client deals in high-quality furniture and yes, the discounts are on the lower end as compared with the competitors.

Though the discounts are lower than the competitors, is it right to assume that the customers still visit the store because of the high quality products offered?

That seems reasonable.

To understand the conversion rate of customers, can I know more about the retail experience offered? How is the feedback for the employees deployed at the store and what about the ease of locating various products?

The employees are dedicated and have been working for the client for a long time now. When it comes to the retail experience, the ambience is a little outdated and they don't have many products on display for the customers. They also do not allow the customers to test all of their products on display. Let's wrap it up now. Can you share some recommendations for the client.

Sure. I would like to share recommendations for each of the factors discussed. Firstly for the product, the client can incorporate customised product offerings to have an edge over the competitors. They are already trying to introduce new products so marketing would be essential to showcase the differences. For the customer segment, the client can conduct a customer analysis by storing their information to understand their preferences and their backgrounds to be able to provide the right products and increase revenues. For pricing, the client can provide higher discounts on specific occasions to attract customers and ensure it is competitive. For the channel, the client can increase the store size to be able to display a larger number of their offering and also provide a product test to meet customer satisfaction. They can make use of the latest advancements in technology and use augmented reality to show their products in various settings. The client can also think of developing its own website and create an online presence.

That sounds good. Let's close the case now.

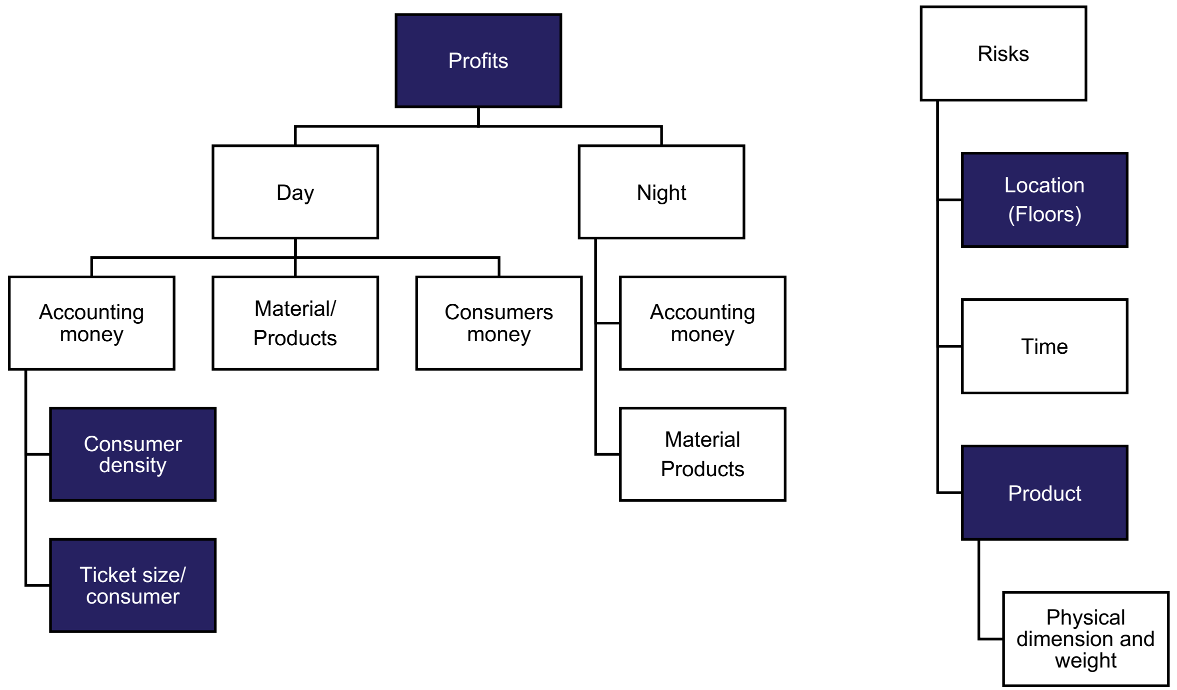
Unconventional

The Robbery

You are a thief planning a robbery in a mall. You have pinned down three places which you can rob: 1. A chai shop; 2. An Archie's shop; 3. A furniture shop. Which one will you choose and why?

Background Information

- **Location** – Present in a mall with Chai Shop in food court, Archie's shop on 2nd floor and Furniture shop on 1st floor.



Case recommendations

- Go with the Archies shop if in a quick need of money as the items will sell easily too (the ones that are robbed).
- If the need is not dire then rob the furniture store. As the rewards are high.
- Take up the chai shop robbery only when I want to hone my skills of being sneaky.

Case tips

- This case was related to the cost vs benefit analysis of acts to be committed by the thief.
- Thinking about all the sources of money and expressing them explicitly is a good idea.
- Different times of robbery can be incorporated in the framework if it doesn't render it more complicated.

The Robbery

Interesting, so if I understand the situation correctly then all these shops are in the mall. Am I correct?

Yes, that is right

So, are these shops located on the same floor in the mall?

Good question, so they are on different floors. The chai shop is in the food court, the Archies shop on the 2nd floor and the furniture shop on the 1st floor

And are we planning the robbery at a particular date or time of the day?

It's all up to you to decide.

Here I would like to think like a thief. I would always like to increase my profits and reduce my risks and at the least balance them. So, I would first like to analyze the sources of profit in all the three situation and at morning and nighttime of the day.

That seems fair.

If I rob in morning there are three sources of profit. First one being Accounting money, secondly the materials of use and the third one being customer or consumers' money. At nighttime, the materials of use and accounting money will still be there, but consumers will be absent. Now, I would like to look at each stop, using these three parameters at night and daytime. Also, I would like to divide the accounting money further into consumer density at the place and ticket size per consumer. Should I go ahead?

Yes please, go ahead.

If we talk about the chai shop, I assume it is like the Chaayos one and thus the consumer density will be high at the daytime. But the ticket size will be low. Also, the materials used will not generate enough value worthy of being robbed. The positive side here is that there can be more offline money transactions rather than online. This can generate value both on consumer end and on the accounting money end.

Second is the Archies shop. Here the consumer density will be lower than that of chai shop, but it will still be significant. The ticket size will be higher, and the transactions will involve both online and offline modes. Also, the materials or products of the shop can generate value in the market and are easy to carry. This makes a potential spot for robbery on all the three accounts both during day and nighttime.

Third is the furniture shop. It will have the lowest customer density, but the ticket size will be highest. Here the materials or products used are or high value but are difficult to carry. Also, the transactions being of high value will be done mostly online. So here the accounting and customer money will be scarce and contain high risk. The only potential gain is through furniture robbery which can be commenced at the nighttime only. Now I would like to analyze all the three cases based on location. Should I go ahead?

Yes.

Okay, so based on the location, chai shop is in the food court and these are usually on the topmost floor of the mall. This makes it a tricky place to rob and since the returns are low and only generated when the crowd density is high, I would like to avoid that. Archie's shop is at the 2nd floor. It is accessible and the items can be snuck into an overcoat or any cover without the knowledge of the owner. This can be a good spot to rob at the daytime as there will be plenty of customers and no one will notice a thing or two missing. The furniture shop is at the ground floor. Easiest to access but the product is most difficult to rob. It is going to be a nighttime robbery where we would like to get the most expensive piece of furniture. It has high risks but high rewards.

So, I would like to go with the Archies shop if I am in a quick need of money as the items will sell easily too (the ones that I robbed). If the need is not dire then I would like to rob the furniture store. As the rewards are high. I will take up the chai shop robbery only when I want to hone my skills of being sneaky.

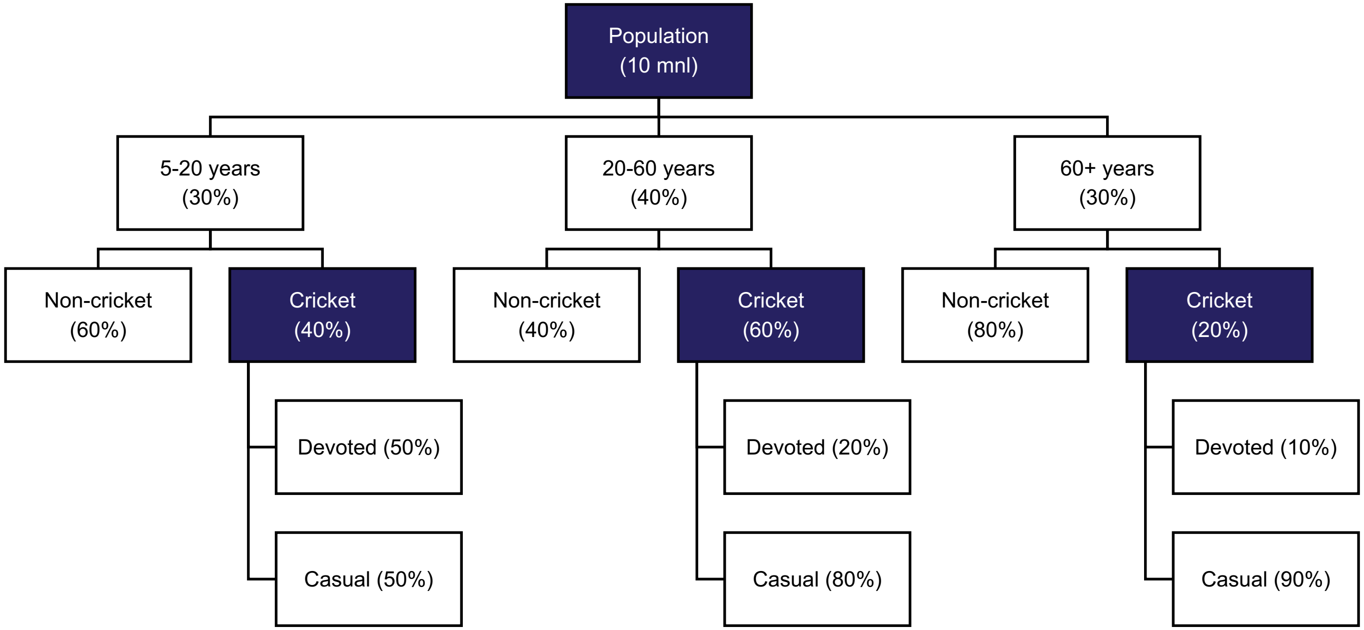
That was amazing. Thank you, we can close the case here.

Apparel Partnership with IPL

Your client is an apparel brand that wants to partner with an IPL Team. What considerations will you take into account?

Background Information

- **Client** – Apparel manufacturer
- **Product** – Shirts, Cuff-Links, Ties, Denims. Think of Raymond's



Case recommendations

- Consider the following factors to choose the team - brand image, location (for regional fan following), Brand Ambassador, competing and associated brands, as well as position of major sponsors of the team.
- For estimating the number of people watching a cricket match in a city, divide the population by age. Then, consider cricket watchers and non-cricket watchers. Further divide them into die-hard fans (who watch every match) and casual viewers (who would watch only half the matches) to reach a number of 2.67 million people.

Case tips

- Coming up with a relevant MECE segmentation of the population is the key in this case.

Apparel Partnership with IPL

Alright, may I know what sort of brand are we talking about?

It's an apparel brand.

In apparel, do we know what line of products they are into?

Shirts, Cuff-Links, Ties, Denims. Think of Raymond's. Walk me through the considerations you will take for the brand.

I'd start with the goal and the vision behind partnering with an IPL team. Does the brand want to appeal to a younger crowd since they are currently primarily into formal wear? Do they want to break free from a mature brand-image.

That's right, the brand wants to become more youthful, contemporary. What other factors would you consider in selecting the team with which to partner?

The different factors would be brand-image, each team has a persona and image associated with it, so what kind of team would we want to be associated with, a winning team, a young team, a popular team etc. Then we would look at the location since IPL teams have a regional fan following, the region in which we want to break into most strongly will affect this criterion. Brand Ambassador would be next, do we already have a cricket star as a brand ambassador and do we partner with their team. Competing brands, does the team have a partnership with a competing apparel brand. Major sponsor, where in the list of sponsors are we looking to stand, from the title sponsor to a side association. The associated brands, do we have a conflict with them.

Do you think cost would be a factor too?

I am going with the assumption here that since there are just 8 team, and they're all in the limelight, the cost difference between the highest priced and lowest priced team won't be as significant.

Fair enough, you spoke about the regional fan following of teams, so would partnering with a Bangalore team hamper our sales in say Delhi?

There will be a segment of the market that would be die-hard Delhi fans and might not go for a brand that's associated with a competitor, but that will most likely be a small segment. There'll be a larger segment who'll watch IPL for the entertainment and won't care much about the brand being associated with the Bangalore team.

Can you estimate how many people in Bangalore would be watching an RCB match?

Sure, should I consider a regular league match or some important match like the playoffs?

Just take a regular match for now.

Should I estimate the number for a day match or night?

Night match.

Sure, also should this match be on a week-day or the weekend, say Friday night maybe?

How will that matter?

Well if it's a weekday then there would be some students who would have some sort of homework the next day, or people with jobs who would have some tasks and come back from work so their viewership would be affected.

Right, let's go for a weekday for now.

Alright, so assuming a population of 10million people, I'm going to split them into 3 categories, 5-20 years, 20-60 years, and 60+ years of age. The population split I'm taking is 30%, 40%, 30%. Further I'm going to divide them into Cricket watchers and non-Cricket watchers. Among the cricket watchers I'm further divide them into die-hard fans and casual watchers with the assumption that the die-hard fans will watch every match and the casual fans will watch half the matches. Putting the numbers and calculating the final answer comes out to be approximately 2.67million people.

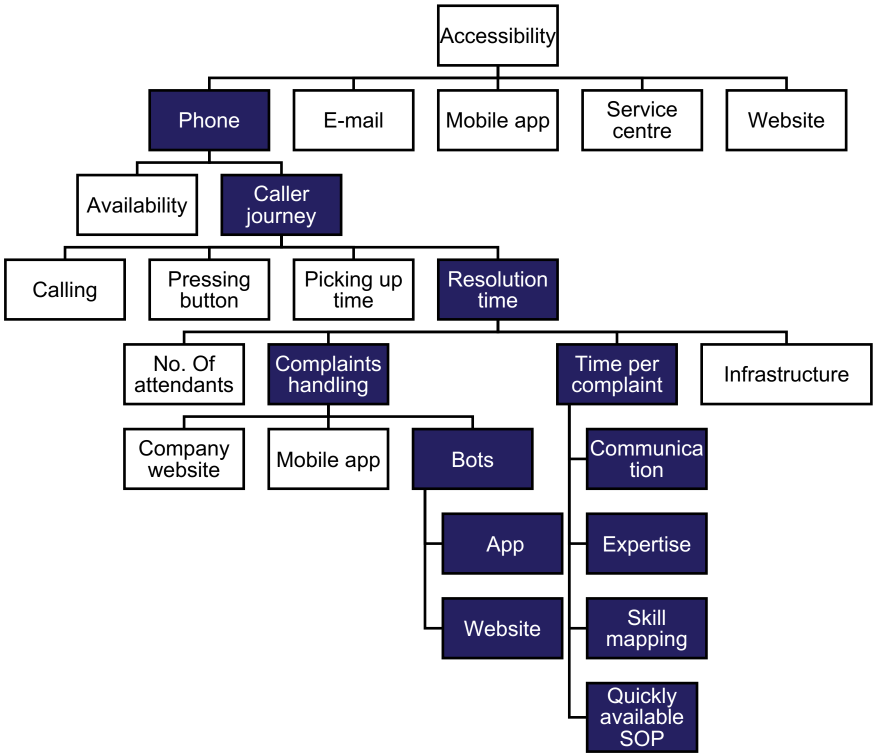
Great. Thank You.

Telecom Customer Service

The clients company has been receiving a lot of complaints about its customer service department and would want you to look into it and fix it.

Background Information

- **Timeline of complaints** – 2 years
- **Client** – Telecom company dealing in internet and cable TV operations in India
- **Competitors** – 4-5 Players operating in the industry with similar market shares
- **Product** – Company sells Direct TV, Broadband and 4G
- **Customers** – 1 million subscription, 50 million free services
- **Location** – PAN India



Case recommendations

- Provide self help resources like user manual for products, website for FAQs, app for complaint redressal.
- Equip call attendants with a quick and structured list of answers to common queries for faster assistance.

Case tips

- Short term –Train customer handling professionals better and create better expertise.
- Long term – Streamline complaints registration and resolution though a mobile app
- Long term – Introduce and Interactive Voice Response System

Telecom Customer Service

Before getting into the reasons for increased complaints, I have a few preliminary questions. Since when are we seeing an increase in the number of complaints? Is this a factor of something better being done by a competitor?

Let's dive into the case first and I will answer these questions on the go. The problem is being faced pan India and some of the products and services being offered include direct tv, broadband, 4G.

First, I will try to understand the different reasons for which the customers require "customer services". Then I will look into the different avenues through which the customers could contact the company.

Sounds good! Let's call the first step "Needs" and the second step "Accessibility". Let's talk about these first.

Needs would include help/queries about current features or products, complaints about current features/products, enquiry about additional features (e.g., changes in calling or internet pack) . These could be accessed via: phone calls, emails, company website, company's app.

Sounds good! But do you think there's one more way through which the customer could access the client's services. Especially relevant during 2014-2015 when internet didn't have as much penetration.

Through the physical service centres!

Correct! Now the client is facing problems because of its calling feature. What shall we do next?

I will try to break down a caller's journey to understand at which step the caller is facing a problem. A caller will search for the customer care number, they will call and wait for the attendant to respond, they will be given a compliant reference number, their issue will be resolved then and there, or they would need a follow-up. After their complaint is resolved, their reference number will be closed, they might be asked for feedback later. I'm assuming that all of this will also be recorded. Do we know at which step we are facing a problem?

I really like how you've broken down the caller journey. My client was facing a problem at the second step – when the customers call and get their issues addressed.

Customer will make the call. I'm assuming that they will hear an automated tone which will direct them to press some digits on their phone to reach the required facility.

After connecting with an attendant, their issue might be resolved by the same attendant, or they would be directed to some other attendant. Their issue might finally be resolved.

Correct! There are different "wait times" associated with the entire process and callers often drop off because of the inconvenience they face because of huge wait time. Would you help me define each one of them?

Wait time 1: time the caller takes to reach to the correct facility/attendant. It often happens that you need to press a lot of buttons until you get to speak to the correct POC.

Wait time 2: time the customer care person (attendant) takes to pick up the call
Wait time 3: Time the attendant takes to resolve the issue. They may direct the complaint to another person, which will again lead to some wait time.

Our client was facing problems with the wait time 2 and 3.

Wait time will be a factor of number of complaints, number of attendants, time taken to resolve a complaint and the infrastructure available with the client.

Excellent! I like how you're structuring the problem. Let's call the number of complaints as n, number of attendants as x and the time per complaint as t. Could you make a formula for me to get to the average wait time or avg time taken by an attendant. Then we will see how we could reduce the same.

Average wait time will be: (Number of complaints* time per complaint)/Number of attendants = $(n*t)/x$

Perfect! Out of these, the client doesn't have the budget to increase the number of attendants or improve the infrastructure available. We have only 2 options: either to address the number of complaints or the average time taken by an attendant. Let's look at each of these separately.

Since we don't have a lot of control over the number of complaints, let's first look at the time taken by an attendant to resolve a complaint. Time taken by an attendant will depend on their manner of communications, their technical skills, their training and expertise. There should be a match between the strengths, area of expertise of the attendants and the type of complaints they are answering. Call attendants should also be given regular training sessions on how to interact with the callers.

Telecom Customer Service

Also, since there could be a hundred reasons why a customer might call the helpline number, the call attendants should have a quick and structured list of answers to general queries available with them such that they could offer help faster without thinking much

I absolutely loved your last recommendation. This is exactly what we had also recommended. Such a quick list is called an “SOP” in the telecom industry. Let’s see how we could decrease the number of queries or complaints now.

The company could come up with self help options. These could include user manuals in case of a product, company website with answers to Frequently Asked Question (FAQs), complaint redressal through mobile application, complaint resolution through bots (both calling as well as chatting feature)

This is EXACTLY what we had also recommended. We asked our client to streamline its complaint registration and resolution feature through a mobile application. We also asked them to introduce an IVR system.

What is an IVR system?

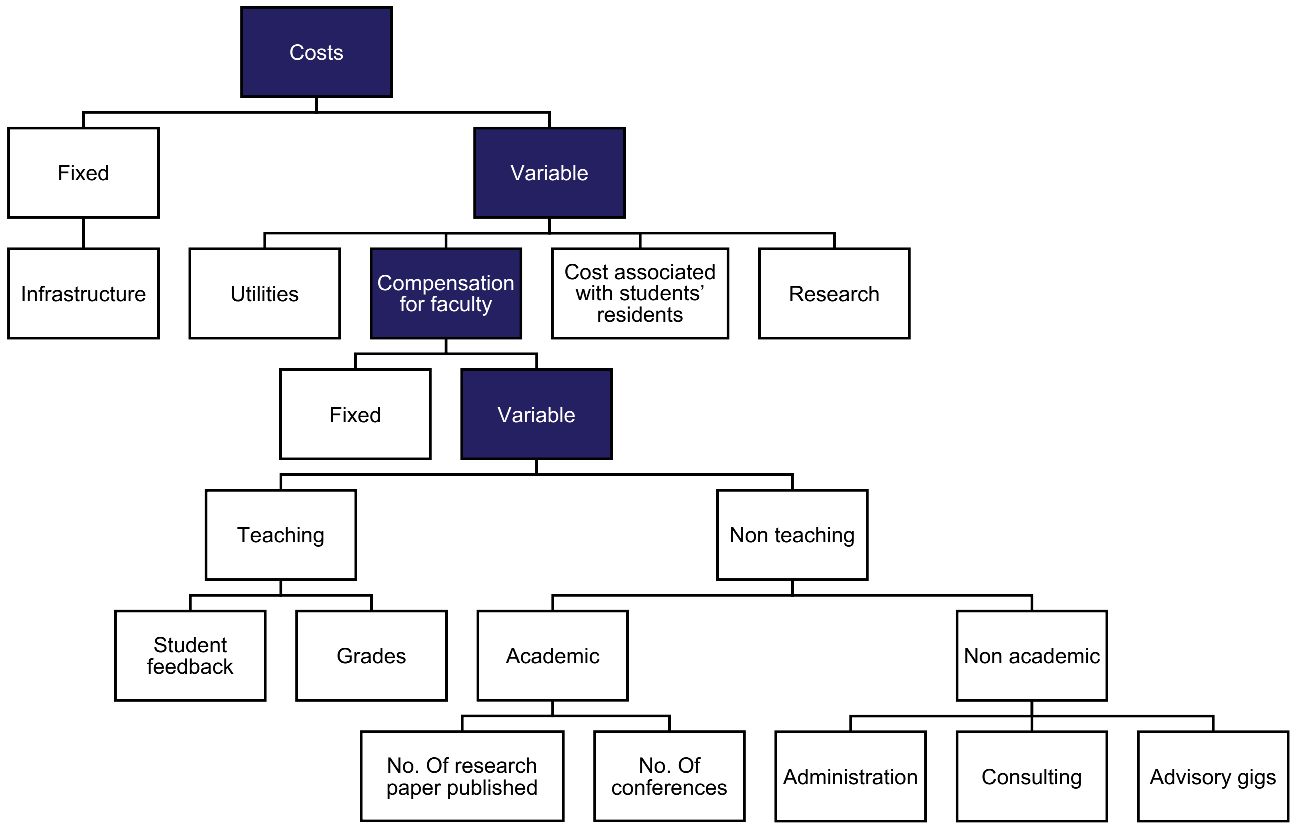
It’s an Interactive Voice Response System, exactly as you had recommended. You have made me and the client very happy. Let’s close the case now!

XLRI's Cost Optimization

A premier B-school in the country XLRI wants to optimize it's cost. Suggest them the way to do so.

Background Information

- **Client** – XLRI
- **Location** – Jamshedpur



Case recommendations

- Follow a MECE approach top to bottom and list down all fixed and variable components.

Case tips

- Think about what all costs are required to run a institute and then try clubbing the similar ones under the same header.

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XLRI's Cost Optimization

Let's say XLRI is our client. They want to optimize their costs. How would you go about it.

This sounds interesting. I would first divide XLRI's costs into two major buckets, fixed and variable. Fixed would primarily include infrastructure and variable would include utilities, compensation for faculties, costs associated with students' residents, research, etc.

For now, focus only on faculties compensation.

Understood. I think the compensation structure for faculties should have two components, one fixed and other variable. The variable aspect should depend on their teaching performance, research, admin work among other things.

Please tell me more about the KPIs you mentioned for variable pay.

Sure. The component to deciding variable pay can be divided into teaching and non-teaching activities. Teaching can include a range of things like student feedback, grades, and key learning outcomes among other things. Non-teaching can further be divided into academic and non-academic. Academic can include research output which can be measured based on papers published, conferences, etc. Non-teaching and non-academic can be administration-related work, consulting and advisory gigs.

Will student feedback be a good measure of a faculties teaching performance?

Feedback alone would not be sufficient but can be one of the measures. Other measures can be student grades, improvement in student performance, independent audit of key learning output among students, etc.

Since your variable pay is dependent on so many things, won't the teaching faculty go to some other b-school with less complicated compensation schedule? How would you prevent that?

This is a fair concern. XLRI can address this by first understanding the price that its competitor b-schools are paying and then plan their fixed and variable in such a manner that from all b-schools, a faculty will earn the most if they max out XLRI's variable pay component.

Is there any other XLRI specific advantage that you can leverage here?

I can think of two things. First, unlike most other top b-schools, XLRI is private institution. This allows it to have a far more flexible pay structure as compared to its government funded competitors. Next could be the Jamshedpur-Delhi campus duo.

How would you use the two campus as an advantage?

XLRI's Delhi campus has a location advantage which can be leveraged. For instance, Jamshedpur faculties can be offered a role in Delhi campus for a pay cut if they wish to move to a metric city like Delhi.

Alright. So, you want to optimize XLRI's costs by managing faculty compensation. Let's say you want to decrease the existing salary of your professors without any attrition. How do you do that?

I think we can find a solution in our faculty costing structure. For instance, if we are decreasing the fixed pay to decrease the overall salary, we can use other variable components to fill up the gap. For instance, we can provide faculties institutional support to take up more research grants and external consultancy gigs.

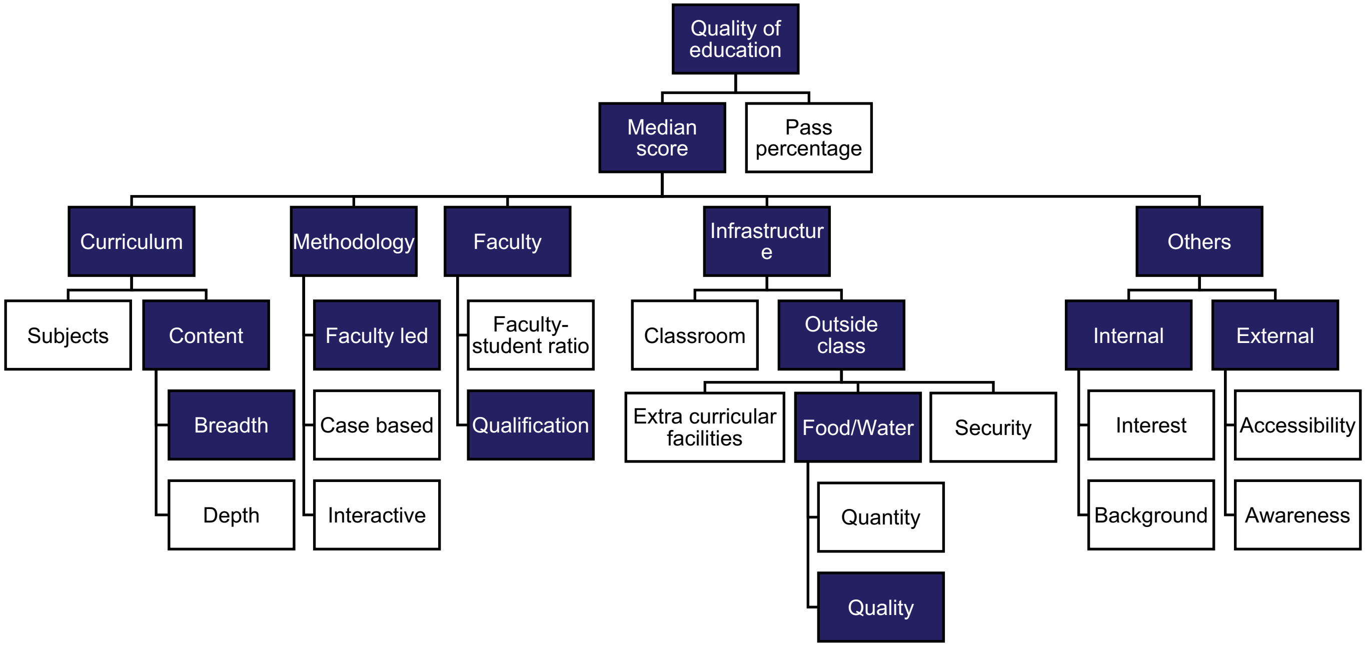
Alright. We can end the case here. Thank you for the discussion.

Improving Odisha's Quality of Education

Your client is Govt of Orissa and they have hired you to help them improve the quality of education for school kids in Orissa.

Background Information

- **Client** – Government of Odisha
- **What ?** – Improve mean score of school students
- **Why ?** – The state scored low during current year's survey
- **When ?** – Before the survey next year
- **Who ?** – Primary school students (1st to 5th standards) & secondary school students (6th to 8th standards)



Case recommendations

- Follow a MECE approach and list down all the key factors that influence Quality of education.

Case tips

- An interviewee led case with multiple issues.
- Absenteeism is prioritized because of its importance in attaining the objective, feasibility of implementation and measurability as a statistic.

Improving Odisha's Quality of Education

That is an interesting task! Could you please clarify what you mean by the quality of education and how would it be measured?

Good question! The performance of students in examinations can be taken as a proxy for the quality of education and the mean score of students can be used to measure it.

Alright! Are there any specific class of students for whom the analysis needs to be done?

For primary school students (1^{st} to 5^{th} standards) and secondary school students (6^{th} to 8^{th} standards) only.

Also, what is the objective of trying to increase the quality of education?

There has recently been a survey study and the state has underperformed in the education criteria. The objective is to improve the statistics of the state before the next survey that is next year.

Are there any other metric that needs to be looked at apart from the mean score?

What other relevant metrics can you think of?

Along with mean score we could possibly look at median scores and pass percentage of students too.

Good, but for now just focus on the mean scores.

Alright! We can start by understanding what and how things are being taught in government schools. For this, I would like to bucket the issue into 5 areas: Curriculum, Methodology, Faculty, Infrastructure and others

Okay go ahead!

I would like to start with Curriculum and sub-divide it into the subjects that are taught and the content of the subjects

The subjects that are taught are standard and same as other states. Could you look into content.

Sure! Content would consist of the breadth and depth of learning based on the number of topics and the details covered from each topic.

Yes, the content is too broad for the primary and secondary students to understand. Let's move to the next bucket now.

Now we have methodology. The teaching pedagogy can either be faculty-based, case-based or interactive with class discussions and participation. Which method is currently being used?

Most of the schools follow a faculty-based teaching pedagogy.

An interactive pedagogy is the most effective way of teaching among the three.

Agreed! What else?

We can now move to Faculty which can be analyzed by seeing the student to teacher ratio and the quality or qualification of teachers. Do we have any information about this?

The teacher student ratio is comparable to other states however due to budget constraints highly qualified teachers could not be employed. Good analysis so far, let's move ahead.

The next head is Infrastructure which I would like to further divide into classroom infrastructure and outside class infrastructure. The classroom infrastructure would consist of chairs, table, blackboard, fans etc. If the infrastructure is not up to the mark, the ability of students to learn is hindered.

The classroom infrastructure is good enough and does not hinder the learning ability of the students.

Okay! We can now look at the outside class infrastructure. The different segments within can be extra curricular facilities, security of students or food and water

What would food/water include?

Usually government schools provides mid-day meals to incentivize students to come to school, so are those meals available and is the quantity and quality up to the set standards?

It has been found that the food provided by the vendor is not of good quality and has led to students becoming unwell leading to absenteeism. Since you had defined an "Others" category. What would it consist of?

Others could include the reasons internal and external to the students. Internal reasons would include the interest of students to learn and family background. The external reasons would include the awareness and accessibility including transportation facilities.

Understood! However, these are not an issue. On a whole we have identified four issues that we can work on. However, due to time and budget constraints, we need to choose one among these four to invest in. Which issue should we start

Improving Odisha’s Quality of Education

with and why?

According to me, the absenteeism issue should be looked at to begin with. Firstly, attending school would have a direct impact on mean score of the students. Secondly, it is feasible as all it requires is to change the food vendor. Lastly, unlike other issues, absenteeism is measurable and would help as a stat in the next survey.

Good work! We can close the case here.

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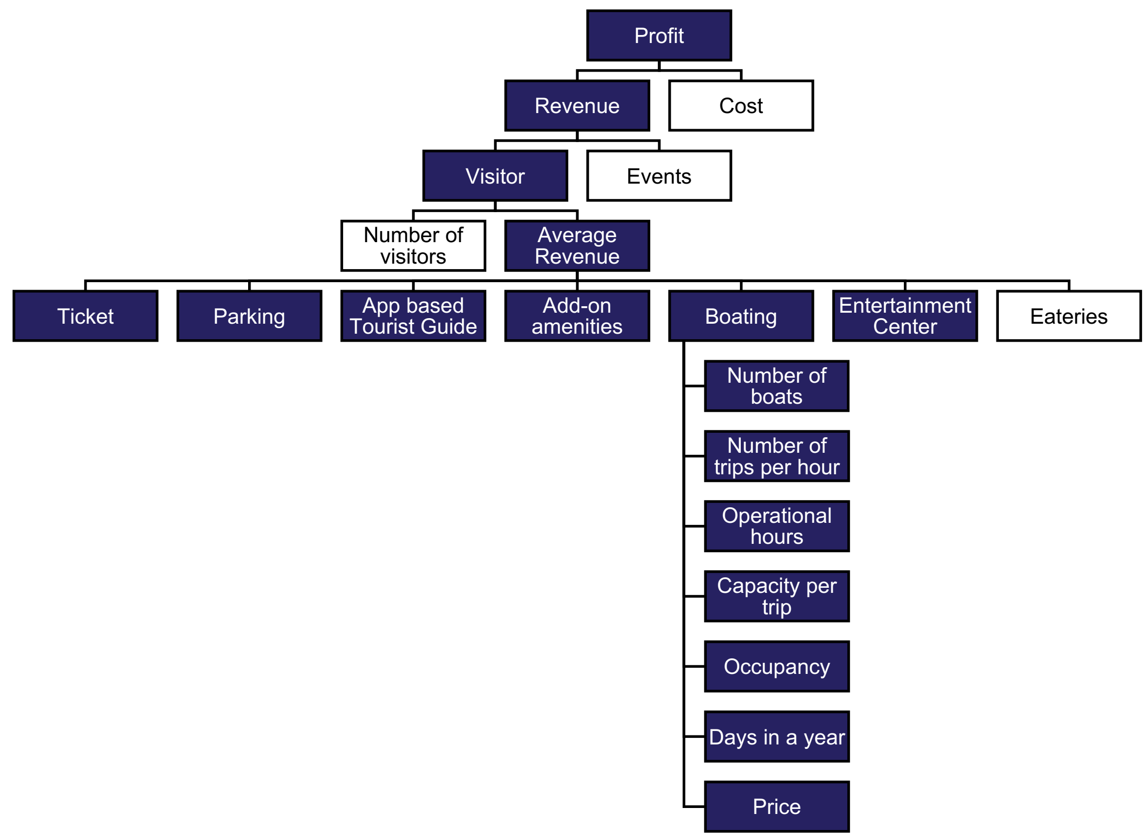
Victoria Memorial

Victoria Memorial, a monument in Kolkata, is currently managed by the West Bengal government. It earns an annual revenue of Rs. 1 crore and books a loss of Rs. 150 crore annually. The government is looking to outsource the monument's management to your client, a major private player in the industry, such that the government would earn 20% of revenues. Advice if your client should accept the government's offer.

Background Information

- **Company –** Market leader in managing monuments
- **Product –** Victoria Memorial- Palace, lakes & gardens
- **Competitors –** No other competitor offered similar offer
- **Consumers –** Foreign tourists (20%) & all age groups



Case recommendations

- Consider all possible sources of revenue considering the topography.

Case tips

- Analyze the different possible revenue streams to determine if it would be profitable for the company to accept the offer.
- The case was interviewee led and the candidate identified how to put a price on different streams.
- State the different constraints that is making the offer impractical before rejecting it.

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Revenue Stream	Details	Rs. / visitor
Minimum Target		**Rs. 190**
Ticket Revenue	Rs. 30 for Indian residents (80%) Rs. 150 for Foreigners	Rs. 54
Parking	Rs. 20 for cars for 4 members Rs. 10 for bikes for 2 members 50% public transport	Rs. 2.5
Boating	Rs. 9 crore annually	Rs. 9
Entertainment Center	Rs. 9 crore annually	Rs. 9
App based tourist guide	Rs. 50 per session 20% people buy it	Rs. 10
Eateries	50% people end up spending Rs. 80 (approx.)	Rs. 40
Total		**Rs. 134.5**

Case recommendations

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Case tips

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Victoria Memorial

Interesting! Just to reiterate, the revenue is 1 crore while the cost is 151 crores, and the client would have to meet all the costs from the 80% of the revenues.

Yes

Alright! Could you throw some more light on the client and what are the client's objectives behind considering the proposal

The client has a pan-India presence and it manages multiple monuments. It has about 60% private sector market share in the industry. The client wants you to analyze if accepting the proposal will make financial sense and what are the risks associated.

Since I have never been to Victoria Memorial could you run me through the different areas there?

Sure! There is a palace which houses historic artifacts, also there are multiple gardens and a lake.

Do we have any demographic segmentation of the visitors in terms of age or tourists to Indian residents' ratio.

A lot of families visit and thus there are people from all ages. The tourists to Indian residents' ratio is 1:4.

In order to make financial sense, the monument should earn at least more than 20% profits. To bridge the 150 crore loss we need to decrease costs and/or increase revenues.

Assume that costs cannot be reduced, look into ways to increase revenues.

Alright, what are the current revenue streams?

As of now, the only revenue stream is the ticket revenue with ticket being priced at Re. 1.

Thus, currently we have 1 crore visitors per year. We can look into multiple revenue streams divided into 2 major buckets: from renting out for events and from general visitors; for the former we could rent out gardens for events and shows.

Based on government rules, the monument land cannot be rented or leased to any other organization.

That restricts our entire focus to the visitors. To increase the revenues, we look into ways to increase the number of consumers and the revenue per visitor.

The government has tried but increasing the number of visitors is not possible.

Alright! Given the facts, the breakeven revenue required is about 190 crores (151*100/80), thus at an average every visitor should spend at least Rs. 190 to make the proposal financially viable. We could look into the following heads to achieve that.

a) Ticket revenue, b) Parking, c) Additional amenities like an entertainment center in the gardens or boating in the lake, and d) Value added service like an app-based tourist guide.

Sounds good! Let's look at each head one by one.

In order to increase ticket revenue, we would need to increase the ticket price. We could resort to differential pricing for tourists and for natives after looking into price elasticity of each segment.

With a reasonable and competitive pricing, price elasticity would not be an issue.

Based on my experience, Rs. 30 is a competitive ticket price for Indian citizens and foreigners would be ready to pay about $2 for a similar monument in their native place which makes it Rs. 150. Thus, at an average each person spends Rs. 54 on ticket price.

Next, we can look at parking. Let's assume 50% people travel by public transport and other by private transport and for the sake of simplicity can we assume the 50 % travelling by private vehicle is equally divided between cars and bike?

Yes that's fine.

Now, by experience bike parking fee is Rs. 10 and has 2 riders, car on the other hand is Rs. 20 with 4 riders, thus people using private transport will be spending Rs. 5 per person on parking leading to Rs. 2.5 per person on average. Moving to additional amenities, I would like to start with introducing boating facility in the lake. Maybe we could look at customer demographics and figure out how many people would enjoy boating.

Is there an easier way to calculate that?

Yes! We can estimate this from a capacity angle. Do we have any information about the size of the lake, how many boats can we have and operational hours.

Let's assume, there are 30 boats with a capacity of 10 people. A Rs. 50 ride lasts for 30 minutes and it is operational for 10 hours in a day.

Victoria Memorial

Thus, we can earn a revenue of Rs. 9 crore assuming 300 as working days in a year. On a per person basis that translates to Rs. 9/person. Now, we can consider other amenities like an entertainment center in the gardens and an app-based tourist guide.

Take the entertainment center to be comparable to the boating, so that is another Rs.9 per person. How would the app-based tourist guide work?

The idea was that any person/family can download the app and upon receiving the payment in the monument they would unlock a virtual guide that will guide them through the monument briefing them about the history and importance of the monument. We could charge about Rs. 50-70 for the same.

Are you assuming everyone would take this up?

No everyone would not be using it. We would be lucky to get about 20% of the people to pay for it.

Thus, based on your approach that adds approximately Rs. 10 out of Rs. 190 needed. Do you think we would be able to reach the minimum target of Rs. 190 considering only the breakeven.

So, till now based on all the calculations every individual would be spending

Working under the constraints of constant costs, not being able to increase the number of visitors and not being able to rent area for events, we would be able to earn about Rs. 100 to Rs. 130 per person on average falling short of the breakeven mark. Thus, going forward with the idea would not be the best idea as of now.

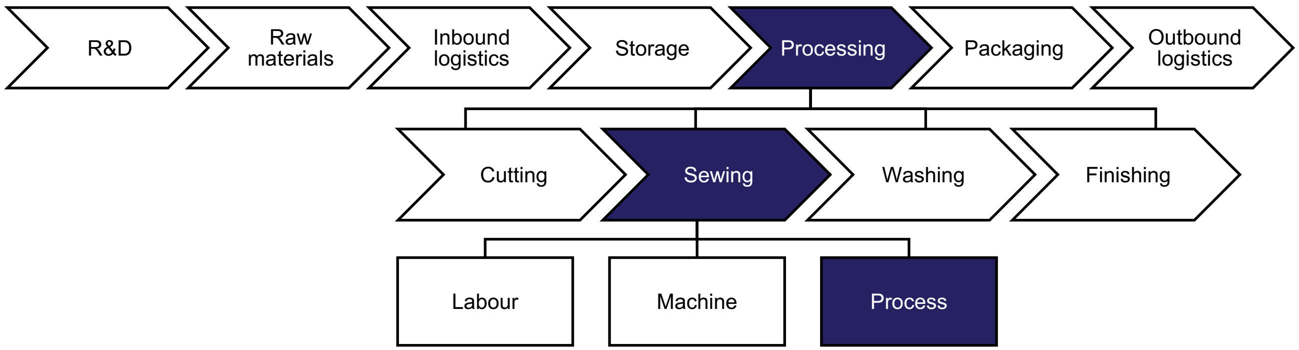
Thank you! We can close the case here.

Apparel Manufacturing Company

An apparel manufacturing company based out of South Asia wants to increase their efficiency. They have hired BCG for the same.

Background Information

- **Client** – Premium range Casual & inner wear manufacturer. Offers multiple products.
- **Competitors** – More efficient than clients
- **Location/Geography** – India, Sri Lanka, Bangladesh



Case recommendations

- Asking the definition of efficiency is important as it can vary from one industry to the other.
- Mentioning the points regarding digitalizing or automating the scheduling is a good point which can be used whenever there's an issue with scheduling.

Case tips

- Look beyond the prima facie numbers as this can get some additional points.

Apparel Manufacturing Company

Can you tell me something about the client? What kind of apparels it manufactures? Where is it based out of ? And is the client only a manufacturer or are they present in retail as well through their own outlets ?

The client manufactures both casual wear and inner wear and offer multiple product categories within the same. They are based out of South Asia, namely India, Bangladesh and Sri Lanka. The client is just the manufacturer.

Okay, thank you. Can you also tell me why exactly does the client want to increase efficiency suddenly? Is it because it has been declining or is it because it is lower than our competitors ?

Client's efficiency is lower than its competitors.

Okay. Lastly, what exactly do you mean by efficiency? How would you define it in terms of the apparel industry?

Good question. Efficiency is defined a bit differently with respect to apparel industry. The formula is Standard hours needed to produce the garments/ Total production hours. For example, if ideally a garment is produced in 0.5 hours and 10 garments are produced in 10 hours, then efficiency will be (10*0.5)/10=50%

Understood, thank you! I'd like to look at the value chain to identify where exactly the bottleneck lies and the reason for the same. And then I'll come up with recommendations to increase efficiency.

Sounds fair. Go ahead.

Sure, thank you. So, in the value chain, I'd consider R&D, raw material procurement, inbound logistics, storage and warehousing, outbound logistics, processing, packaging and outbound logistics. Do you think there's a particular stage where we are facing lower efficiency or shall I explore one by one ?

The processing stage is facing lower efficiency.

Okay, thank you. Before I proceed further, I'd like to know the steps involved in the processing stage.

Sure. So, there are 4 major steps involved in the processing stage: cutting, sewing, washing and finishing.

Okay. And can you also tell me the current efficiency of each of the steps?

Yes, it is 95%, 70%, 95% and 90% respectively.

Ok, sewing step has the least efficiency. But there could be a possibility that the overall lower efficiency is not because of it.

Why ?

Because there could be a case where effectively a less efficient process is producing more garments due to shorter standard hours. And assuming that the order of 4 steps has to be followed for each garment, the less efficient process may not be the bottleneck. Example: if two processes A and B have 50% and 100% efficiency respectively, but the standard hours for A is 0.5 and B is 1, then both will produce 10 garments per hour.

That is a great point. But for this case, sewing step is the bottleneck.

Okay, so I'd now analyze this step on three parameters where efficiency could be increased: labor, process and machines. Are the labor and machinery sufficient in number and performing upto the expected capacity? And are there any further steps involved within sewing? Is the overall process scheduled in an optimum manner.

Yes, there are 20 operations within sewing. Labor are working up to capacity but there could be an issue with distribution of labor. There's issue with scheduling. For simplicity, assume 3 operations A,B and C and a required capacity of 150 garments/hour. Standard time per garment for A, B, C are 0.5 min, 1 min and 2 mins respectively. How many labor should be allotted.

A, B and C generates 120, 60 and 30 garments respectively in 1 hour. Therefore, to generate 150 per hour, 1.25, 2.5 and 5 people are needed theoretically. Practically 9 people would be needed: 5 for C and 4 for A & B. One laborer will need to shuffle between A & B. There would be an ideal time of 15 mins for one person. Approximately 3% time is being wasted which could be improved upon.

Great. What are your recommendations for this?

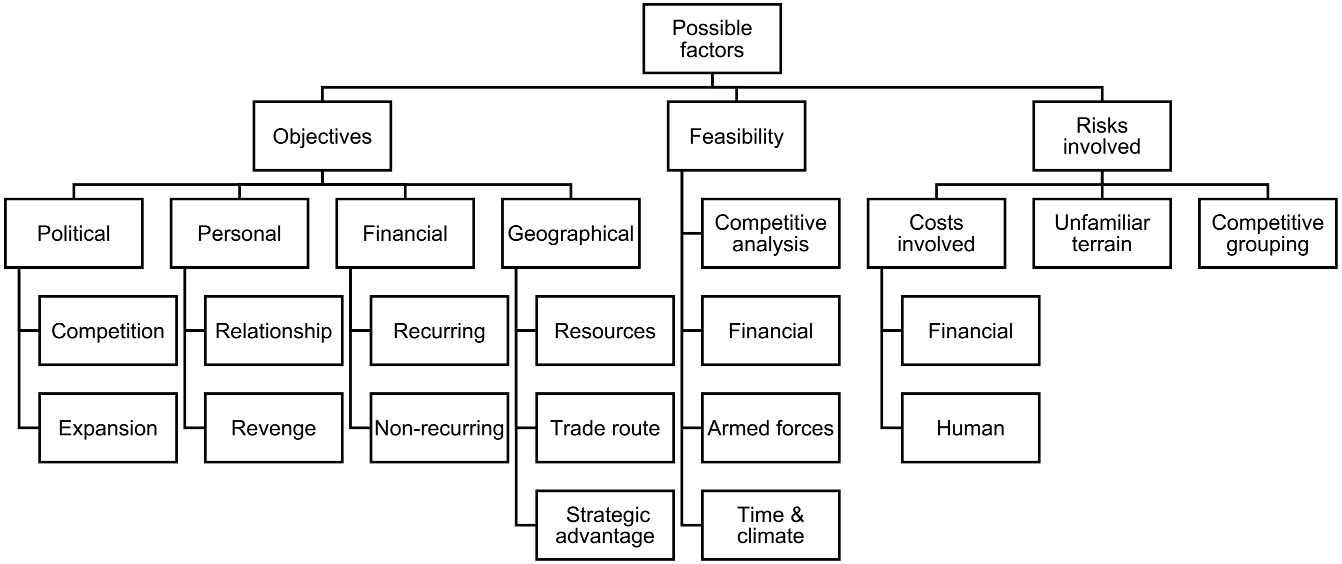
Since there are 20 operations, these 15 mins could be adjusted with the remaining 17 operations. Also, the distribution and scheduling could be done using a software so as to ensure the best possible schedule.

Akbar & Birbal

Akbar wants to invade the Rajputana. He has approached you, Birbal for advice.

Background Information

- **Client** – King Akbar looking to expand his territory in 16th century
- **Competitor** – Neighbouring provinces which are uncaptured by Akbar. Major competition from Marathas
- **Capital City** – Delhi
- **Timeline of Invasion** – Within a month



Case recommendations

- In order to avoid the Human and Financial cost, the best foot forward would be to go down the is the diplomatic route involving peace treaties, trade agreements and personal relations.

Case tips

- This case checks your ability to apply knowledge in a structured way.
- The key here was to be calm as this was an unconventional case with no predefined structure.

Akbar & Birbal

So, Akbar is looking to expand into Rajputana and wants Birbal's advice on the same.

That's correct

Is Akbar's empire currently stable? Where is the capital. If he decides to go ahead with the invasion, does he have a timeline in mind for it?

The empire is stable, and the capital is in Delhi. He would prefer the invasion to start in a month's time.

Who are his competitors at present?

There are many small competitors, but the main threat is posed by the Marathas.

What is Akbar's objective for invading in Rajputana?

What do you believe could be his objectives? Give me an exhaustive approach to analyse his possible objectives.

His objectives could possibly be of political, personal, financial, or geographical in nature. His political objectives could be due to inherent competition or due to his political will to expand. Under expansion he could look to either reinstate the same ruler under his name or join both the armies and have someone from his court rule on his behalf. Personal motives could be prospects of a marital relationship or revenge.

Okay, go ahead.

On the financial front, invading a new territory would allow him to secure a recurring revenue stream in form of taxes and a a non-recurring revenue stream of treasury. Lastly his geographical objectives could be expanding his accessible natural resource base, taking control of an important trade route or allow his army to secure a competitive advantage at times of crisis.

Fair, now how would you approach this question?

I would like to evaluate this decision based on the feasibility of invasion and the possible risks involved. Do you think this a good approach.

Yes, go ahead.

The feasibility of invasion depends firstly on the strength and weakness of our competitors. Rajputana is a very prosperous cluster with mighty armed forces and strategically built forts which could pose an obstacle in our invasion.

However, one of the biggest drawbacks is the internal rivalry between the rulers of various provinces, thus disallowing them to pool their resources and present a tough front.

That's a good observation, what else could determine the feasibility of this operation?

Akbar can look at his current finances and would his treasury be able to hold the burden of a war. Also, the morale of his forces should also be best to be able to compete with the Rajputana forces. Lastly, he should also consider the timing and climatic conditions as to when we decide to invade.

Would you like to add anything more?

I would now analyse the risks involved in this invasion. The human cost to be incurred is a huge risk involved. It would hamper the morale of the army and weaken his army till he is able to recruit more soldiers and the surviving soldiers recuperate to fight again. Also, in face of invasion Akbar's army would have to fight in a terrain that is familiar to the enemy and would provide them a huge competitive advantage.

Good analysis, what would your advice be then.

Despite the strength of Akbar's empire, in my opinion the best way forward is the diplomatic route involving peace treaties, trade agreements and personal relations. This would prevent the large financial and human costs involved while also help Akbar to earn the goodwill of his subjects.

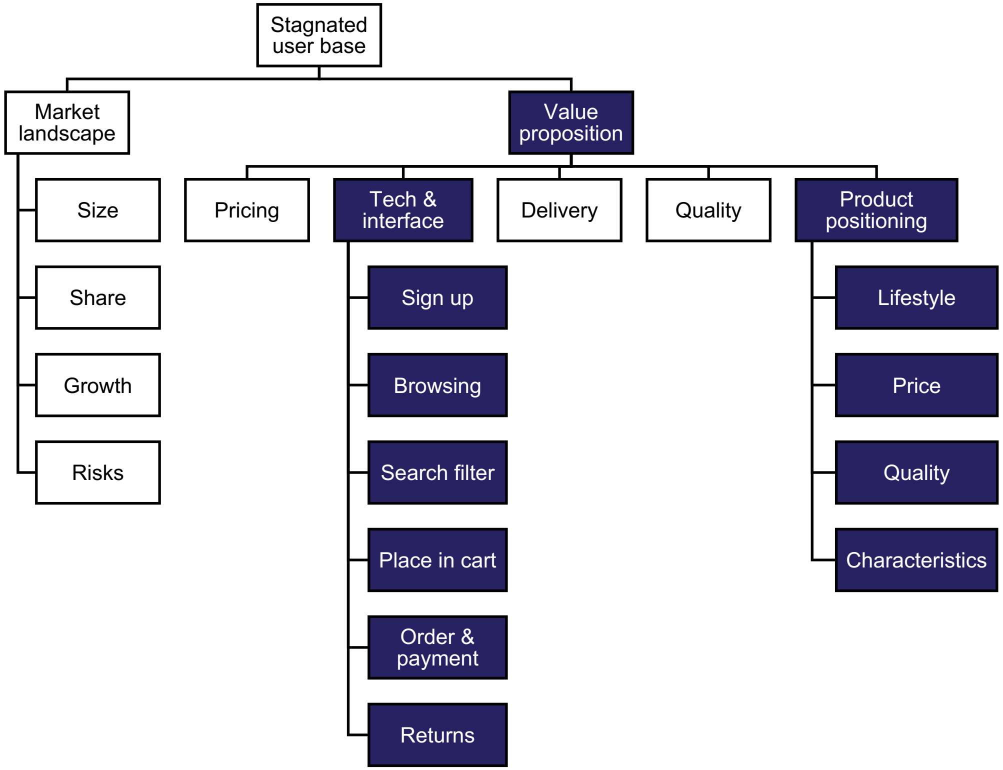
Great! We can close the case here. Thank you.

Consumer Tech Company

Consumer tech company issue of stagnated user base. Diagnose and figure out ways to improve net user base.

Background Information

- **Company** – Primarily an online retailer. Other business includes financial services, hotels etc. Pan India presence
- **Competitor** – Low growth amongst the competitors
- **Consumer** – B2C are the main customers for our client. The customer base has stagnated
- **Product** – Product gamut consistent with that of any normal online retailer like Amazon and Flipkart
- **Channel** – Primary online channel with the delivery part taken care of the client



Case recommendations

- For a short term, the client should look creating a difference in their value proposition by leveraging the technology and interface part and segment leadership.
  a) Make the interface enticing and easy to use to attract a user base from all the demographic segments.
  b) Incentivize new user base by giving them welcome offers and discounts on first and repeated purchases.

Case tips

- This was a moderate case. The interviewer was interested in checking whether the candidate could bifurcate the major components of the business model into smaller aspects.

Consumer Tech Company

Okay, just to reiterate my client is a consumer tech company whose user base has stagnated. We are expected to diagnose the problem and figure out ways to improve net user base?

Yes, that's right.

Do we have a timeline since when the stagnation in user base has been observed?

Yes, the user base has stagnated in the last 6 months

I would like to know a little bit about my client to understand the situation better. I would like to know what is the business model of the company. Also, does the company have a single revenue stream or multiple sources of revenue?

So, our client is an online e commerce company. It sells products that are consistent with the product catalogue of your average online retailers. The client has multiple sources of revenue like financial services, hotels etc. but the user base decline is concentrated primarily in the e commerce business.

Understood. Who are the target customers- B2B, B2C for our client?

It focuses mostly on B2C customers

Sure. Do we have any information on the geographical location which the client caters to and the competitive landscape in that market?

Yes, so the client is based out of India and the competitive landscape is fragmented and the competitors are facing low growth like our client.

I would like to start further investigating the decline by dividing the causes by into the existing market landscape and the value proposition of the company. Does this seem like a fair approach

Yes, please go ahead with this.

Right. I'd like to breakup the market landscape into market size, share, growth and risks. Do you want me to go ahead and do a market sizing to ascertain what %age of the target customers have we been able to convert before moving to the company value proposition?

So, the company has a very low market share at 5% and hence we know that there is a significant portion of the target population that can be attained. Can we investigate the value proposition of our client that can get our client those customers?

Okay, understood. In this case I would like to draw value chain for the app/website of our client to see what improvements we can do to distinguish ourselves. Does this seem like a correct approach?

Yes, you may proceed with this approach.

As I understand the major heads that can be there are as follows: Competitive pricing, Technology and interface, Delivery of the goods, Quality of the goods and as an add on maybe product positioning. Do you want me to go one by one or focus on anything particular?

Can we deep dive into the technology and interface part?

Okay, I would like to create a a user journey for this analysis. It starts with the downloading of the app which depends on the app availability. Moving on to the sign-up process which needs to be as easy as possible to attract customers for all age group. Next up comes the browsing, cataloguing experience and the ease of placing the order and making the payment. Finally, we have the returns section which plays a very important role in building customer confidence. Should I focus on any of these which might have been adversely affected by internal/external factors?

Okay so great breakdown of the journey and the potential part that each of them might play. It seemed self explanatory. Can you elaborate a little on the product positioning aspect before we close this interview?

Sure, so product positioning can be further divided into Price based positioning, quality-based positioning, lifestyle-based positioning and characteristics-based positioning. Product positioning can be leveraged to highlight the unique features of your product line-up to achieve high acquisition rate of target audience by designing the product lineup for their needs.

Okay. I think we can end the case here. It was good speaking to you.

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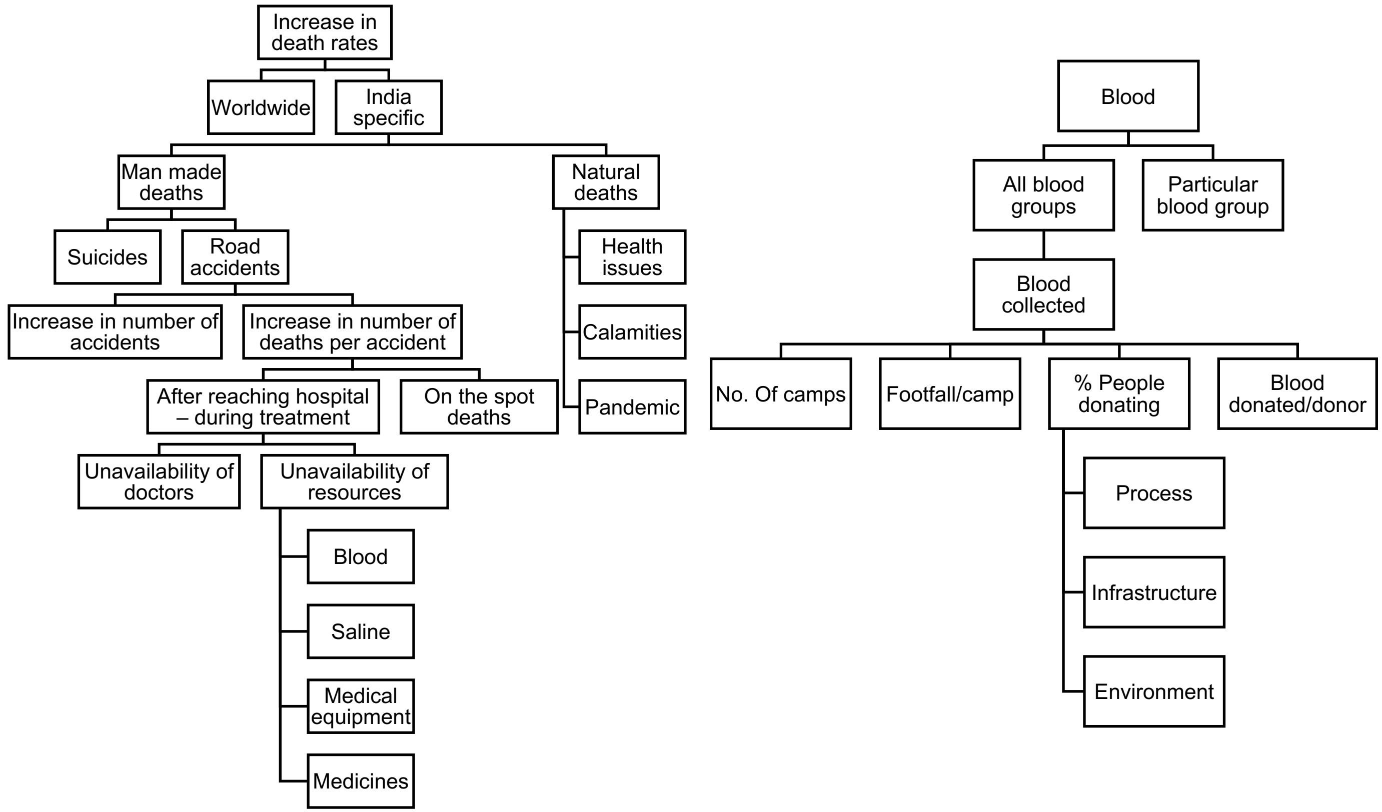
Increasing Death Rates

Your client is Government of India, and they are seeing increasing death rates for the past 1 year. Identify the reason.

Background Information

- **Client** – Government of India observing an increase in death rates
- **Geography** – PAN India



Case recommendations

- Trying to be MECE at each level.
- Staying calm and confident as there is no predefined structure.

Case tips

- This was a very tricky case, since this was not related to any particular industry unlike other cases. Hence, having a fair understanding of Indian demography was crucial in this case.

Increasing Death Rates

As per my understanding death rate is defined as the total deaths divided by the total population of the country, is this correct?

Yes, you can go ahead with this.

Sure, so has the death rates gone up in a particular state/zone or is it a country wide phenomenon?

It has gone up across the country.

Ok, so are there any other countries which have seen an increase in the death rates or is it specific to India?

The issue is specific to India.

Sure, so do we know whether the number of natural deaths increased or is it the man-made/accidental deaths? The natural deaths will include deaths related to health issues, calamities, pandemic etc. while the man-made deaths will include road accidents, suicides etc.

The deaths due to road accidents have increased over the past 1 year. Also, for this case you can assume that we are talking about the pre-pandemic period.

Thanks for the info, so the increase in deaths due to road accidents can either be because of increase in number of accidents or because of increase in number of deaths per accident. Do we have any data around this?

Good question, so the number of accidents has approximately remained the same.

Then this means that the number of deaths per accident is increasing. Now I would like to understand if the increase in the deaths is taking place after reaching the hospital or is it the on-spot deaths which are seeing a rise?

Again a good question, so we are seeing higher number of deaths in the hospital during the treatment.

Increased number of deaths during the treatment can be either because of unavailability of doctors or resources.

There has been no change in the number of doctors and their qualification over the period of concern. Can you elaborate a bit on the resources part that you mentioned?

Sure, so by resources I meant the things that are generally required in the treatment of an accident patient which will include the medical equipment, medicines, blood, saline etc.

Makes sense so we are facing shortage of blood which is leading to a greater number of casualties during treatment.

Ok so now I will try to identify the reason for the shortage of blood. Firstly, I would like to understand if we are facing the issue with a particular blood group or is it across all the blood groups.

The issue is across the blood groups.

Ok so as per my understanding the major of blood for the blood banks is the blood donation camps. Total Blood Collected=No. of Camps × Footfall /camp×% people Donating × Blood donated/donor

Right so the number of camps and the footfall per camp are unchanged, but we are seeing a dip in the number of people donating the blood after reaching the camp.

So, there can be 3 major reasons for the same. First is process related issue, second can be infrastructure related issue and third can me environment related issue. However, since the issue is across the country for past 1 year, process seems to be the most key reason.

You are right so the registration process at the donation centers has become lengthy due to some of the government regulation which has increased the length of the registration form significantly leading to lower conversion.

Makes sense, do you want me to deep dive further to understand the reason for the change in the process?

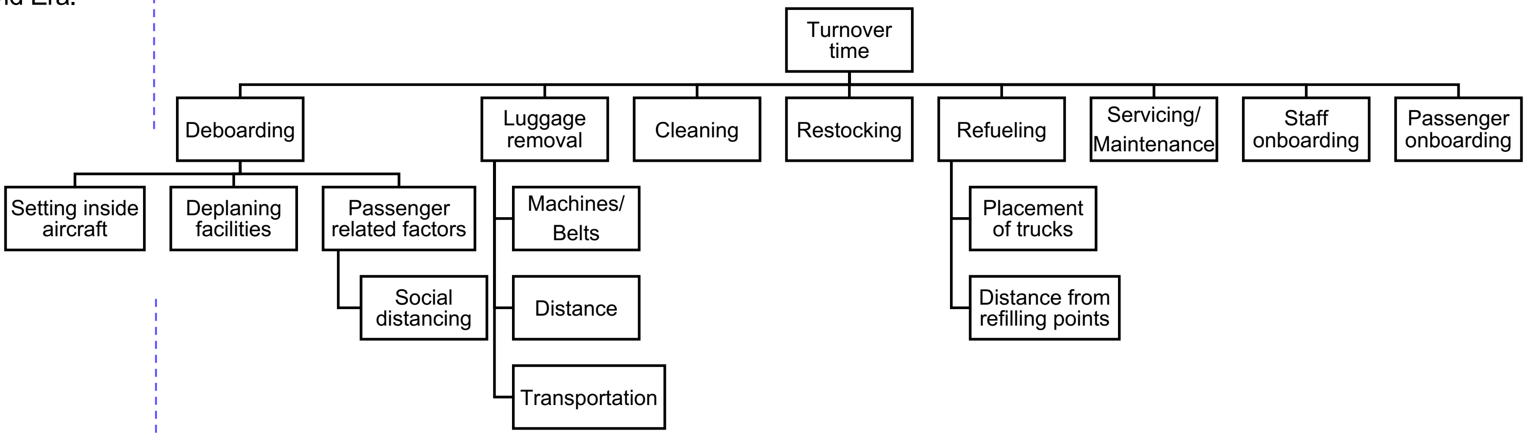
I think we can close the case now. Thank you

Turnaround Time for Air Carrier

Your client is a low-cost airline carrier and has suddenly seen an increase in TAT by 3 times. They are looking to you to find out how they can reduce the same.

Background Information

- TAT is Turnaround Time, and it is the amount of time it takes an aircraft to land and take off again.
- The case is set in Post Covid Era.



Case recommendations

- Move to original site and save costs of a spot closer to runaway but accept the 5-minute resulting delay.
- Use communication technology for ground staff for readying the carts and tankers before the plane lands. Do a cost benefit analysis of larger and/or more number of vehicles.

Case tips

- This was a moderate case. Having an understanding of the turnover time was pivotal.

Turnaround Time for Air Carrier

Your client is a low-cost airline carrier and has suddenly seen an increase in TAT by 3 times. They are looking to you to find out how they can reduce the same.

Thank you for the question. I would like to understand what TAT is before I assimilate the question.

Sure, TAT is Turnaround Time, and it is the amount of time it takes an aircraft to land and take off again.

I'd like to know how much this time has increased by and what it was earlier.

It has increased from 15 to 30 mins.

Which airport was this at?

Good question. Mumbai.

Alright, so I'd like to do a journey mapping of the aircraft once it lands.

Lands – Moves to space where it gets read for take off.

Within that time, following activities take place – deboarding – baggage removal – cleaning – restocking – refueling – miscellaneous servicing if required – staff onboarding – passenger onboarding.

That is very comprehensive. Let's start at deboarding. We have seen a 5-minute increase there.

Oh, so that's a third of our time. I would like to understand the reasons for this increase.

Sure. What do you think could be the reasons?

These could be due to two factors, either change in the setting of the aircraft or facilities for deplaning, or passenger related factors.

What do you mean by passenger related factors?

I was thinking either along the lines of passengers not wanting to crowd the aisles especially considering COVID-19 regulations.

Yes, this has caused an increase in the time to de-plane.

Alright, so now I would like to find out where the rest of the delay is coming from. Moving on to baggage removal, are we seeing a slowdown there?

Well, we have paid for a spot for our airline close to the runway. And this reduced our TAT by 10 mins. Yet we are still delayed by 15 minutes. Baggage has been taking longer to transport.

I would like to know how it has changed from before.
As I understand, there must be some automated baggage carts on which the luggage is first transferred to the belts.

Yes, these carts are available where we were initially parked, and they take much longer to reach us.

Alright, how much of the time has been increased due to this?

5 minutes.

Okay, so there is another 5 minutes that we are yet to account for.

Yes.

Moving to fuel, are the tankers also placed similarly like the luggage carts and have a new travel time now?

Yes exactly. This has added another 5 minutes. What are your recommendations?

I'd like to look at two options.

One would be to move back to the original site. Although we would still see a 5-minute delay there due to passenger related reasons, we will be able to save on the additional cost of moving to a site closer to the runway.

The second would be to consider using radar technology to communicate with ground staff to ready the tankers and carts before the plane lands. Keeping it ready in time and possibly investing in larger and more such vehicles to cut time keeping in mind a cost benefit analysis of doing this same.

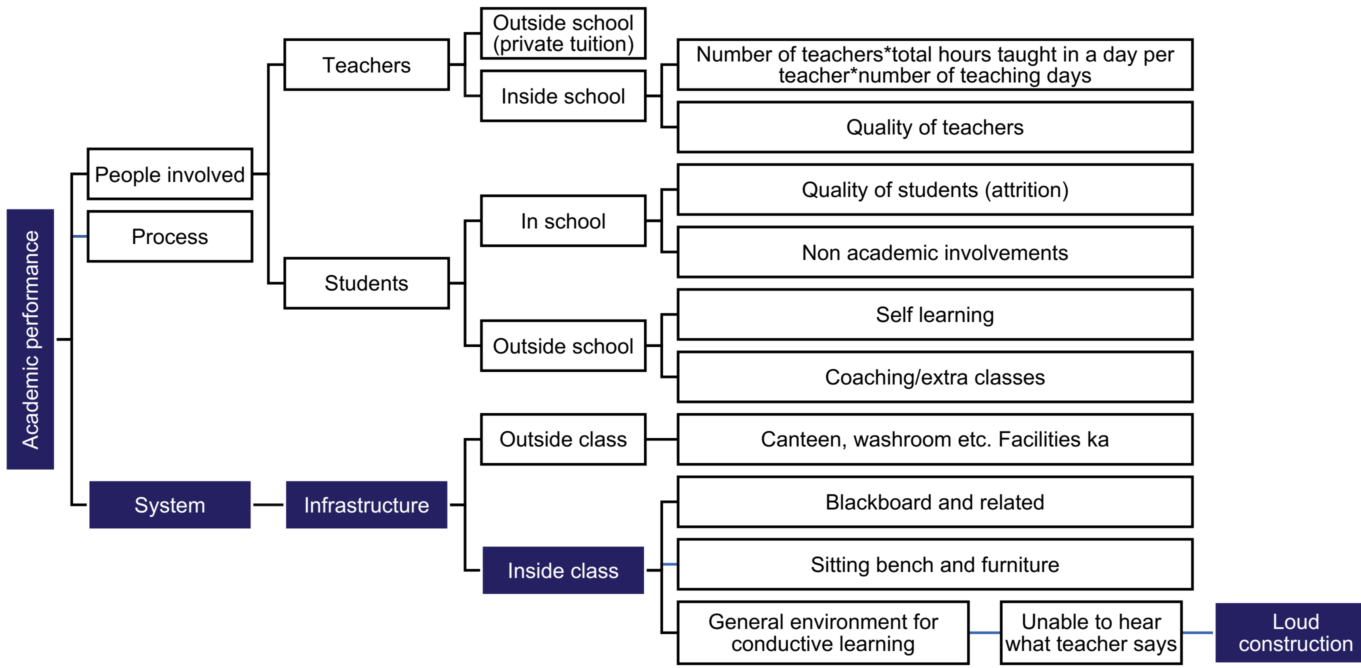
Great, thank you. We can close the case here.

School Facing Decline in Profits

Your client is the principal of a Delhi based school. Recently she has been facing decline in performance of the students. Find reasons and give recommendations.

Background Information

- **Client** – Only one school in Delhi. Caters to mid-range segment offering value in terms of cost and infrastructure.
- **Competitor** – No major change. Specific to our client
- **Consumer** – Students from 1st to 12th grade
- **Time Frame** – 6 months



Case recommendations

- It is important to not only consider factors related to academics in school but also facilities and environment.
- Short Term: Schedule (different shifts such that one of half of school is used) and use microphone, speaker system, etc.
- Long Term: Force construction management for action, use machinery that is less and shift school to alternate location

Case tips

- The key here was to add a structure at every stage. Giving suggestions in a structured way also helped.

School Facing Decline in Profits

I understand there has been a decline in performance, but what performance are we referring to. Is it academic performance or performance at inter-school competitions or financial performance?

The academic performance, the average score of students from grade 6th to 12th has declined.

Has it declined across all classes and sections?

It has declined only for 6th to 12th grades.

I'll take some time to come up an approach. A people, process and system approach were taken here.

(Refer to the diagram. Each header was explored, and the problem was that there was a construction site nearby which made it difficult for students to hear what the teacher was saying).

I understand that only 6th-12th grade students are affected by it. Will it be fair to say that the other side of the school that houses rest of the classes is not affected by this sound?

Yes, the structure of the school and location of construction site is such that only one side is affected. Could you give recommendations now?

The suggestions are as follows.

(Refer the structure)

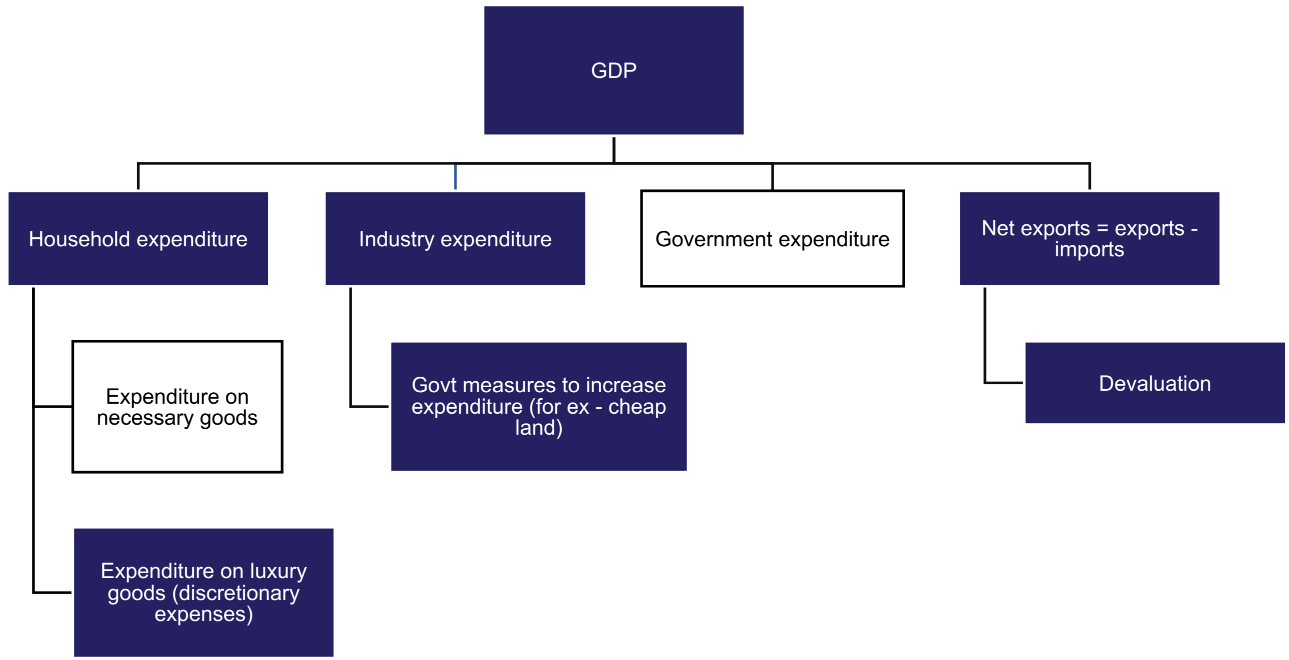
In the short run, the principal can introduce different timings for 6th-12th grades so that they take classes in the half where 1st – 6th grade classes are conducted.
In medium-long period, principal can introduce some changes in infrastructure, have discussions with the construction management or even the government.

Recovery of GDP

The client is Ministry of Finance. They are looking for short term recommendations to boost up the demand slump and work for recovery of GDP growth rate.

Background Information

- **Situation** – Pandemic
- **Formula Used** – Expenditure model of GDP
- **Time Limit** – One year
- **Location** – Pan India
- **Client** – Ministry of Finance



Case recommendations

- Categorize the economy into different sectors, identify the growth drivers in each of these sectors and then look at areas of improvement.
- Increasing the discretionary expenses by providing rebates on taxes, reducing savings interest rate, devaluing the currency will help in GDP growth recovery.
- Bring foreign players by increasing the ease of getting approvals, bringing in single window entry system and removing other trade barriers.

Case tips

- The key here was to add an understanding of economic factors which is generally missed while solving cases.

Recovery of GDP

Due to COVID and global recession, the GDP of India is very low. We need to recommend steps to increase the GDP growth of the country. This need not be a long-term plan. We need immediate implementable steps. Our client is Ministry of Finance.

From the basic understanding of GDP, it is the total value of goods and services produced in a single year. Is it the right understanding?

Yes

I am considering the major contributing sectors as agriculture (20%), manufacturing (20%) and services (60%). Is it the right assumption?

Yes

As my first step, I would go for sectoral cuts, following which, I will go for identifying key growth drivers in each of the sectors. After that, I will look for ways of improving on these identified growth indicators.

Yes. Sounds alright.

I would like to begin with the agricultural sector. The net production of agriculture in terms of money value can be calculated by the formula (net cropped area in hectares) x (Kgs per hectare) x (Average price per kg). I would then move on and estimate the average prices for different crops. My primary considerations will be for perishable and non-perishable products. Can I go ahead with this assumption?

Okay. I want you to step back and look at the GDP through a formula and from the perspective of household and firms. (Hinting at the expenditure model of GDP).

From the household perspective, I can look at the amount of money that they spend in throughout the year. The total household spending in one year will give the GDP.

Lays down the formula for GDP = (Household expenditure) + (Exports-Imports) + (Government expense) + (Industry expenditure). Now you can proceed.

I would like to explore each of these heads and list down the scope for improvement under each of these heads. Starting from household expenses, we can divide it under needs and wants.

What do you mean by needs and wants?

By needs, I mean the necessary items purchased by them and wants, I mean the luxury items.

You mean the discretionary expenses.

Yes.

Can you tell the formula of calculating the amount available for discretionary?

Income- expenditure on necessary goods – savings

You are missing one critical component.

Is it the taxes?

Yes.

For increasing the household spending, I will focus on increasing the discretionary spend of the household. This can be done by providing rebates on taxes during the mid-year budget review. In addition to lower taxes, I will also suggest for a reduction in the savings interest rate of the banks, thereby encouraging people to spend more. Moving on to the import and exports - for achieving a trade surplus, we can look at the currency value.

Do you think the currency should be devalued?

Yes. This will attract exports. We can think about it.

Don't you think that this will make the imports costlier?

The net impact will be positive. Majority of India's import is oil based. With the demand slump in oil, imports will not be impacted much with devaluation of the currency and we can leverage on the increase of exports. Now I would like to focus on government expenditure.

You can go for the industry expenditure.

The government is doing a lot of things to promote MSMEs in terms of proving cheap land, relaxed moratorium period, ease of GST filing etc.

But in the current times, if my factory is at 40% utilization, why should I invest more, despite incurring the losses?

Given the state of NPAs and demand slump in the economy, for utilization to increase, increased household spending holds the key. As additional measures, we can work on increasing the ease of doing business in the country. We can suggest on bringing foreign players by increasing the ease of getting approvals, bringing in single window entry system and removing other trade barriers.

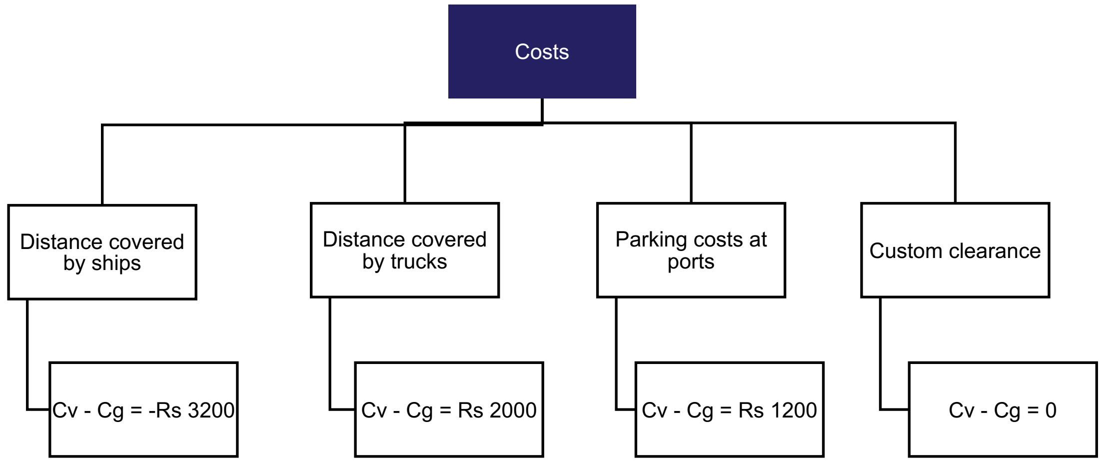
Okay, that works. All the best for rest of the process.

Goa vs Vizag – Suitable Port

Your client is dealing with a special technology based electric bulb, he imports it from Australia via a port in Goa and sells in Bangalore. The competitors have shifted the port to Vizag. Our client thinks it is because Vizag port is cheaper. Should the client also shift his operations?

Background Information

- **Competitors** – All the competitors (4-5 competitors) buy from the same manufacturer in Australia
- **Client** – Company is in business for 5-7 years and sells only one type of bulb
- **Price** – Price of the bulb is comparable to that of competitors
- **Customers** – All Deal with similar customers



Case recommendations

- We should not move to Vizag, though the costs are same, but the docking period is extended by 5 days. This waiting period might cause inventory issue. Since we have been operating for 5-7 years without an issue of supply-demand mismatch, we should continue our operations with the Goa port.

Case tips

- Applying the MECE approach is difficult when the interviewee does not know much about the niche market/ industry. The interviewee should have a fair knowledge about ports.

Goa vs Vizag – Suitable Port

Do our competitors also only sell in Bangalore?

Yes, and there is enough demand for all the competitors, no inventory issues for anyone.

What is the distribution channel used by the client? Is it like that of our competitors?

Yes, Australian port -> Ship -> Docking period (Indian port) -> Truck -> Warehouse -> Shops.

What is the docking period of port Vizag and port Goa?

Vizag has extra 5 days of wait at the port because of heavy traffic at the port. Since our client is thinking that the operations are cheaper in Vizag. I would like you to analyze the costs incurred at both the ports.

Since Goa is nearer to Bangalore as compared to Vizag, the transportation costs, that is the fuel costs, would be lesser?

Yes, take Vizag- 700km and Goa-500km, and fuel cost as Rs.10/km

If we talk about the distance covered by ships from Australia to India, Vizag is on the eastern coast, nearer to Australia as compared to Goa which is on the western coast. So, for Vizag the costs should be lesser. Also, do our ships have this capacity to travel extra distance?

Yes, our ships can travel, Vizag saves 400km, you may take Rs 8/km as fuel costs here.

Are the ships and the quantity that we are unloading at both the ports similar?

Yes.

Then can I say that the custom clearance is similar?

Yes.

As you mentioned that the docking period is longer in Vizag, what is the extra costs that we are incurring while parking 5 extra days.

It is Rs 240/day.

Are there any other costs, that I am missing?

No, these are all.

So, the costs are appearing similar for both the ports. We must analyze other factors to understand the competitors' move.

I think we can move to recommendations based on the information gathered.

Since our client was thinking that it is cheaper to operate from Vizag, but according the analysis, it is not appearing so. Still, we are observing that the competitors are shifting to Vizag port. Based on the information gathered we should not move to Vizag, though the costs are same, but the docking period is extended by 5 days. This waiting period might cause inventory issue. Since we have been operating for 5-7 years without an issue of supply-demand mismatch, we should continue our operations with the Goa port.

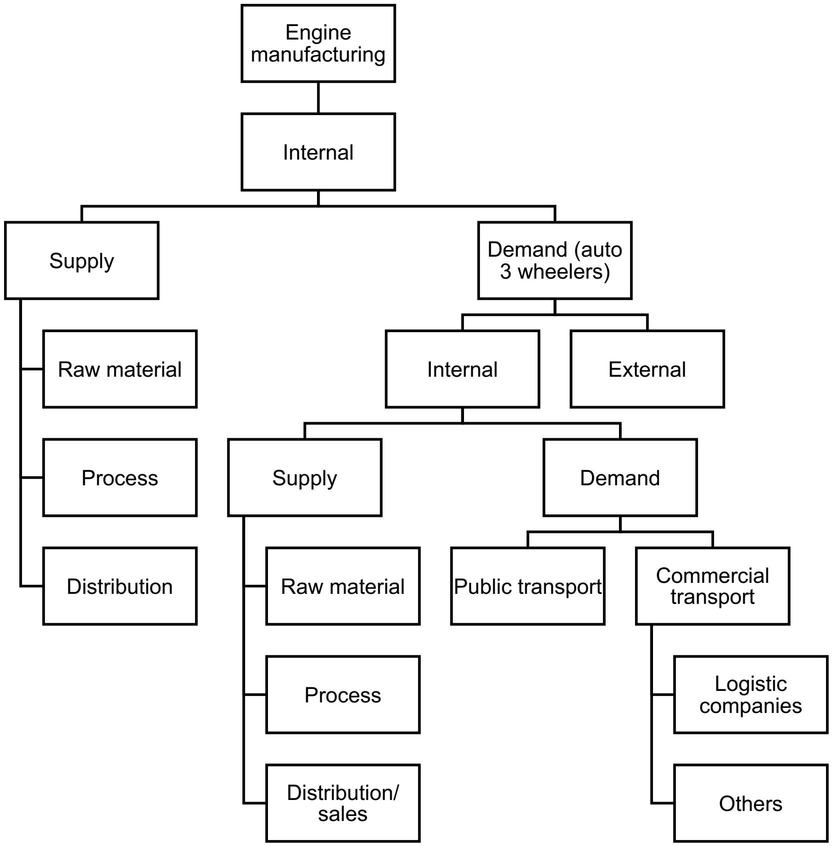
Thank you. That'll be all.

Diesel Engine Manufacturing Industry

The client is a Diesel Engine Manufacturer who has been seeing steady growth for the past few years. Last year the growth stagnated. The client wants Bain to tell them how the industry would look like in the next few years to build their strategy accordingly.

Background Information

- **Client** – Diesel Engine manufacturer; B2B sales system
- **Competitors** – Monopoly
- **Consumers** – All automotive
- **Location** – Pan India
- **Product** – Engines, only one variant



Case recommendations

- After conducting supply-side analysis, focus on the key demand driver segment, i.e three wheelers and further analyze this segment.

Case tips

- The key here was to be calm as this was an unconventional case. There was no set framework to apply here and hence asking for time and coming up with a structure of your own in the interview would help.

Diesel Engine Manufacturing Industry

What exactly is the aim/motive of the client? And what exactly is meant by the Industry overview?

The client wants to understand the industry outlook in the next 4-5 years. Specifically, what and how are the various factors going to affect it. We need to deep dive into what are all these factors.

I understand. We need to see how the client's business would look like, given various internal and external factors affecting the industry. So, I assume that the client's primary driver would be its downstream industry demand and how that demand would be affected by various factors. But before drilling down into that, I would like to look at the current trends that the client might have in terms of its supply-side operations and the external factors that might affect the client. Does that sound correct?

Yes, please go ahead.

Supply-side analysis - Following could be the trends that could affect the client. Raw materials – is there any new product being used more or a breakthrough in the product variants currently used? For example, a better-quality Metal casing for engines like better quality steel? Processing technology changes or enhancements that are upcoming; Industry 4.0 and its effects on the manufacturing industry; Automation/Digitization that is affecting the manufacturing industry; Distribution or sales channels – Since it is a B2B sales channel, there might not be lot of changes except the use of online B2B sales that might affect its salesperson; In terms of external factors, the primary reasons would be the regulations that are affecting the client. For example, are there any upcoming regulations, such as the recent BS-VI, that might affect the diesel engines' sales? And if the client is prepared to modify the current products to match those changes?

That sounds quite comprehensive. These are the factors that the client looked for. What next?

Since this covers the supply side scenario – let us now look at the Demand side drivers that could affect the industry. Can I get to know what the major revenue segments for the clients are? I understand that it is the auto sector but is there any specific sub-segment from which the client is generating most of its revenue?

Yes, the client generates almost 90% of its revenue from the three-wheeler segment.

Great, so I understand that the trends in this three-wheeler segment would be the ones that affect the client's strategy the most. Here in terms of 3-wheeler segment, I would like to break this down into various internal and external pieces.

Under external, I would look at the industry regulations – for example, a push to use CNG instead of diesel. Under Internal, I would use the supply and demand side breakdown. On the supply side, we can look at the similar factors that we used for the Diesel engine supply side (for example, the raw materials to manufacture these three-wheelers might have seen an advancement – better quality polymers like ABS, Nylon, Polypropylene, etc.).

Yes, those are the points that we looked at mfg. the time. Go ahead!

Now I would look at the three-wheelers' demand side, which would be the most crucial information for the client to consider. On the demand side, can you please tell me the various customer segments for these three-wheelers?

Why don't you take an attempt at that?

Okay, so I think there would be two major segments: the public transport segment and another commercial transport segment. Do you think I am missing any other segment?

No, that is correct. These are the two major segments, and our client mainly caters to the commercial transport segment. How do we analyze that?

Got it. So, under the commercial segment, I understand that the major factors that could influence the demand could be consumer preference changes. I will first try to see what all areas are used in the commercial segment, and I assume that the majority usage is in the logistics segment. Is that correct?

Yes, that is fine!

So, things such as are there any other product types that are used now? For example, two-wheelers or four-wheelers? Are there any changes in the ordering style for the end-users of these logistics players? For example, is the average volume ordered increased and the logistics player prefers a more spacious four-wheeler instead of 3-wheeler? There could be a change in the average distance that needs to be traveled per trip, or also the mileage offered by the substitutes could be better.

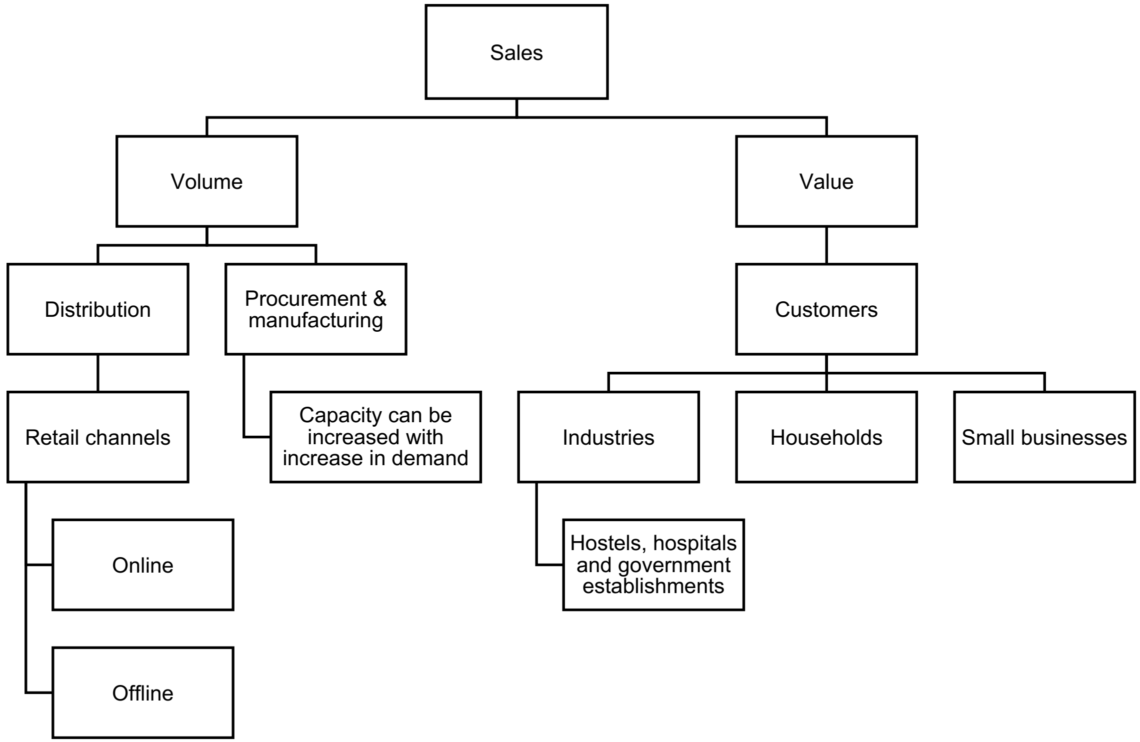
Yes, that is a good point to consider, there has been a shift towards the usage of 4 wheelers due to the reason mentioned above. Let us close the case here.

Mattress Manufacturer

Your client is a mattress manufacturer, and it wants to increase sales. You are hired to give recommendations to do so.

Background Information

- **Client** – Mattress manufacturer with self-procurement of raw material but 3rd party retailers. No online presence in retail channel.
- **Competitors** – 5 players including us in the market having 20% share each.
- **Consumers** – Industrial, Household and Small businesses
- **Product** – Premium and non-premium mattresses with premium ones being anti-bacterial



Case recommendations

- Large amount of small business market is using non premium products and they can be converted to premium buyers, by leveraging the high quality as well as the longer lifetime of premium products for the sales.
- Set up loyalty programs to provide timely services for the maintenance of the product.
- Enter adjacent markets of rugs and carpets or complimentary products as their manufacturing will be similar to our current process.

Case tips

- Cases are not always MECE in nature. Sometimes, they will be given to you so as to understand your thought process when you are out of the conventional structures and frameworks. Try to use your own judgements and be creative in the answers.
- Generalized opinions like “contracting with more hospitals” are not useful in this case. Be more specific as how to approach towards such goals.

Mattress Manufacturer

Okay, I would like to confirm my understanding of the problem by reiterating it. Our client is a mattress manufacturer who wants to increase the sales. We have to give the recommendations for the same. Am I correct?

Yes, that is right.

Now, I would like to ask some questions around the business to gain some knowledge of the situation. Is our client only manufacturing the mattresses or is it present across the value chain?

So, our client majorly manufactures the products, but we have 3rd party retailers whom we contract with to get our product to the consumers.

And are we dealing in the domestic market or we have international reach too?

Consider domestic markets for now.

Okay, and what is the variety of products that we are dealing with? Do we have any product differentiation?

Yes, we sell two kind of mattresses, one is the premium anti-bacterial mattress, and the other ones are of the low-cost.

Do we have a percentage split of the market share between these two sections for our sales?

So, 25% of the sales account for the premium products and 75% for the non-premium products.

And why do we want to increase the sales? Is there an industry wide trend of increase or it is just the client specific thing?

Good question, it isn't an industry wide thing, our client just wants to venture.

So, are we planning to increase the sales by value or by volume?

Our client just wants to increase sales by any means. The recommendations can be on both the ends.

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Good question, it isn't an industry wide thing, our client just wants to venture.

So, are we planning to increase the sales by value or by volume?

Our client just wants to increase sales by any means. The recommendations can be on both the ends.

Interesting, talking about the competitor market now, can I know the market share split between our client and the competitors. Also, is there any product differentiation that can set us apart from the others?

So, the market is split equally, and we have anti-bacterial mattresses that are not available in the market yet among any other competitors. Although it can be produced easily and doesn't hold a long-term value in terms of uniqueness.

Since we want to increase the sales, I would like to split the analysis between value and volume. I will dig deeper in the volume aspect first and then we can look at the value. In terms of volume, I would like to concentrate on the value chain of our company. Will that be fine?

Mattress Manufacturer

Yes, that seems fair.

So, is there any information regarding the efficiency of the manufacturing? Are our plants used at the full capacity?

No, they are functioning at a lower capacity and we can increase the production as per our discretion. Currently we are meeting the demand that is why we are not pushing it.

Interesting, this takes out the option of introducing newer technologies to increase the production too as we can expand on the current one itself. So, the next question will be on our retail channels. Are we present both online and offline?

No, we have only offline retailers.

What is the presence of these retailers in the market? Are they able to reach to the customers at every location? What kind of customers do they cater to?

So, we have a strong retail network with presence in over 2000 cities including both tier 1 and tier 2. Considering the markets, they are catering to that includes households to small businesses to large enterprises like hotels and hospitals.

Considering the situation, our presence online can make a little difference as our presence offline is very strong. But we can still explore going online as this might increase awareness among the customers, especially household ones to buy mattresses online. Are there any barriers to enter the online market currently that has restricted us to enter there till now?

Yes, in fact there is a barrier. Our current retail partners will not be happy with this are they get a commission out of the sales and we will be stealing their shares.

Okay, so what we can suggest is that after going online the sales will still be driven through the retail stores. That way the commissions will not be hampered, and our volume might increase.

That is a fair deal.

Now coming to the value part of the sales, I would like to specifically look at the consumer requirements here. Whether by selling the premium product, we get a higher margin we can expand the market of premium products from current 25% share to a greater one.

Yes, we get a higher margin with premium products. How do you suggest expanding the market for premium goods?

So, I would like to know the split between the Industrial, household, and small business customers here. And what is the spilt in these individual sections related to the products they buy?

So, our industrial customers are around 10%, household around 60% and small businesses form the rest of the share. Also, industries prefer premium products while small business have around 30% demand for premium and rest is non premium. For households only 10% buy our premium products.

And is there any difference between the lifetime of premium and non-premium products?

Yes, so premium products last for 7 to 10 years while the non-premium ones last for 5 years at max.

So, what I can observe is that a large amount of small business market is using non premium products and it can be converted to premium buyers. We can leverage the high quality as well as the longer lifetime of premium products for the sales. Also, we can set up loyalty programs where we can provide timely services for the maintenance of the product. We can give credits on the frequent buys too. For households, a 10% share seems fair as these must be the rich and effluent class that is buying premium mattresses. For industries, we can target government establishments too because they can be the potential buyers of premium mattresses. Such contracts can last long and can increase our sales both in terms of value and volume.

Interesting Ideas! What else do you suggest?

Apart from these, we can use the fragments of our production to tap different markets. Like we can use the cotton used to fill up the mattresses to create different products. We can enter the rugs and carpets market as their manufacturing will be highly similar. We can sell complimentary products with the mattresses. Also, we can provide after sale services from refilling the mattresses to changing them. This will build consumer trust and increase the retention rate of buyer thus increasing the sales of the complimentary products too.

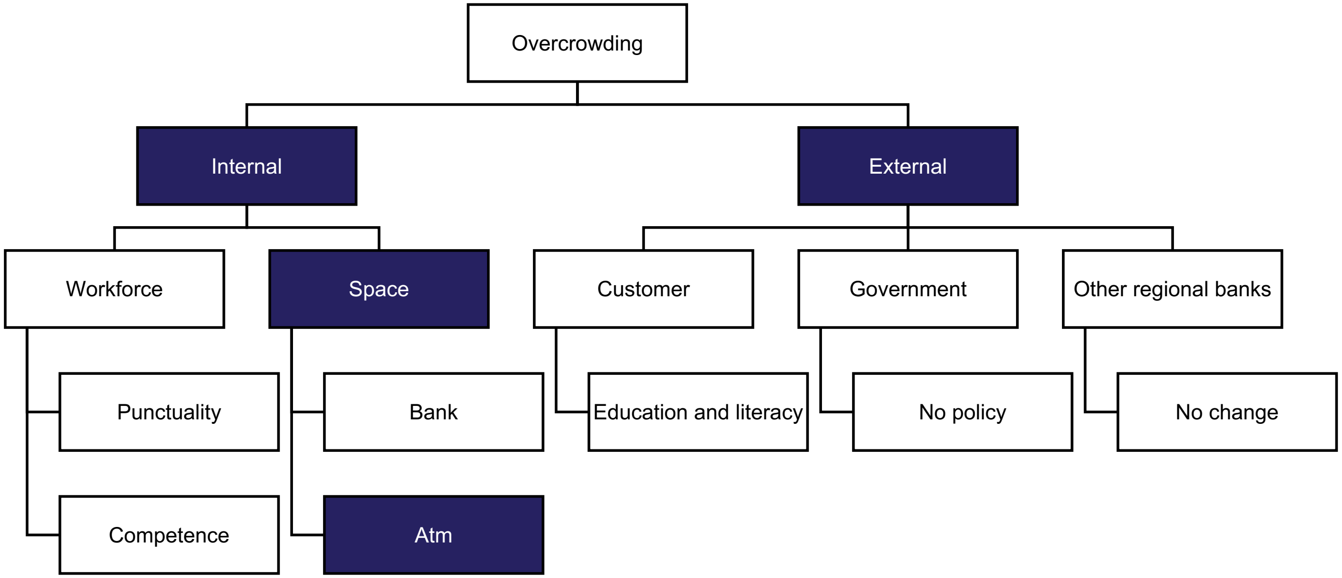
All these seem to be fairly good ideas. Thank you, we can close the case here.

Issue of Overcrowding

Your client is a bank located in a village in Andhra Pradesh. The bank is frequently facing overcrowding issues. You need to identify the reasons for this and suggest steps to tackle it.

Background Information

- **Client** – Bank located in a village in Andhra Pradesh for a very long time (as old as SBI)
- **Customers** – Educated and well-informed



Case recommendations

The bank should take steps with respect to -

- Awareness and education: Guards, poster of steps to be followed, language of machine. .
- Adaptability: Training and vocational camps.

Case tips

- Adaptability: Training and vocational camps.

Issue of Overcrowding

A public sector bank is facing problems of overcrowding. Help us diagnose the problem and provide recommendations.

I would like to know a little more about the problem. Is it a recent phenomenon or has it been there for some time?

It has been there for a couple of years now.

Is there anything specific that prompts you to investigate it now?

No.

Where is the bank located? How long has it been operating?

The bank is in a village in Andhra Pradesh. It has been there for as long as I can remember. Think of it as SBI.

Is there any specific time of the day when there is overcrowding?

It is there throughout the day; however, it is more during 10AM - 11AM and 1PM - 2PM.

Okay. I would like to begin with looking at internal and external factors. Within internal factors I think either there is some inherent issue with space, or the provision of services is delayed. So, I will divide it into Workforce and Space. In external factors I would look at Government policy, Customers, and regional banks.

Okay, go on.

Starting with workforce, are the employees late to office and take extra time for lunch, given higher crowd at that time?

Yes, but overcrowding is seen at all other times too.

Is the average time spent per customer higher than expected?

It is similar for all banks in the region.

Okay. Moving on to space, can the bank layout and placement of different workbenches be changed/optimized?

No.

Is there paucity of space?

No.

Okay, moving on to the external factors, is there any government policy, the facilitation of which is mandatory for the client?

No.

Has any nearby bank closed due to which the crowd from that bank has been transferred here?

No.

What about the customer? Do they understand the policies?

Yes, they take a lot of time to understand. They also require help from the staff on automated tasks.

Is it also true for ATMs?

Yes, in fact the heaviest crowd and longest queues are seen outside the cash deposit and withdrawals counter. Now that you have identified the problem, would you want to give some recommendations?

The bank should take steps with respect to -
1.Awareness and education: Guards, poster of steps to be followed, language of machine
2.Adaptability: Training and vocational camps

Thank you.

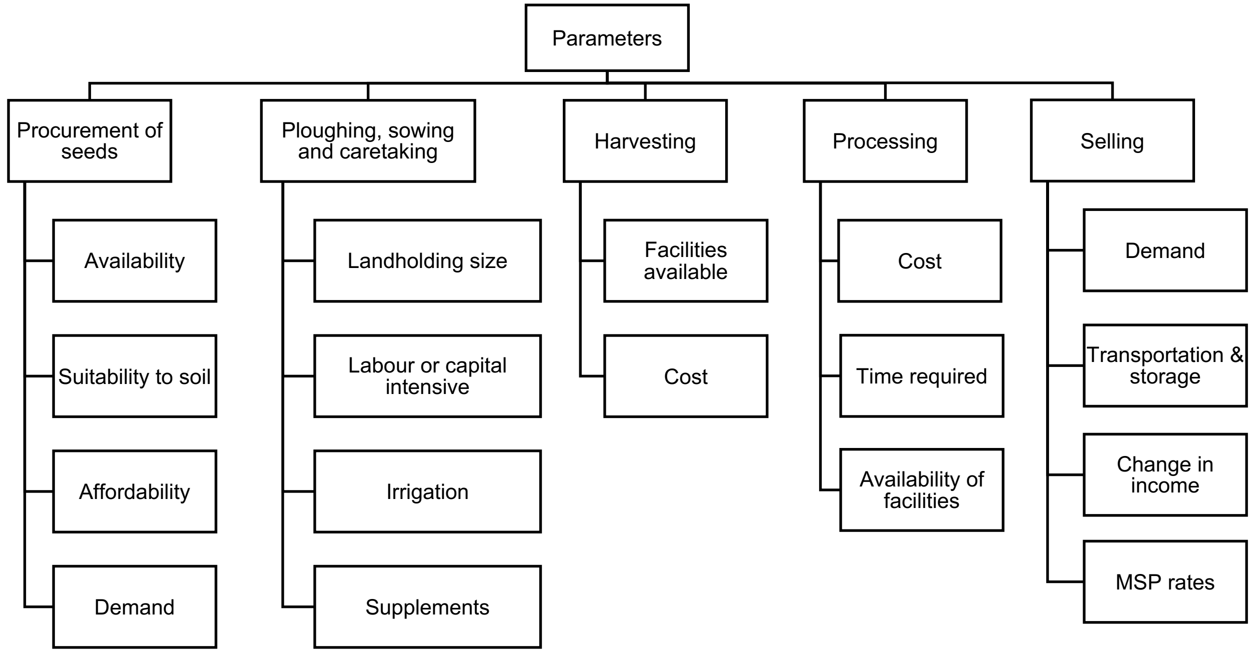
Unconventional | Agriculture | BCG | ★★★

Punjab's Agriculture Dilemma

Your client is the government of Punjab and they have identified that growing Wheat and Paddy is not good for the state of Punjab because of the excessive stubble burning and requirements for water hence it is not sustainable. As BCG, consult the government of Punjab on which crop they should now grow and how will you convince the farmers for the same.

Background Information

- **Client** – Punjab Government
- **Place** – Punjab
- **Additional information** – Punjab has less than 2% of the total land in India whereas it contributes to close to 12% of the country's food grains production. Agriculture contributes around 25% to the GDP of the state
- **Objective** – Identify the alternative crops that could be grown



Case recommendations

- Diversify crops by cultivating both cotton and fruits in different land portions to balance income and provide opportunities for farmers.
- Use the Net Present Value (NPV) method to assess the long-term financial viability of growing either cotton or fruits and choose the option with better cash flows.

Case tips

- The case majorly dealt with identifying the value chain and the parameters to be considered under each head.
- The case highly depends on asking the right scoping questions.

Punjab's Agriculture Dilemma

Wow! Seems interesting. I have a few questions, to begin with. Since when have we been growing wheat and paddy and what are the types of crops we are currently into?

So, we have been growing wheat and paddy from the time when there used to be a deficit. Now our country is a major exporter of these and hence we do not need as much growth of these as we used to earlier. Then, regarding the types, there is some amount of cotton and some kind of fruits, but these are not cultivated in large amounts as of now.

Is there any kind of bottleneck for any particular crop?

Assume that there isn't any kind of bottleneck and we can do whatever we need to grow a crop.

Finally, by when do we wish to get to a decision regarding another crop, and is there any monetary constraint to be kept in mind?

There is no time frame in mind and no budgetary constraint as well. Keeping in mind all this, let's now discuss the major parameters on which you would decide which crops to go ahead with.

Fair enough. So, in order to look into the parameters, I would like to break the growth of a crop to the time it is sold into the form of a value chain. We start with the procurement of seeds, then we move ahead with ploughing, sowing, caretaking, harvesting, processing, and finally selling. Is this a comprehensive enough value chain or am I missing out on anything?

No, I guess that is a comprehensive value chain. Let's take a look at them individually now.

Okay. So, we should start with the procurement stage. We should start off with procuring the seeds that are easily available, suit the kind of soil present (not a constraint since we discussed that we could do anything), are not very expensive, and also have a market where people actually demand them. Then talking about ploughing, sowing, and caretaking, we would have to look into the landholding size, and type of agriculture the farmers undertake, i.e., labor-intensive or capital-intensive. Further, we would have to look into the availability of water for irrigation and the kind of supplements like fertilizers, etc that might be required for growing the crop.

Good. How will you proceed further?

Under harvesting, we would again look into the facilities available and budget with us. Then coming to processing, I would like to take into consideration the costs associated with processing, the time required, and the availability of facilities to process the crops. Talking about selling, we would have to forecast the demand and find out how much exactly would we be able to earn when we change the crop. Transportation and storage also need to be looked into over here. Additionally, when finding out our new income with the new crops, we need to ensure that there is a significant enough delta that will actually motivate the farmers to shift to a new crop. We can also look into the MSP rates that are prevailing so that we can understand where the government is ready to pay high.

Very good analysis. Now according to your analysis, let's say we have chosen fruits and cotton as the two alternatives out there. Cotton grows fast but earnings are less. Fruits take time to grow but give high returns. Now how will you decide which one to grow?

We can look at 3 scenarios over here. If farmers grow only fruits, they will have ample amount of free time when their fruits are growing on the field. During this time, we can look into providing alternative working opportunities to them. However, we must understand that changing this might not be something that would be easily accepted considering farmers' pride is something that is very precious to them. Then the next is where we only keep on growing cotton throughout the year. Between the two, we can find out the present value of the expected earnings that we might get in the next few years and calculate the one that gives us better cash flows, essentially using the NPV method. There is a third method also that involves dividing the land into two portions, one for cotton and the other for fruits, which might not be possible scientifically but still would give a good output, essentially the best of both worlds.

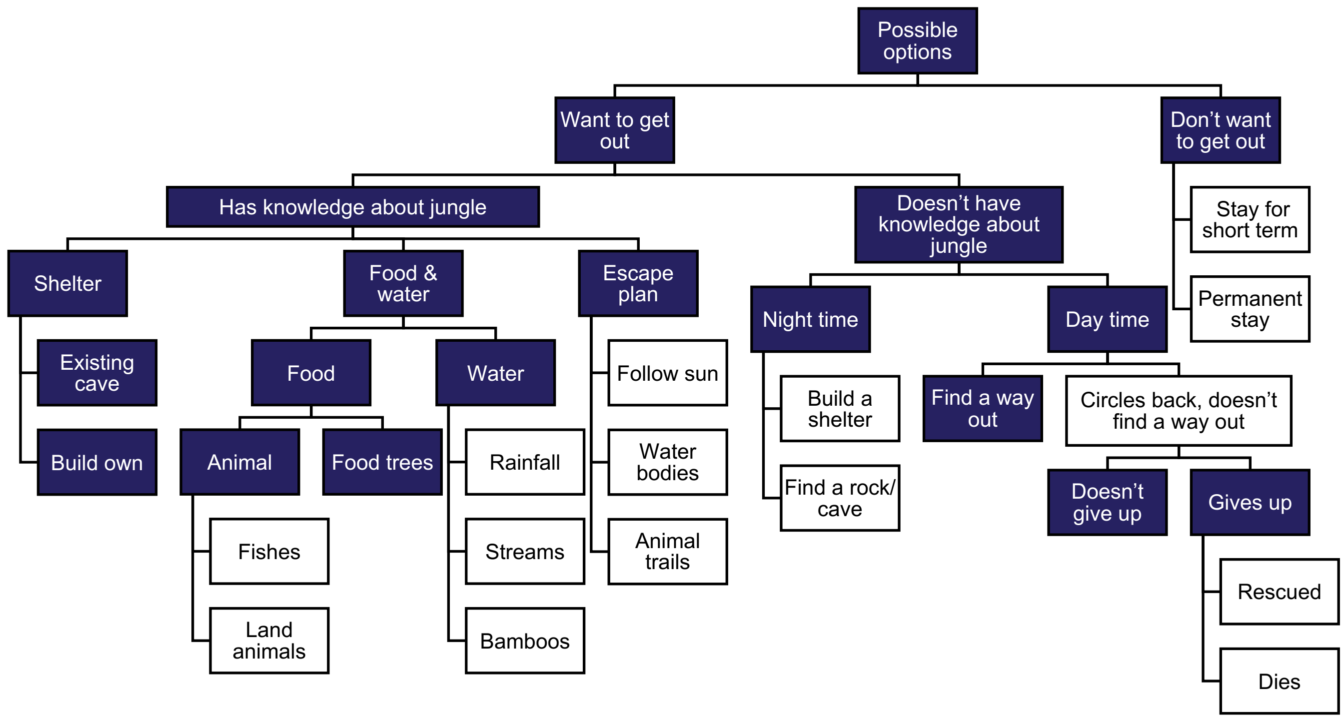
Makes sense. We can close the case now.

Lost in Jungle

You are in middle of a jungle. Solve.

Background Information

- **Objective** – Uncertain
- **Situation** – Wakes up one morning in jungle. Any random jungle. Weather & daytime as per time of interview
- **About person** – Assumed to be similar to interviewee
- **Possessions** – Matchbox, smartphone (no signals), Swiss knife



Case recommendations

- Choose to escape the jungle since no knowledge of how things work in a jungle
- Make use of possessions – Light fire by matchbox to attract people, use phone to track GPS, and Swiss knife to find food and survive

Case tips

- This is an exploratory case and helps candidates learn to structure their thoughts. The key takeaway is to be always MECE
- Quick-practical mindset & binary breakup of options helped the candidates structure the case

Lost in Jungle

Well, this sounds like an interesting problem statement. I'd like to make sure if I have understood it correctly (candidates reinstates the problem statement).

Yes, you have understood it correctly. What would you now do?

Thank you. I'd first like to ask if there is any objective that I need to solve here? The first thought that comes to mind is how to get out of the jungle? Or we could also be rescuing someone else? Or we could also be setting up a house in jungle?

So the situation is like this. You went to sleep yesterday just like you always do, but when you woke up, you woke up in a jungle. Now to get out of the jungle or not, its all upto you. I want to know what would be your next steps.

Okay. Well, I think I am going to put myself in the situation and then think what would I actually have done. (Asks for 30 seconds to structure thoughts). I would have a lot of questions in my mind, and I'd like to ask them.

Sure. Go ahead.

So my questions are broadly around 3 things. Firstly, I want to understand the scenario a little better. I'd like to know what kind of a jungle we are talking about here? Where is it located? What time of the day is it? What is the weather like?

Good set of questions. You can imagine it to be any random jungle near or around your city. As for other things like time of day and weather, you can consider it to be just like what it is now.

What are your next set of questions?

Next I'd like to understand the person in jungle. While I know I have assumed it to be myself, but I'd like to clarify some things. Do I have any possessions with me? Can I assume myself to be in the same state as I currently am in, healthwise, and knowledge about jungle?

Yes, you do have certain possessions. You have a matchbox, a swiss knife, and a smartphone but no signals. I think this is enough information. I'd like to know your next steps.

Sure. So for someone who woke up in a jungle, there are two options with the person. One is they'd want to get out of the jungle or two, they can choose to stay within the jungle. I'd like to start with first exploring what if the person wants to get out of the jungle and then come back to 2nd option.

Does this sound like a good approach to go about?

Yes, sure. Go ahead.

So when the person wants to get out of the jungle, there can be 2 possibilities. Either I have the knowledge of how things work in a jungle (like which directions to follow, how to hunt, right set of plants/fruits to eat etc.) or the person doesn't have this knowledge. In case he doesn't have the knowledge, depending upon the time of the day, he'd have 2 options. If it's night time, he can take shelter – can build through plants or find a rock/cave. If it's day time, he can start walking to find a way out. Further possibilities could be, he either finds a way out or he doesn't. In case he doesn't, he can keep walking or give up. In case he gives up, he might die or some external help might come in.

Well, that's an interesting set of possibilities you listed out there. What if the person has the knowledge about jungle?

In case the person has the knowledge of how things work in jungle, again depending upon the time of the day, he'd have multiple options. In case of day time, the person can make use of Sun's position to stick to one direction and circle around the jungle. The person can also try to find a water body or some community establishment.

Great. I think I am convinced that the person can now get out of the jungle. But what if he wants to stay?

Sure, if the person chooses to stay in the jungle, his stay can be either short term or he can choose to permanently live in the jungle. In case he chooses to stay in the jungle for short term, he can first needs to decide on a place to settle, somewhere close to a water body. He can either find a community to live with or he can choose to set up his own establishment

Well. Now that we have all the options explored, could you please summarize everything and suggest what could be the best course of action here?

Sure. So the person broadly has two options to go ahead with. Either he can choose to stay within the jungle, where further his stay can be for short term or can choose to permanently stay within the jungle. Or else, he may want to get out

of the jungle and depending upon his knowledge about the jungle, he can have various possibilities. The best course of action, given that the person suddenly woke up in the jungle, would be to escape.

Lost in Jungle

One can make good use of the possessions, like use the mobile phone for GPS, matchbox to attract people from far off and swiss knife to survive.

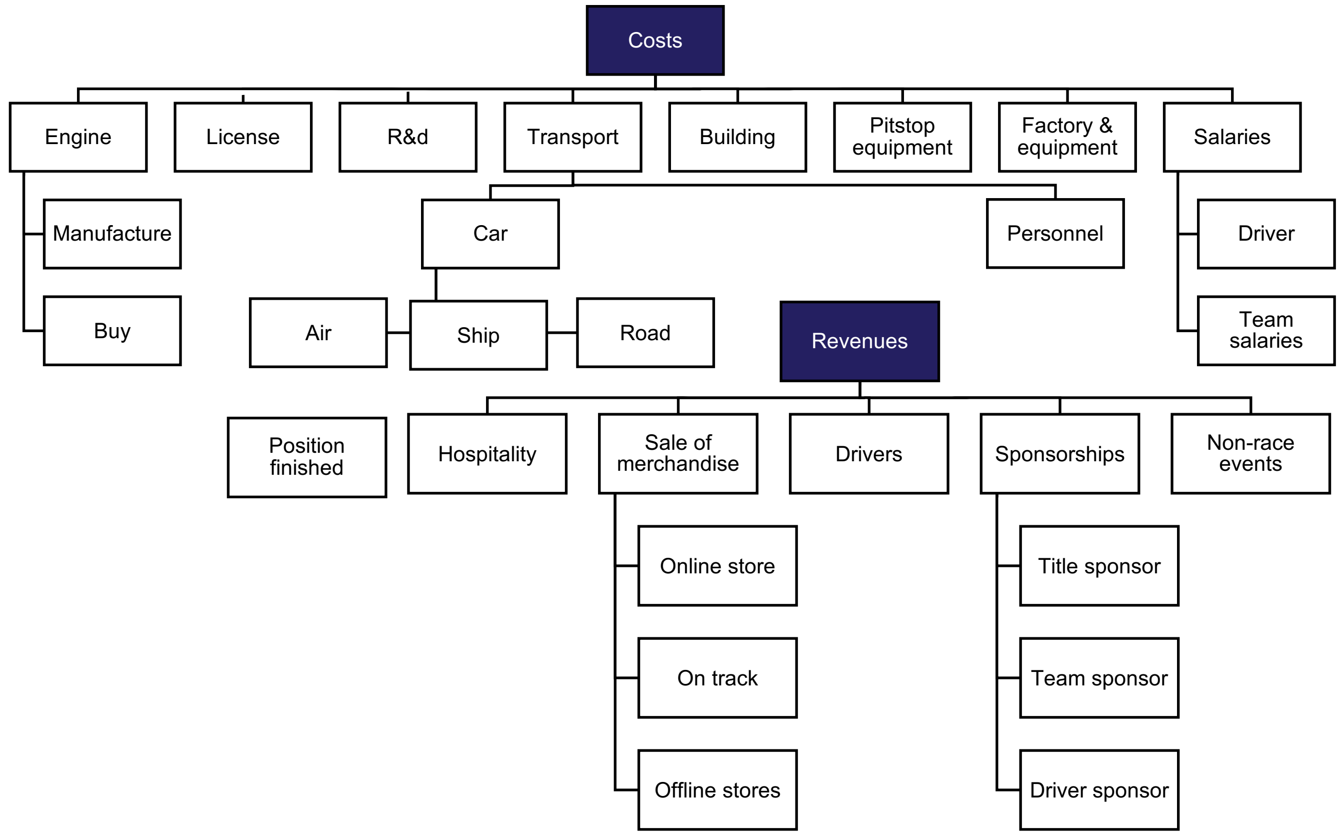
Thank you for summarizing the case and sharing the best of course of action. You could have also pinched yourself hard enough to wake up from your dream or just slept in jungle in hope of waking up back at home.

Tata Motors to Invest in McLaren F1

Your client, Tata Motors has been offered the McLaren F1 team for $400 Mn. They have asked you to evaluate the opportunity.

Background Information

- **Does Tata Motors have the funds to finance the deal –** Yes, they can finance the deal by themselves i.e., they need not take any loans
- **Has a similar deal happened in Formula 1 recently? –** No there have not been any recent instances of a team sale
- **What is included in the sale? –** the McLaren F1 trademark, factory, equipment, and all licenses and patents owned by McLaren F1



Case recommendations

- Use of quantitative information is recommended to enhance the approach.
- Creating a clear and MECE cost and revenue structure is necessary.

Case tips

- Drill down into the cost and revenue sources, once the interviewer is sure you know the cost structure, they will provide the necessary data. Bringing in numbers and formula wherever possible presents a clear and concise picture of the case. It was a quant heavy case which required long and precise calculations.
- The interviewer was looking for in-depth knowledge of the sport which was mentioned as a hobby during BQ.

Tata Motors to Invest in McLaren F1

Your client, Tata Motors has been offered the McLaren F1 team for $400 Mn. They have asked you to evaluate the opportunity.

Just to reiterate, our client Tata Motors has been offered to buy out McLaren F1 for $400Mn and we need to analyze if it is a good deal or not.

Yes, that is correct. What are the ways in which Tata Motors can move forward in this deal?

We can find the NPV of the McLaren F1 deal and depending on the value we can either - accept the deal, reject it, or negotiate with McLaren F1 for a better deal.

That is correct. How would you go about finding the NPV of the deal?

We can find the valuation of McLaren F1 by understanding their cash flows for the current year and by finding the expected cash flows for the next few years. We can divide the cash flows into two parts – Costs and revenues. The various expenses of the team are – licensing, the engine which can further be divided into a buy or make decision, R&D, transport which can be divided into travel expenses of personnel and car by either air, ship or road, building, pit stop equipment, factory and equipment and salaries for the drivers and staff. Can you let me know the expenses of McLaren under each header for the current year?

I do not have the data for individual headers, but the total expense incurred by the team this year was $180Mn.

Okay, so the spending of the team was $180Mn. We can now move on to the revenues. The revenues can be divided into prize money depending on the constructor position, hospitality, merchandise sale, pay drivers, sponsorships, and non-race events. Is this an exhaustive list?

Yes, we can move through individual components and understand the revenue amount for each vertical.

Okay, we can start off with the constructor position. What position did McLaren finish this year and are there any rule changes in the upcoming years?

This year McLaren finished 6th and there are no rule changes for at least 5 years. You can assume that they would be finishing 6th for the next 5 years.

Got it. What is the prize money that the team receives for finishing 6th in the constructors?

The prize money 2 years ago was $75Mn. Since then, it has risen by 10% for 2 years and it is expected to grow by 25% for the next 5 years.

So, the prize money for year Y-2 = 75, Y-1=82.5, Y0=90, Y1=110, Y2= $140Mn, Y3=$175Mn, Y4=$220Mn, Y5=$275Mn. Moving onto the revenue through hospitality, F1 teams can sell tickets that provide on-track experiences to their fans. These tickets are sold for every race. Do you have any information on the revenues gained through the sale of such tickets?

How many races are there in a calendar year, and how many fans attend a race on average?

The number of races changes on a yearly basis but this year there are 20 races in total. Around 150,000 fans attend a race.

Okay, for our calculations let us consider 10 races in a year with an average seating of 150,000. Every race has 75% occupancy and 5% of the occupied seats are bought for hospitality.

The total number of hospitality seats per year per race is given by the product of total seats per race, occupancy rates of the race, and share of hospitality seats as a percentage of total tickets sold. This gives the total hospitality seats as 5500 per race. 5500 divided by 10 teams gives us 550 seats which is the number of seats allocated to McLaren F1. Are all the hospitality seats sold? Could you also provide the price per ticket for the seats?

No, the hospitality seats are 90% full in every race. They are sold for $2,500 a piece.

Okay, this gives us a value of 500 seats which will be sold multiplied by 10 races at a price of $2,500 resulting in a revenue of about $12Mn.

Yes, that is correct.

Moving on to the sale of merchandise, do we have details on revenues by individual channels namely – online store, offline store and race day sales?

The sale of merchandise brings in a revenue of $15Mn per year and is expected to grow at the rate of inflation for the next few years.

Okay. What is the type of sponsors that McLaren F1 has and what are the amounts paid by each of them?

Tata Motors to Invest in McLaren F1

McLaren has received $60Mn in sponsorships but this is for a 10 year long agreement.

Does McLaren have any pay drivers in its lineup?

No, currently there are no pay drivers.

Okay. What is the revenue from non-race events?

McLaren Gets about $3Mn from non-race events every year.

I have all the information I need to find the valuation and NPV of the investment. I would need a few minutes to calculate the same.

Okay. Can you find the break-even point instead?

Yes, Tata Motors would be able to break even in their fifth year of operations, which is a very good return on their initial investment.

The calculations seem to be right. Can you provide a few recommendations for Tata Motors?

Can I get a few seconds to think about the recommendations to be provided?

Sure.

Since Tata Motors can retrieve their investment within the first 5 years this is a good deal for them. I would however recommend Tata Motors to try and negotiate with McLaren F1 for a lower price this would enable them to get the return faster while also reducing the risk that they are undertaking.

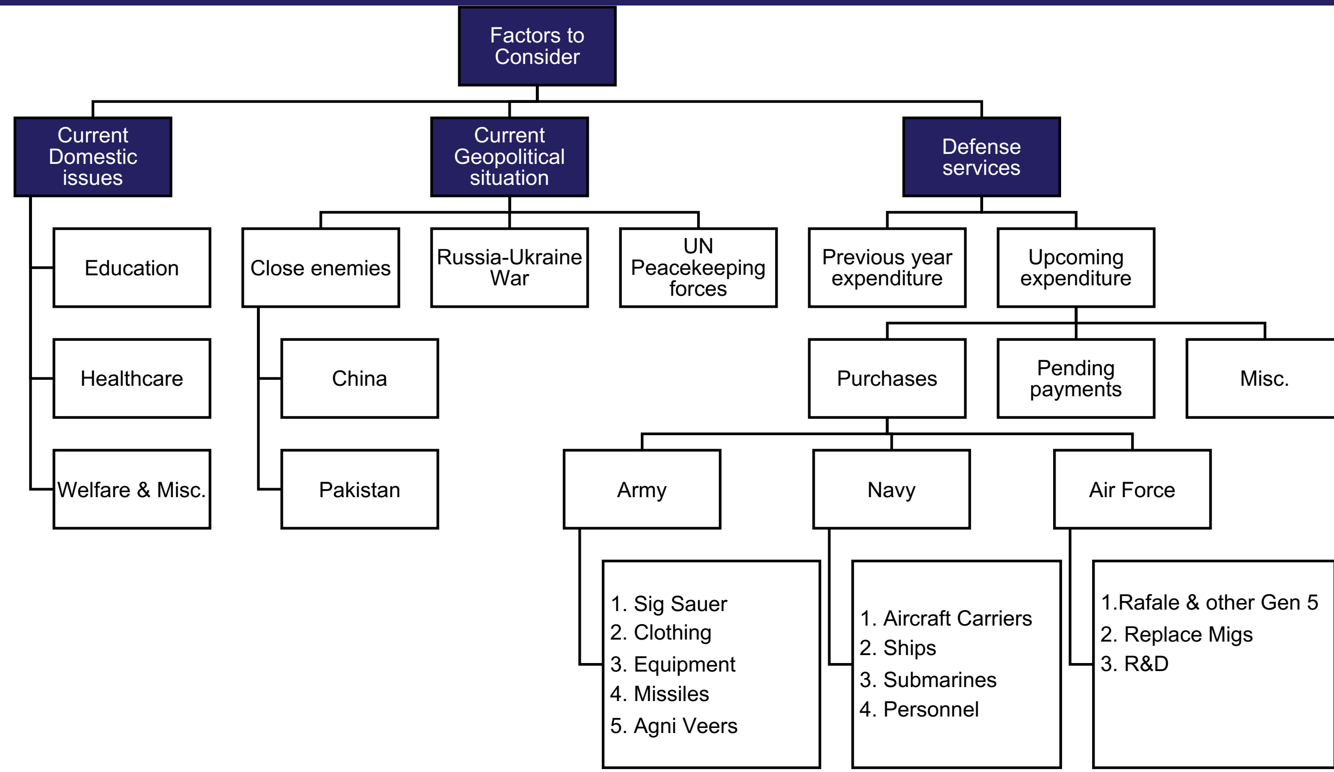
Particulars	Y0	Y1	Y2	Y3	Y4	Y5
Investment	400					
Returns		30	55	85	125	170
Cash Flow		$\frac{30}{1.05^1}$	$\frac{55}{1.05^2}$	$\frac{85}{1.05^3}$	$\frac{125}{1.05^4}$	$\frac{170}{1.05^5}$
Breakeven						Yes

Defense Budget of India

The Defense Minister approaches you to come up with a defense budget for the upcoming year.

Background Information

- **Objective** – Formulating this year's defense budget
- **Situation** – Current year's budget is $66 billion. Also the government has launched new schemes like Agniveer
- **Geopolitical Situation** – Tensions with China and terrorism in Kashmir Valley



Case recommendations

- Give attention to new schemes launched by the government and any new equipment acquisitions like Rafale fighters.
- Also give stress on the current tensions with China and need of anti- terrorist operations in Kashmir Valley.

Case tips

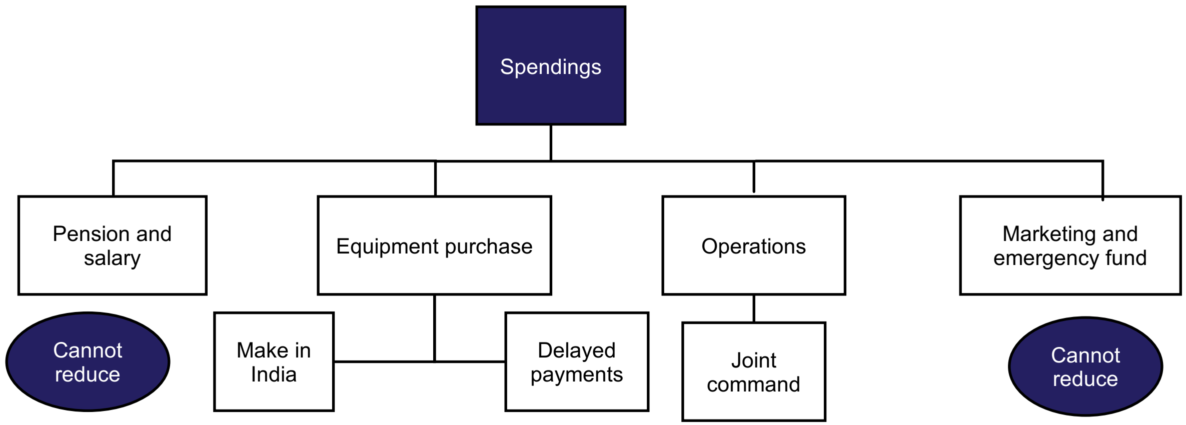
- This is an exploratory case and helps candidates learn to structure their thoughts. The key takeaway is to be always MECE
- Quick-practical mindset & binary breakup of options helped the candidates structure the case.

Defense Budget of India

The Defense Minister approaches you to come up with a defense budget for the upcoming year.

Background Information

- **Objective** – Drafting this year's expenditure for the Defense Ministry
- **Situation** – Government is looking to optimize its spending in defense.
- **Geopolitical Situation** – Tensions with our neighbors has resulted in heavy equipment purchase and more recruitments.



Case recommendations

- Emphasize on the need to purchase more defense assets and increased recruitments.
- Along with that, administration costs like salaries, operations expenses cannot be cut.

Case tips

- This case should be approached from an exhaustive perspective with each and every type of expenditure being covered under a head.
- Contingency expenses is one head that is often missed out.

Defense Budget of India

The Defense Minister approaches you to come up with a defense budget for the upcoming year.

Just to reiterate, you want me to come up with the defense budget of India for the upcoming year. For that, I would like to know what is the ratio of the defense budget to the total budget.

Okay, so the defense budget is 15% of the total budget and 5% of the GDP. Now, can you calculate the current defense budget?

So, as the current GDP is $2.7 trillion. 5% of that would be $135 billion.

Okay. let's not delve into numbers but tell me the factors you would consider for the same.

While creating the budget I would consider the following factors – current domestic issues, current geopolitical scenario, and defense expenditure. Now, the current domestic issues can be further divided into education, health, welfare, and other miscellaneous factors. We would also factor in the current geopolitical scenarios, in which China and Pakistan are our nearest enemies. We can base our estimated spending based on what they spend. There is also a threat of WW3 looming in the world which has been amplified by the current conflict between Russia and Ukraine, so the budget should cater to such emergency needs as well. We are also the largest contributor to UN peacekeeping forces which would require us to spend on the same.

So, how will you compare the defense spending of different countries, will you look at spending as a percentage of their GDP and try to match them?

No, I won't be following that because different countries have different GDPs and thus % of GDP would not be a good estimate to compare different-sized economies. A better way to compare would be looking at the armament, weaponry, arsenal, and personnel with respect to our adversaries and trying to match and further supersede them in these.

Right, we can continue with the discussion on defense expenditure.

Defense expenditure would be impacted by 2 factors – last year's expenditure & its utilization, and an estimated expense for the upcoming year. The upcoming year's expenses can be further divided into purchases, past payments, and miscellaneous. The purchases can be divided into 3 services – Army, Navy, and Air force. The army is planning to spend on Sig Sauer rifles, which are replacing the existing INSAS rifles, new clothing, and equipment purchases such as helmets, night vision, and bulletproof jackets.

The upcoming budget will also accommodate the training and salary of the Agniveers. On the Naval front, India aims to spend on purchasing new ships and upgrading its existing fleet to gain parity with China. The Airforce is also spending on purchasing Rafale and other 5th gen fighter aircraft, Apache helicopters, and other missiles & anti-air defense systems, while replacing the current Mig-21s and spending on R&D to develop an in-house gen 5 aircraft.

Okay, your analysis seems fair, but now when you approached the minister, you have been asked to cut down the budget by 15%.

So, in order to reduce the budget, I will identify the various cost centers – pension & salary, equipment purchases, operations, marketing, emergency fund, and other expenses. Now, I would investigate each cost center and find out if it's feasible to reduce costs there. We can neither reduce costs in pension and salary as these are integral to the functioning of the armed forces nor can we reduce costs in the payments sent to the emergency fund. With the Make in India initiatives, we can reduce the costs of equipment purchases. We can also defer a few future equipment payments to reduce the expense burden. We can also improve the operational efficiency of the armed forces through the current ongoing joint command initiative by sharing the resources between the tri-services. For e.g., the army and Airforce can share their bases to cut down on expenses.

I think we are done here. Thank you.

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Sustainable Value Chain

Assume that your client is Coca-Cola. It wants to implement sustainable procurement & policies. What are the key components you will look at and how you will design it.

Background Information

- **Client** – Coca-Cola India
- **Target** – Phasing out unsustainable factors and aligning with SDGs
- **Why** – Pressures from Govt. and other stakeholders to be sustainable and align with CSR narrative
- **Where** – Consider Pan India operations

Sourcing	Inbound logistics	Storage	Outbound logistics	Sales	After sales
• Lean production • Price discovery • Right sourcing models • Preparation & packaging	• Mode of transport • Contractor/self • Capacity utilization • Damage rate • Delivery times	• Element Exposure • Stocking patterns • Inventory clearance rate • Water use/GHG emissions	• Transport emissions • Spoilage rate • Disposal methods • Delays and overruns	• Storage and spoilage rate • Waste generation • Display energy consumption	• Bottle collection • EPR/ plastic waste management • Reuse/safe disposal

Case recommendations

- **Industry-specific pointers were appreciated such as** – Excess water used in manufacturing, 100% recyclable bottles in Bangladesh, bottles ending up on water bodies and concerns of biocontamination and bioaccumulation

Case tips

- **Value chain approach** works wonders in many of unconventional cases – create at least the chain as Pre-During-Post to give structure to discussions in case it veers off too much

Sustainable Value Chain

I will look at the value chain which includes procuring raw materials, inbound and outbound logistics, manufacturing, storage and packaging and finally after-sales service. Is that fine?

Sure, go ahead. Let’s have a look at each of the stages.

Under raw materials, I would look at: Coke’s special ingredients, plastic and glass for bottles, and labelling material. For eg, Coke Bangladesh uses 100% recyclable PET bottles so raw materials form an important component.
Inbound and outbound logistics: Using fuel-efficient vehicles and using cleaner fuels while optimizing routes.
Manufacturing: I will focus on 3 components- People, process, and technology. Further under ESG headers the environment forms a key concern under which I would broadly look at GHG emissions, waste management and water management. It is important to understand how waste and water are managed since this manufacturing process requires a lot of water.
I would further discuss the most important step which is to try and implement reusing and recyclability policies since most of the coke bottles end up on beaches etc. polluting the environment.

Certainly, please do. Good.

Under after-sales services: For a sustainable procurement policy, Coke alone would not be able to implement it hence it requires support from customers and 3rd party tie-ups. For tie-ups, we could look to collaborate with the likes of swiggy and Zomato who could collect empty bottles when they visit for food delivery of any sort. Consumers can be encouraged through cashback or incentives.
Lastly, since Coke already has an extensive distribution network with salesmen visiting every store on regular basis, we can give the consumers the flexibility to give back empty bottles to these stores from where our salesmen can collect those.

All these suggestions sound great and thanks for the comprehensive discussion. Do you think you might be missing out is something critical?.
Yes, you’re right. The client is not looking for any inorganic growth right now. What will you advice the client to do?

Since the major portion of sales is coming from the retail channel I’ll start with that and then can move to the Institutional sales. To do that I would like to see the customer funnel and see at which level can we increase the sales.

Yes, focus on only the retail sales.

Right, so starting with need, since cement is a commoditized product and given the time to fulfil our objective, I don’t think we can increase the need of specifically our cement in the market.

Yes, that is right.

Coming to awareness and accessibility, have we built enough brand awareness of our cement in the market through promotions and all? And what are the distribution channels we are using and is our product accessible to final customers?

Yes, the client has already worked a lot on brand building and building an accessible distribution channel.

Okay, then coming to the customer experience and affordability part, if the quality of cement is good enough (in terms of time taken to dry, strength etc).

Yes the actual quality of cement is very good and better than many competitors. Let’s talk more about the affordability part.

Sure, for that I would need the price point at which we and our competitors are selling the product. Also, the margins that they are giving to their distributors.

Hiring from ITIs

The issue at hand is the decreased hiring from ITIs by private companies in the Haryana. They can hire either from outside the state, hire from private institutions or leave the post vacant. How will you increase hiring from ITI?

Background Information

- **Client** – Government of Haryana
- **ITIs** – Technical skilling schools in charge of training for industries under MoSDE (Ministry of Skill, Development and Entrepreneurship)
- **Time frame** – Companies reframing hiring and talent attraction strategy within 1-2 years

Approach –

A) Enlist the available options

Technician Hiring
- Hire from ITIs
- Hire out-of-state
- Hire from private institutions
- Leave the post vacant

B) Analyze the options across the hiring process

Talent search → Screening and shortlisting → Interviewing → Onboarding and integration → Attrition and dropoff rates

C) Analyze and rate the options across KPIs out of the hiring process (Note: Only an indictive list)

	ITIs	Out of State	Private Institutions
Skill levels	Low	Medium	Medium
Cost to the firm	Medium	Low	High
Support and Schemes	High	Low	Low

D) Discuss methods to uplift ITIs to resolve the lagging parameters identified above

Case recommendations

- Policymakers can constitute a specialized funding scheme to uplift poorly performing ITI

Case tips

- A sound knowledge of the education and role of ITIs helps to come up with relevant recommendations
- Bring out all aspects of the framework and explain it to the interviewer before seeking out specific information.
- Try to structure the case by parts in order to ensure that there is some order of flow that is ensured throughout the interview

Hiring from ITIs

To begin, what do you think is the main objective of the Haryana Government in addressing this issue?

The primary objective of the Haryana Government is to cultivate a skilled workforce that not only meets the demands of the private sector but also ensures competitive salaries for ITI graduates.

Precisely. Now, as a consultant, you'll need to identify potential solutions for the issues at hand.

These include skill gaps among ITI graduates, a lack of relevant courses, low enrolment, and students not joining jobs post-offer.

These seem to be relevant issues, How would you approach these issues?

Addressing skill gaps requires a multi-pronged approach, including improving infrastructure, involving industrial experts as guest faculty, and providing additional training for trainers. Implementing an accreditation system based on acquired skills can also enhance competency and harnessing ATL (Atal Tinkering Labs) can be a way forward for talent pool

Well said. Now, let's shift our focus. The government plans to establish a new ITI in Gurugram. How would you decide the top 10 courses to be offered? Walk me through the process and explain it like you are creating an Excel sheet

Absolutely. To systematically select courses, I would create an Excel sheet. Each course would be a column, and the rows would include the number of ITIs offering the course, enrolled students, students placed last year, job availability, reported vacancies, and the presence of private institutions offering the course.

Excellent. Are there any other factors we should consider during course selection?

Certainly. It's crucial to consider industry growth projections, regional demand, and emerging technology trends. Further, there needs to be industry visit sessions and workshop training which would enable ITI students to appreciate their learnings. A trainee stint of 6 months would enable students to with better selection of courses. These factors will ensure that the chosen courses remain relevant and aligned with the ever-changing job market.

Perfect. Your data-driven approach ensures a well-informed decision. How would this strategy benefit both the students and the private sector?

By aligning ITI offerings with market demand, we can bridge the gap between students' skills and the private sector's requirements.

This not only enhances students' employability but also contributes to the state's economic growth by providing skilled professionals to the industry.

Great. Now feel free to add any more ideas related to the improvement of the ITI ecosystem in India overall.

I had also read about the poor financing aspects of ITIs are making it difficult to provide quality education on demand. Also, there are issues of governance and control on governmental education institutes due to oversight of government

Fair. Do focus on the financial aspect, as in what can be done to ensure that ITI is set on a path of improvement. Top-of-the-mind ideation also works here.

I would like to classify my ideas as Supply of funds, Usage and control of funds and accountability post-use.
Policymakers can constitute a specialized funding scheme to uplift poorly performing ITI. There needs to be autonomy over financing for colleges for aspects such as recruiting guest faculty, discarding old equipment, purchasing new equipment and machinery, building maintenance, and so on. Further, zero-based budgeting would help to ensure accountability from the side of ITIs

You've provided a comprehensive approach. Thank you for sharing your perspective on this case.

Financial Inclusion

You'll be addressing a real-world challenge faced by the Odisha Government. They want to enhance people's accessibility to banking functions for financial inclusion. How would you suggest achieving this?

Approach –

Strategy for Financial Inclusion
Align with GoI's focus on minimum government & maximum governance

Goal/Scope	Boosting accessibility for financial inclusion; Budgetary constraint ~ 200 Cr; 6 Lead Banks	**KPIs/ Tracking parameters**	• YoY rise in the bank account registration • Utilization rate of JAM (Jan Dhan, Aadhar, Mobile) to create accounts by people • Rise in digital transaction proportions • Registration rise to financial inclusion schemes
Timeline	5-year plan; for over 4000+ gram panchayat		
Target audience	Underserved/Illiterate and out of formal banking system		

4 Pillar Strategy Roadmap for Accessibility

Pillars	Key focus elements
Digital Literacy	How to educate? Curriculum? How to reach all ages? How to nudge application of learning? How to sustain?
Service Improvement	What products? Which banks? Last mile connectivity- Infra. Enablement? Post account opening engagement
Livelihood Enhancement	How to boost purchasing power? Creation of money circulation? What jobs to create & invest in training for?
Technological Enablement	What technologies to use? How to ensure device inclusivity? How do they add value & unlock synergies?

Case recommendations

- Increasing accessibility of banking services through internet access, mini banks and home delivery.

Case tips

- Remember that problem would have no set framework and problem identification is key along with effective communication
- If possible, try to refer to government schemes and your understanding of governance at multiple junctures in the interview
- Feel free to ask the interviewer for clarifications and align with them on critical parts after providing your understanding
- Creation of a plan and showing a long-term vision would seek brownie points

Financial Inclusion

To begin, I would like to clarify a few details. Could you please provide more context about the current situation and any specific goals the Odisha Government has in mind regarding financial inclusion?

Certainly. The Odisha Government aims to ensure that more people have access to basic banking functions such as deposits, transfers, and withdrawals. They are open to various strategies. Feel free to explore different options

Thank you for the context. I would like to start with a few questions to understand the current scenario. What is the current level of banking accessibility in Odisha? Are there specific areas with low access.

How would you determine the banking accessibility in the state?

To understand the current level of banking accessibility, I would inquire about the number of bank branches and ATMs across different regions of Odisha. I'd also ask for data on the percentage of the population with active bank accounts. To identify areas with low access, I'd seek information on the presence of banking facilities in rural and remote locations, as well as any data indicating underutilized bank branches or ATMs.

These data points are good enough to understand banking accessibility. It's below the national average right now with a significant gap.

What demographic groups are currently underserved in terms of banking services?

Before that, tell me how exactly would you assess that?

To determine the underserved demographic groups, I would request data on the age, gender, income levels, and occupation of individuals with limited access to banking services.
I'd also inquire about any specific groups, such as women, farmers, or small business owners, who might face challenges in accessing banking services. This data would help identify segments that require focused attention.

You are right in your approach. People who belong to rural areas, women & small business owners are the major underserved demographic groups. What do you think are the main barriers preventing these people from using traditional banking services like others?

Few barriers could be geographical Distance, lack of Financial Literacy, documentation Requirements, complex Procedures, Limited Banking Hours, Trust Issues.

Great, now can you help me to identify the solutions?

To address this challenge, I can see a few potential solutions:
1. Establishing Mini Banks in Villages: Setting up small bank branches or kiosks in villages could provide direct access to banking services for rural communities.
2. Shuttle Service to Banks: Implementing a shuttle service once a week to transport villagers to nearby bank branches could facilitate their access to banking services.
3. Home Delivery of Banking Services: Introducing a system where banking services are delivered to people's homes could be a convenient way to reach those who can't travel easily.
4. Promoting Internet Banking: Since you mentioned there are no constraints, promoting and educating people about Internet banking could be a way to provide access to banking functions via digital platforms.

Your suggestions cover a wide range of options, which is great. What do you think the potential challenges are with promoting Internet banking?.

Ok. While promoting internet banking as a viable option, there are several challenges that need consideration:
1. Smartphone Availability: Many individuals might not own smartphones, limiting their ability to use internet banking platforms.
2. Internet Penetration: The availability and quality of internet connectivity in rural areas might be limited, affecting the feasibility of using online banking services

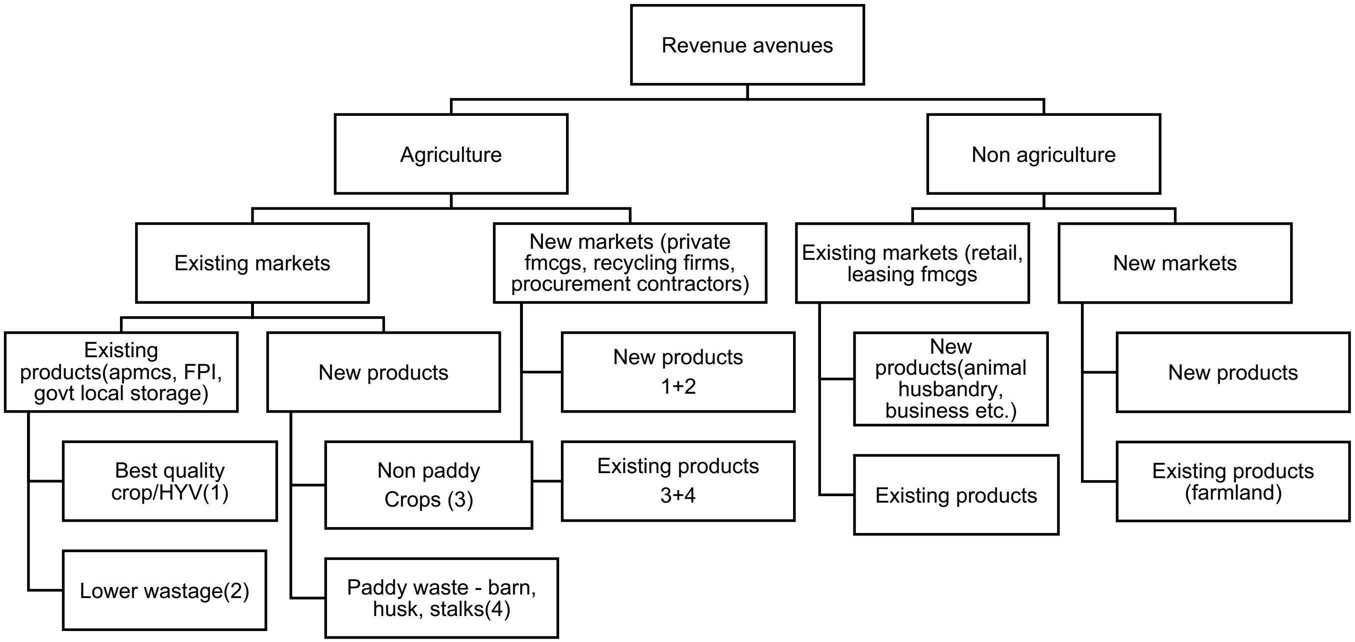
Awesome. We can close the case now.

Boosting Farmer's Income

Farmers in Punjab have been growing Rice which was procured by government at attractive prices. However, since the ground water level has gone down, you as a consultant, need to suggest other options to farmers to make revenue.

Background Information

- **Client** – FPO based out of Punjab and facing the issues of decline crop yield
- **Target Growth** – Doubling Farmer group's revenue by 2025
- **Areas to explore** – Both agricultural and non-agricultural income



Case recommendations

- Farmer's income can be increased by having various income streams ranging from animal husbandry to lending services based on their current resources

Case tips

- The Ansoff matrix structuring helps to give direction to the problem as it helps to generate ideas for new products and new markets
- The Non-agricultural part is tough to structure. Ideal way out is to mention the outcomes using the basic structure.
- Talking about risks in the stipulated time and overdelivering on probable solutions- seek brownie points
- Ability to come up with multiple approaches quickly and aligning with the interviewer with take his nudges is the key to the case

Boosting Farmer's Income

Interesting, I would like to understand for long have the farmers faced this issue? Were the farmers growing only rice and was the entire produce being procured by the government only?

For about 2 years now. Some other crops in small amounts like cotton etc. Yes, the government procured the entire produce.

Would the farmer be open to non-agriculture avenues to generate revenue?

Interesting proposition. We can explore that as well

All right, here, I would suggest 2 means to generate revenue, Agri and non-agri. Under Agri, we have the possibility to explore other crop cultivation under the MSP scheme. Here we could look at growing other crops and some herbs to extract APIs. To find a perfect crop, we would have to analyse factors like soil conditions, climate, surrounding flora and fauna etc. The APIs extracted can be sold to pharma companies.

Excellent points. Could you elaborate more on this information bit?

Steps involved

1. Decide the crops/herbs to be grown after analysis of factors like water availability, soil conditions etc.

2. Train the farmers on the correct techniques to grow the crops like crop rotation

3. Provide supporting facilities like cryogenic preservation if required

4. Bring in both public and private players to procure the produce and get them to have long-term contracts with the farmers

What do you mean by the private players?

Could be that the pharma companies procure herbs for APIs and players like ITC, HUL etc. to procure the crops from farmers

Impressive. Elaborate more on private players and other avenues

After signing the contracts, can have platforms like e-Choupal to train them. At the same time, new-age power plants can collect chaff and rice stalks at a contract rate and ensure utilization of the agricultural wastes too.
Further, with the rise of future options, contracts to mitigate market risks of fruits and vegetables can be the way forward for both the companies as well as the farmers.

At the same time the above needs to be complemented by investment from private/govt. in backward and forward linkages for the farmers – such as seeds, tractors, etc.

We can move to non-agricultural means of income now

Can do dairy farming since they already might have some animals on the farm and hence some experience in managing them. Further, in lieu of tanning and wool industries in Punjab, we can also explore farmers having animal husbandry for the above purposes with commercial procurement.

Further, in further diversified efforts, farms can lease land for other purposes and create niche agricultural uses such as greenhouses/nurseries, etc. Also, rich farmers can use their resources to create lending services complementing government efforts to boost agricultural backward linkages.

Excellent ideas. For that, what metrics would you look at?

Would look at the ROI, considering the input cost and the output/ revenue obtained over the target period by the alternative. Also, NPV/IRR analysis can be considered to analyze when there are multiple & and competing uses of the same land resources. At the same time, we need to check for cashflows in order to

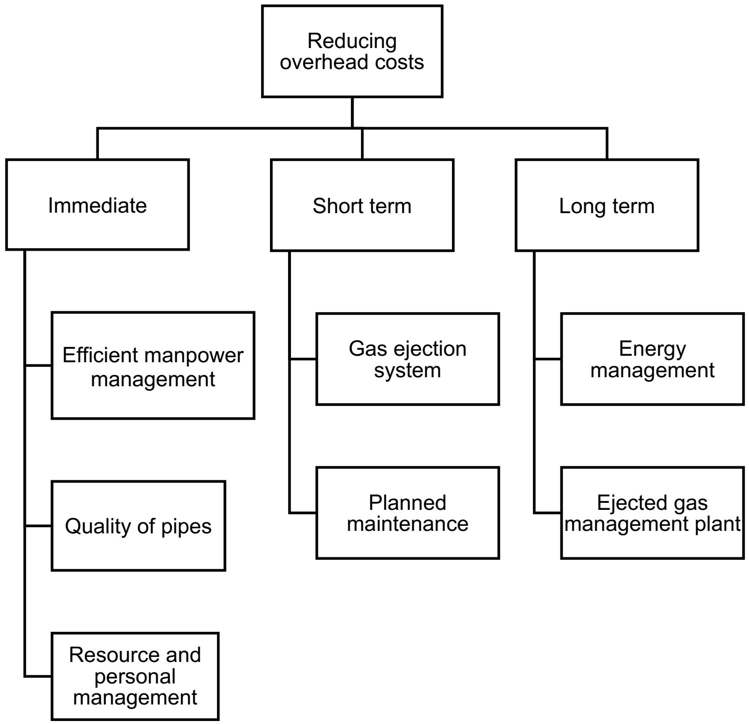
Perfect, we can close the case. Thanks for the insights

Reduction of Overheads

As a manager reduce the overhead costs for an oil drilling rig, you are tasked with reducing the overheads associated with it.

Background Information

- **Situation** – Reduce the total overhead costs
- **Industry** – Oil and Gas
- **Timeline** – Over the next five years



Case recommendations

- Collaboration with renewable energy industries.
- Breaking down such cases into different timeframes with attainable goals for each.

Case tips

- Breakdown the overhead costs into various sub- costs.
- Look towards reducing each sub- cost in a different way.

Reduction of Overheads

As a manager of an oil and gad drilling rig, you are tasked with reducing the overheads associated with it.

Can you provide some details regarding the timelines associated with it.

Sure. The required timeline for the plan should be panned out over the next 5 years.

Based on the information provided, I would like to break down the process into 3 stages.

1) Immediate goal (Less than 1 year)
2) Short-term goals (1-2 years)
3) Long-term goals (3-5 years)

Sure. That sounds good, can you explain what factors you would look at.

The primary factors to be addressed for overhead reduction are:
Efficient manpower management.
Quality Management
Resource Management
Efficient maintenance activity
Gas ejection systems
Energy management
Gas management plant

Sounds good. Can you bifurcate the same based on the various stages defined previously and provide some details regarding each of the mentioned points.

Stage 1: Immediate goals
Efficient manpower management: Employees are often required to work in 12-hour shifts, and due to fatigue associated with work, their productivity reduces overtime loosing up to 3 hours per shift
.
Quality Management: One of the main components prone to wear and consequent damage are the pipes and drill bits. Proper maintenance of these like sharpening the bits and powder coating the pipes will drastically extend their lifespan.

Resource Management: Often, supplies suck as food and water, and personal are brought to the rigs via helicopters. Shifting these activities to use boats in its place will drastically reduce the costs associated with transportation. Planned transportation schedules would be the easiest option for this.

Stage 2: Short Terms goals
Planned maintenance: Planning and scheduling maintenance activities such as inspections, replacements and maintenance of equipment will help reduce delays and resulting losses. For this a external management application can be developed and integrated with the rig.

Gas ejection system: While drilling, a lot of gasses escape with the mud that is removed during the process. Using a proper separation system will reduce the emission of these untreated gases into the atmosphere there by reducing the penalties associated with the same.

Stage 3: Long term goals
Energy management: One of the primary costs is the shipping of fuels for generating electricity. Setting up systems to efficiently use renewable energy sources like wind and solar coupled with tidal energy and harnessing energy from waves though expensive to set up, will help reduce the energy requirements and costs associated with it in the long run.

Gas management plant: Setting up a power generation plant running on the filtered gas from the ejection system will further reduce the costs associated with power generation, help the oil rigs to be self sufficient in terms of its power requirement.

The points put across are excellent. We can end the case here..

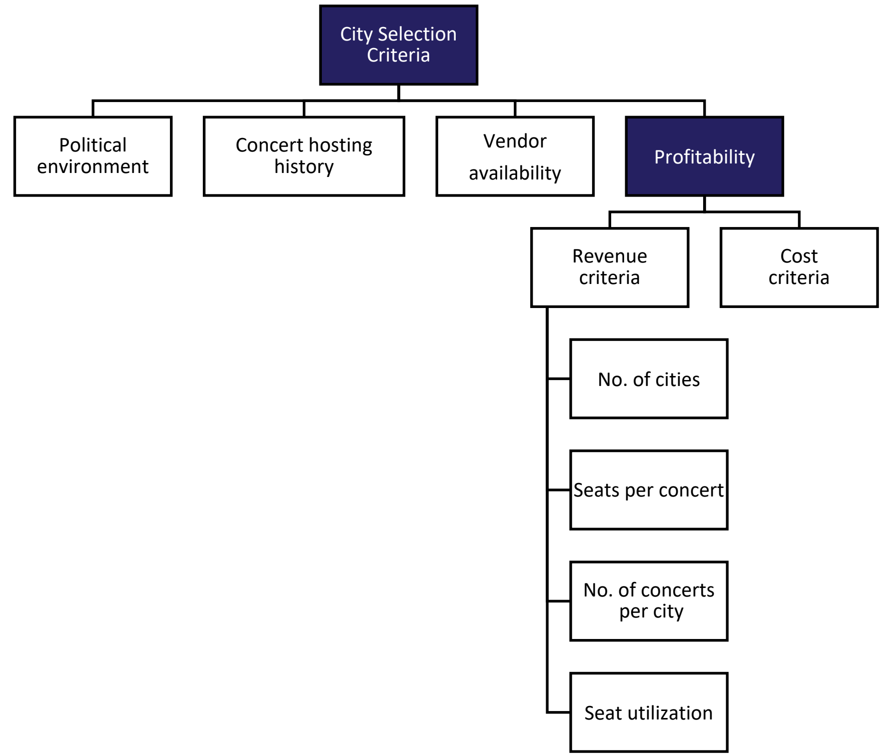
Unconventional | E-commerce | BCG | ★★

Event Listing Company

Your client is BookMyShow, and they are planning concerts in India featuring the artist Arjit Singh. The concert tour is to be spread over 2.5 months. Estimate how this will happen, what revenue they will earn, and how they will plan the tour.

Background Information

- **Company** – Online ticket seller platform, which also operates as an event metasearch engine
- **Competitor** – No specific information
- **Consumer** – Fans hailing across the market spectrum
- **Offering** – Concert tour of Arjit Singh, spread over 2.5 months



Case tips

- City selection criteria should be clearly segregated into different branches so as to structure a clear approach.

Case recommendations

- Would recommend covering 10 cities with 2 concerts each because this allows the client to reach more potential attendees, capitalize on differential pricing in cities, and optimize vendor availability.
- To amplify the reach of the event we can organize precursor events in different cities, can collaborate with local marketing vendors for carrying out offline campaigns, and can leverage web to design specific PR campaigns.

Event Listing Company

Your client is Bookmyshow, and they are planning concerts in India featuring the artist Arjit Singh. The concert tour is to be spread over 2.5 months. Estimate how this will happen, what revenue they will earn, and how they will plan the tour.

Before proceeding with the case, I would like to know if there's a specific reason we're choosing Arjit Singh, or are we open to considering other artists? Also, could you clarify the revenue target for this endeavor?

The revenue target can be as high as possible; we aim to maximize earnings. For now, only consider Arjit Singh.

Are there any competitors in the market, and could you provide information regarding the year and location for this tour?

The location can be chosen by you, and the year is 2023. There is no specific information available about competition.

Do we have any other commitments or ongoing events during the same period as the concert tour?

There are regular events that are ongoing. Additionally, could you please list the different revenue sources that Bookmyshow can potentially have?

Bookmyshow can potentially earn revenue from ticketing, merchandise sales, and advertising.

Let's dive deeper into the ticketing source.

Sure, to conduct a comprehensive analysis of our ticketing source, we need to evaluate several key aspects. If we decide to proceed, we will assess the market attractiveness, capacity, feasibility, and risk factors.
For market attractiveness, our analysis will thoroughly examine the market size. This involves considering various factors, such as the number of cities, available seats, and the frequency of concerts or events. Additionally, gathering data on past concerts we've organized would be beneficial, including details on the number of cities they were held in and the overall success metrics for these events. Do we have any past data on this?

Before we go into that, can you suggest the factors you will consider while choosing any city?

Choosing a city for events will involve considering capacity, politics, demographics, history, vendors, accessibility, economics, culture, infrastructure, and weather to make a well-informed decision.

Would you like to define how you'll calculate the predicted revenue?

I will calculate predicted revenue by multiplying the number of cities, seats, concerts, seat utilization, and the price mix.

Good, now let's consider the concert details. There are 4 concerts happening in Mumbai on Friday, Saturday, Tuesday, and Thursday. Two will be in Navi Mumbai and two in Mumbai city. In Mumbai city, there are 20,000 seats in the auditorium with 90% utilization, and tickets are priced at 2000 Rs. The ones in Navi Mumbai have 10,000 seats, 90% utilization, and 1500 Rs. per seat. Calculate the revenue for this.

Just to clarify, is the revenue and utilization going to be the same across Friday and Saturday versus Tuesday and Thursday?

For simplicity, let's assume that the mentioned factors remain constant.

Alright, the revenue calculation for this city will be 2 * (20,000 * 0.9 * 2000 + 10,000 * 0.9 * 1500)

Great, now if this is the revenue for one city, how will you extrapolate it across different cities?

Assuming the tour is 2.5 months or 75 days with a concert every 3rd day, we'll have 25 concerts in total.

Okay, for now, consider that you can either cover 10 cities with 2 concerts each or 6 cities with 4 concerts each. Which option would you choose?

I would choose to cover 10 cities with 2 concerts each because this allows us to reach more potential attendees, capitalize on differential pricing in cities, and optimize vendor availability.

Now that you have a sense of scale and revenue sources, try defining the costing side. Also, list down a few marketing avenues that can be leveraged to amplify the events PR.

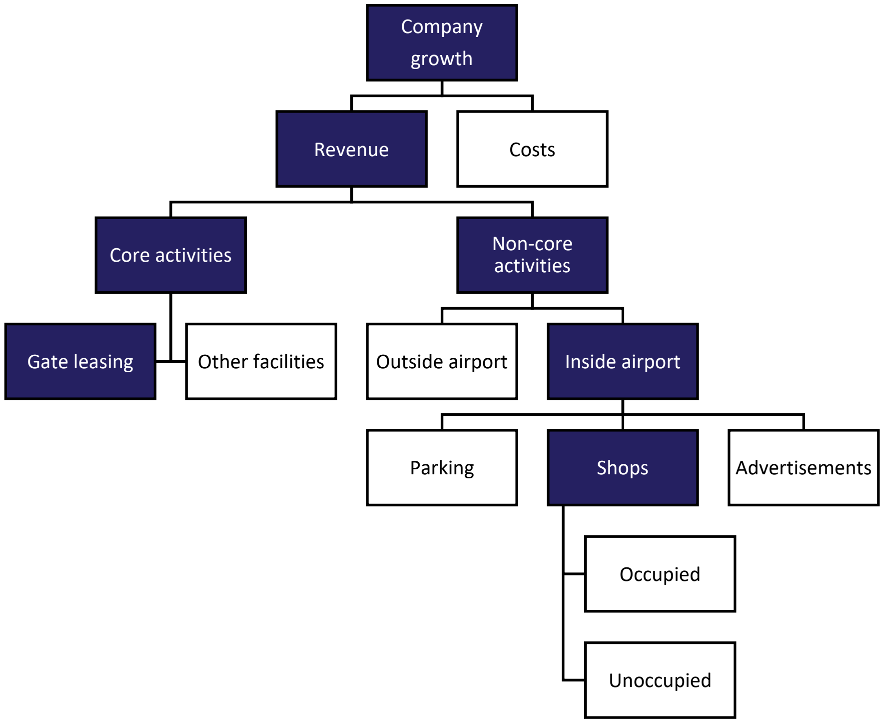
To define the costing side, we can analyze the value chain of the event, considering factors such as the capacity of the auditoriums, pricing, potential sponsors, vendor availability, and the accessibility of the cities.
Moreover, to amplify the reach of the event we can organize precursor events in different cities, can collaborate with local marketing vendors for carrying out offline campaigns, and can leverage web to design specific PR campaigns

Airport Leasing Company Growth

Your client is an airport leasing company which has recently hired a new CEO who's set a bold target to triple the company's growth over the next five years. The company has brought in McKinsey to provide suggestions for achieving this ambitious goal. How to go about it?

Background Information

- **Company** – An Airport leasing company like Adani, GMR etc. which lease Govt. owned land and run and maintain the airport
- **Company Background –** Company currently operates four airports in major metro cities such as Mumbai and Chennai



Case recommendations

- For increasing revenue from gate leasing, we can boost footfall for airlines, increase airline contract prices or increase the utilization of gates. If the utilization of gates is 100%, we can look at negotiating a higher contract price from the different airlines.
- To increase revenue from occupied shops, we can either increase the number of occupied shops or increase the shop rent.
- To increase revenue from unoccupied shops, we have to look at the location of the unoccupied shops based where there location is in the airport. If the shops are near the boarding gates of premium airlines, we can pitch luxury brands to open up their shops. If the shops are near the boarding gates of low-cost airlines, we can pitch shops offering affordable products.

Case tips

- It is important to be MECE whenever defining the Revenue and Costs for the Airport leasing company so as to make sure that no component is missed out.

Airport Leasing Company Growth

Your client is an airport leasing company which has recently hired a new CEO who's set a bold target to triple the company's growth over the next five years. The company has brought in McKinsey to provide suggestions for achieving this ambitious goal. How to go about it?

Can you give me some details about the client? What is exactly meant by an airport leasing company? Has there been any stagnation or specific trends in the company's recent growth?

Think of an Airport leasing company like Adani, GMR etc. which leases Govt. owned land and runs and maintains the airport. The company's growth has been steady; the new CEO wants to boost it threefold.

Does the company already have experience in managing airports, and which airports are they looking to grow?

They are currently operating four airports in major metro cities such as Mumbai and Chennai, and the expansion plan is centered around these four locations.

To tackle this case, I'd propose structuring it in terms of revenue and cost management. Between these two, which one should I look at first?

You can only look at the Revenue side.

Alright, within revenue, we can segregate Revenue Generated from Core and Non-Core streams, which would allow us to dive into specific areas with clarity. I will start with analyzing Core revenue first. Core Revenue is primarily generated through airlines. It encompasses gate leasing and facilities like kiosks.

How can you increase the revenue from Gate Leasing?

We can increase revenue in this segment by boosting footfall for airlines, increasing airline contracts prices or increasing the utilization of gates. The revenue equation would be: Number of gates * Contract Price * Utilization.

Assume that all gates are running at full capacity. How will you increase Revenue in such a case?

In case all gates are running at full capacity, we can consider negotiating with airlines for more competitive pricing because increasing the number of gates is a long term action which is a little difficult to accommodate in the given time period and there are often constraints basis the airport size also.

How will you negotiate with the airlines for a higher price?

We can negotiate with them by incentivizing them by offering improved facilities and increased visibility.

Sounds good. You can now proceed with Non-Core Revenue part.

Moving on to non-core revenue, we can classify it into revenue generated within the airport premises and outside the airport premises. For Revenue generated inside the Airport, we can look at income from parking, shop rents, advertisements and restaurants. Anything specific you want me to look at?

Yes, we can look at income from Shops.

Okay, we can further classify the shops into occupied and unoccupied. Looking at occupied shops, we can either increase the number of occupied shops or by increasing the shop rent.

How will you negotiate increasing the shop rent?

We can negotiate an increased shop rents by increasing their visibility by increasing advertisements both inside and outside the airport.

Okay, and what about unoccupied shops?

Coming onto Unoccupied shops, we have to look at the location of the unoccupied shops basis where their location is in the airport. If the shops are near the boarding gates of premium airlines, we can pitch luxury brands opening up their shops. If the shops are near the boarding gates of low-cost airlines, we can pitch shops offering affordable products. If the shops are near the boarding gates of international flights, we can pitch brands that sell handicraft products etc.

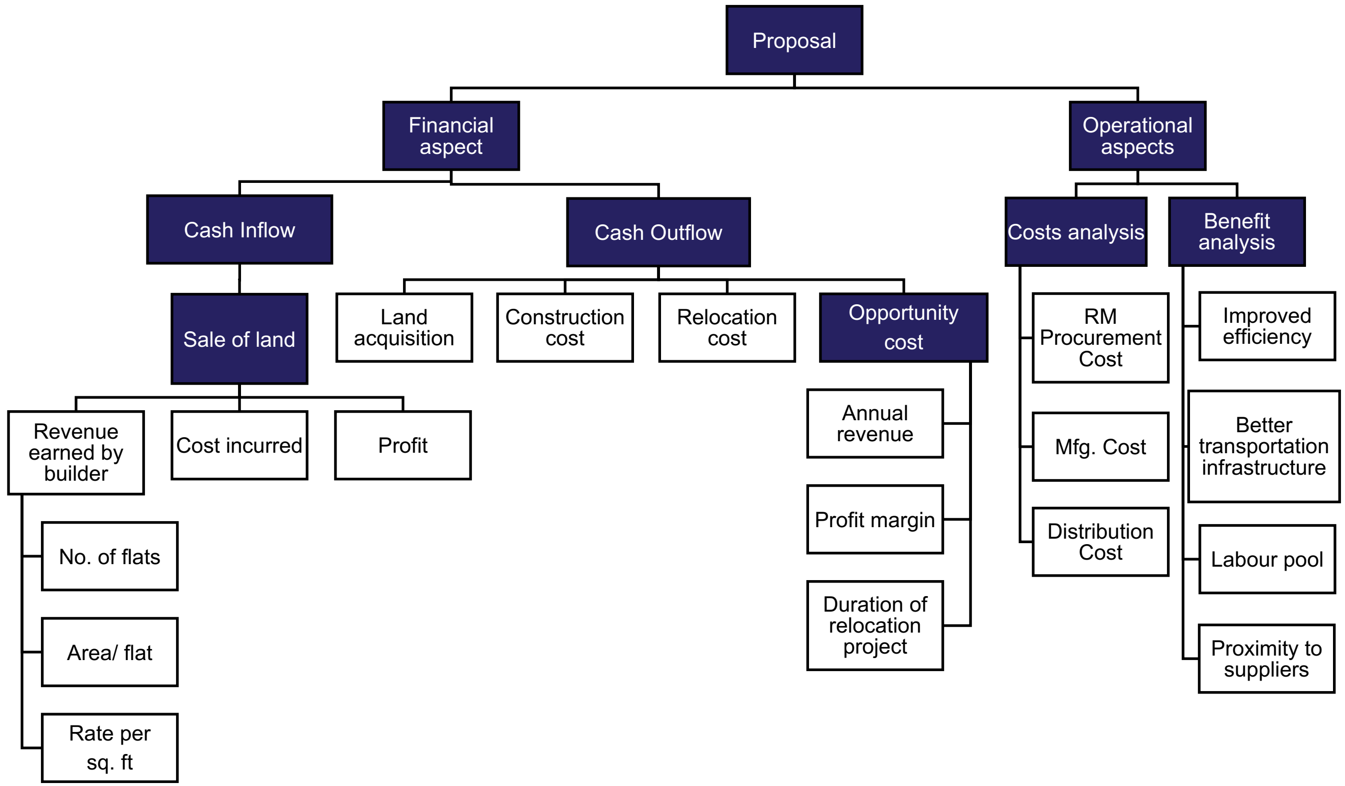
This looks good. We can close the case now.

Relocation of Chemical Plant

Your client is a residential society based out of sub-urban area in Mumbai. They are facing the problems from the smoke emitted from the chemical plant present in adjacent area. They have hired you to make proposal to the plant to shift other location.

Background Information

- **Client –** Residential society based out of sub-urban area in Mumbai. It was established five years ago and has 2000 flats.
- **Location –** In an industrial area in the past. However, with time, industries started shifting to other location
- **Chemical Plant –** It procures raw materials and manufactures chemicals, which are raw materials for other chemical plants. They directly deal in B2B business and cater to different manufacturers based out of India.



Case recommendations

- Engage in constructive dialogue with the chemical plant, highlighting pollution concerns.
- Offer financial incentives for relocation to a more suitable location.

Case tips

- Tailor the proposal emphasizing the plant's status as the only remaining industry in a predominantly residential area.
- Highlight the effects of smoke emission on residents' health, the environment, and future residential developments to urge the plant to relocate.

Relocation of Chemical Plant

Your client is a residential society based in Mumbai. They are facing problems from the smoke emitted from the chemical plant present in the adjacent area. You are hired to make a proposal to the plant to shift to another location.

Firstly, I would like to know more about the client. How long has the residential society been in existence? What type and how many houses are there?

The society was established five years back and it has 2000 flats.

I would now like to understand the area where our client is located. Is it majorly a residential area or industrial area? What were the developments in the area since the client's society has been established?

It was majorly an industrial area in the past. However, with time, industries started shifting to other location and the chemical plant is the only industry left in the area.

What were the major reasons of other industries shifting from this area? What were the developments on their lands?

There were multiple reasons such as rising operating costs such as utilities, tax, etc.; attractiveness of other areas in terms of modern infrastructure, etc. However, the chemical plant doesn't have any issue with it.

Ok, now I would like to know about the chemical plant. What do they produce? How many plants do they have? Whom do they cater to? Where do they lie in the value chain?

The plant procures raw materials and manufactures chemicals, which are raw materials for other chemical plants. They directly deal in B2B business and cater to different manufacturers based out of India.

I would like to perform cost-benefit analysis while considering financial, and operational aspects for understanding how favourable it will be to the plant to shift to different location. We need to consider challenges and risks involved in project.

Sounds good, you may proceed.

Starting with financial aspect, I would like to understand cash-flows that will happen in the shifting operation. Cash in-flow will be sale of existing property, while Cash out-flow will be expenses for land acquisition, construction of new facilities, moving equipment, and reestablishing operations. First to estimate cash in-flow, do we have valuation of land at current site?

Yes, can you estimate assuming that the current site's land area is similar? Also, many builders are planning to build similar property as ours at the plant's property.

In this case, we have to estimate the amount the builder will pay for the land. Cost of land will majorly be Revenue – Cost of Construction – Expected Profits. Revenue will be (No. of Flats)x(Area of each flat)x(Rate per sq. ft.). Do we have these data?

Yes, in the client's society, flats on average have 1000 sq. ft. and the rate is Rs 30K/ sq. ft. Cost of construction is Rs 10000/ sq. ft. Builder will expect 1K Cr profit.

Ok, for a single flat, revenue will be 3 Cr and for 2000 flats, it will be 6000 Cr, provided all flats will be sold. Cost of construction is one-third of sale value. Hence, cost of construction will be 2000 Cr. Considering Revenue, Construction Cost and Profits, the builder should be willing to pay 3000 Cr for the land of plant.

Good. How will you calculate cash out-flows?

Cash out-flow will be expenses for land acquisition, construction of new facilities, moving equipment, and opportunity cost. Opportunity cost is the loss of profit during the time of shifting and constructing the new location. Do we have any data to estimate these costs?

Yes, the costs of acquiring new land, construction of new facilities, and moving equipment are 1000 Cr, 500 Cr, and 125 Cr respectively. Plant is having annual revenue of 6000 Cr with 15% profit margin. Shifting and reestablishing operation will take around 3 months.

Opportunity cost due to loss of profit will be (Annual Revenue) x (Profit Margin)x(Months required for Reestablishing)/ 12. It will come to 725 Cr. Hence, total cash out-flows will be 2350 Cr. Net cash flow will be 650 Cr i.e., positive.

Correct, however, you are missing on one aspect while calculating cash-flow. Will the cash-flow occur at present time period?

No, these cash flows will occur in future, and hence we have to consider time value of money. We also need to calculate ROI for the relocation project over a defined timeframe (e.g., 5, 10, or 20 years).

Correct, what other aspects will you consider?

Now, I would like to focus on cost-benefit analysis on operational aspects. Firstly, we need to analyse changes in costs of RM procurement, manufacturing costs, and distribution costs. New site may have potential operational benefits, such as improved plant efficiency, access to better transportation infrastructure, a larger labor pool, and proximity to suppliers or customers.

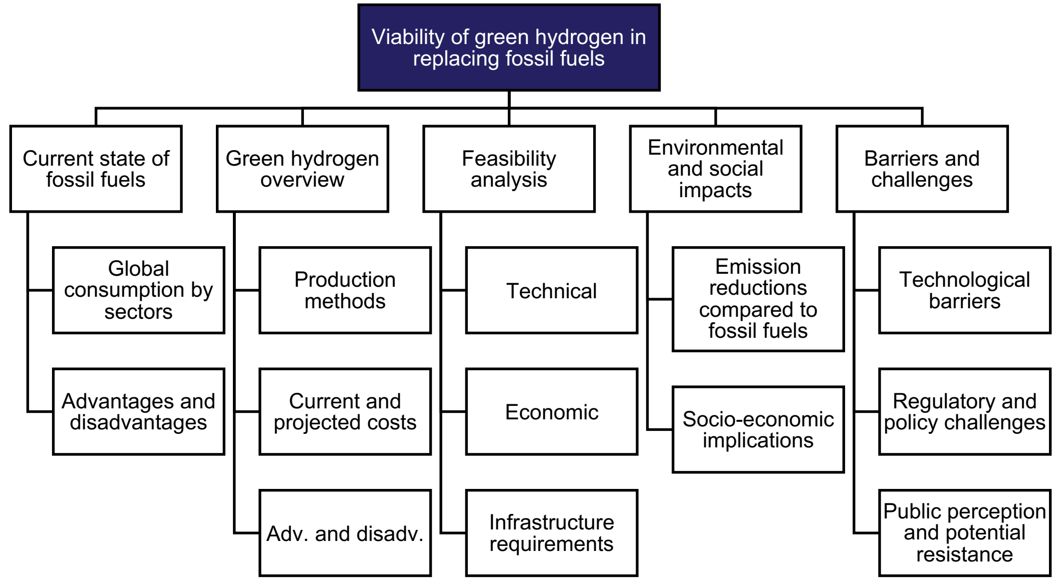
We can close the case. Thank you.

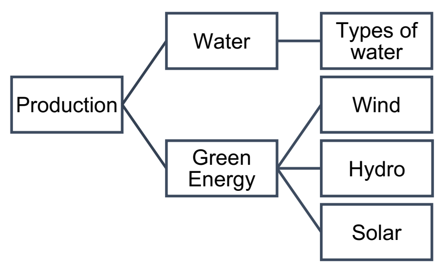
Green Hydrogen

Imagine Mukesh Ambani comes to your Cabin and asks you whether green hydrogen can replace the current carbon-based fossil fuels.

Background Information

- **Green Hydrogen –** Green hydrogen is hydrogen gas produced through the electrolysis of water, where the electricity used is sourced from renewable energy. This method ensures zero greenhouse gas emissions during production.
- **Context –** The world is in a transition phase, moving from fossil fuel dependency towards renewable energy sources to combat climate change and achieve sustainability goals. Hydrogen, especially green hydrogen, is viewed as a potential game-changer in this transition, offering solutions for sectors hard to electrify.
- **Geography –** Global Perspective
- **Time Horizon –** Mid to Long-term horizon
- **Sectoral Emphasis –** All uses of fossil fuels





Case recommendations

- Work on cases from different industries and problem types.
- Seek specific advice to improve areas like communication or analytical skills..

Case tips

- Scoping could have been better, and the interviewee should have asked about the perspective that should have been taken for viability
- Develop frameworks to organize problem-solving systematically.

Green Hydrogen

Imagine Mukesh Ambani comes to your Cabin and asks you whether green hydrogen can replace the current carbon-based fossil fuels.

Okay. I'd like to understand what green hydrogen is?

Electricity is passed through water to split it. This creates hydrogen. Another thing to keep in mind is that this electricity comes from green sources.

Understood. Another thing I'd like to understand is why are we doing this process of using green electricity to produce green hydrogen. If anything, we'll only be losing energy during this entire process.

Very interesting question. Glad you asked. Green hydrogen is easier to store and has some more advantages over green electricity.

Before diving into the analysis, I'd like to clarify a few points:
•Are we considering the entire global market or focusing on specific regions?
•Are we looking at all applications of fossil fuels, including transportation, electricity, and industrial processes?
•What's our time frame for this analysis?

Assume a global perspective, consider all uses of fossil fuels, and focus on the mid-to-long-term horizon.

Understood. I'd like to approach this in several steps:
1. Assess the current state of fossil fuels.
2. Green hydrogen overview, including its production methods and costs
3. Analyse the feasibility of green hydrogen as a replacement.
4. Evaluate environmental and social impacts.
5. Identify barriers and challenges.

Let's look at production side

Okay. So as far as I understand, we should look into this from the supply side. Our main items required are water and green electricity apart from the infrastructure. I'd like to analyse each of these items.

Sure, go ahead

When we say we need water for this process, is it a particular type of distilled clean drinkable water or can we also use sea / salty water?

We can use any water. There's no issue with that

Okay. So, we have an abundance of water then. That should not be a constraint. The next thing would be green energy

Yes, that's right. We can focus on green energy.

So I understand green energy would come from 3 sources. Water, wind and sunlight. We will require turbines, windmill farms, and solar panels.
I would like to start with wind energy. Is that okay?

Yes sure

So, I understand that windmill farms will require a lot of space, capital and wind. So, location is a prime issue.

There was a recent study that said that the entire northern India can be powered if we fill the Rajasthan desert with solar panels and windmills. So, I don't think space is a constraint.

Okay. Makes sense. The next thing I understand is that these renewable sources of energy are very expensive to setup. So that can be an issue.

Correct. Why do you think it is so expensive to set up solar panels?

I don't remember the element name, but I do remember that one of the metal raw materials is expensive which drives the cost.

Absolutely right! These are called rare earth metals which are not abundantly available. Hence even if we could afford them, there just aren't enough of them to produce as much electricity to power the entire world. So, you've come to the right conclusion that it's just not possible that they could replace carbon-based fossil fuels.

Yes, that makes sense.

Why do you think that companies are still trying this even though they know it's not sustainable or achievable?

I believe that if they never try it in the real world and purely based on current technology and calculations reject the idea, they will never learn about the intricacies and scope of improvement.

Green Hydrogen

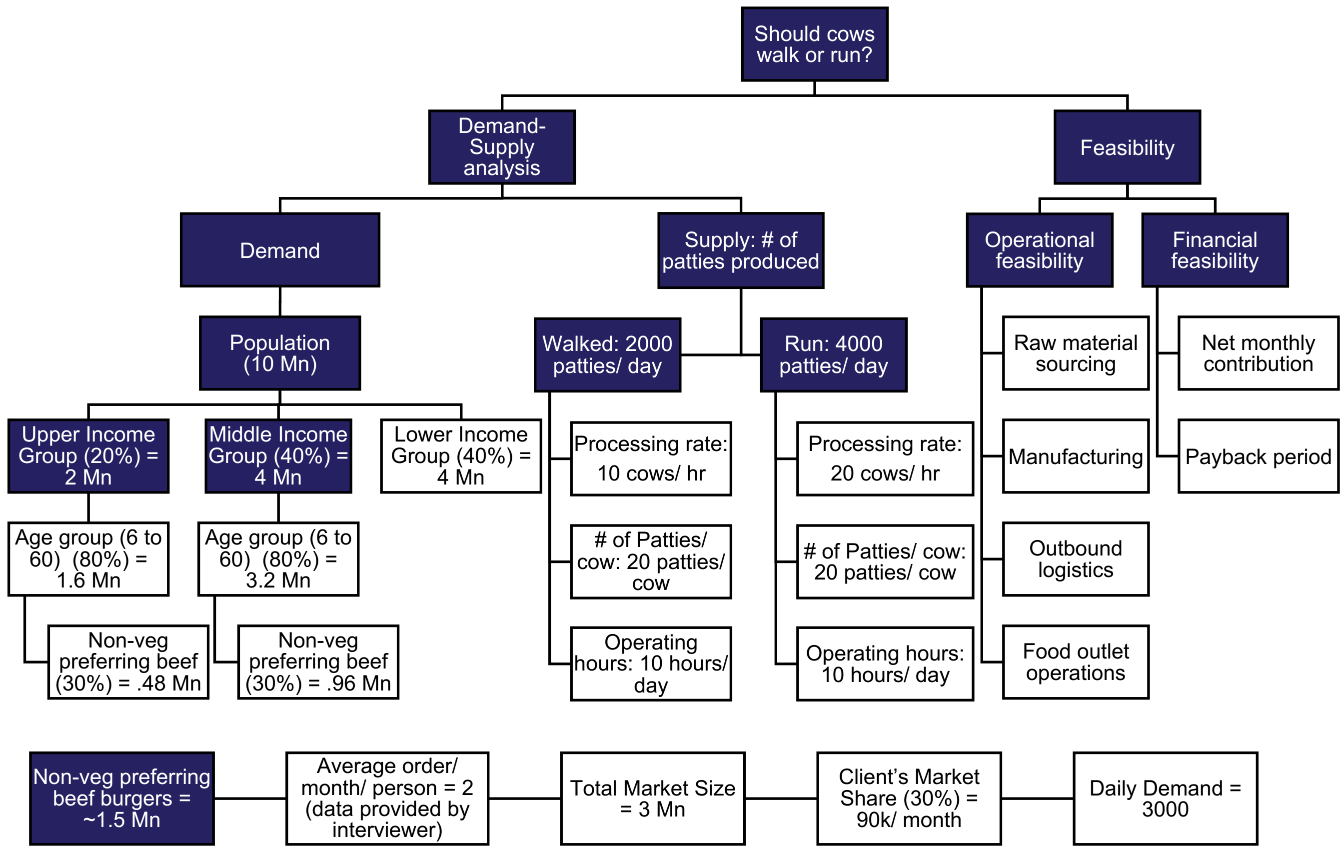
Yes. Our chips used in phones have also constantly reduced in size while being able to store more data.
Yes! So, I feel that maybe based on current knowledge and technology this is not possible but eventually we will have to once we've finished all our resources. So, investing in R&D in this area will prove to be useful.
You're right. It was great talking to you. We can end it here.

Fast Food Chain

Your client has hired you to decide whether cows should walk or run.

Background Information

- **Client**: Fast-food chain, based out of New York. They have 10 outlets in New York. They have a manufacturing plant near Bellport, where they produce beef patty from cows.
- **Product:** Our client is popular for their beef burger.
- **Competitor:** There are multiple competitors in New York. The client has a 30% market share in the beef burger market.
- **Consumer:** Upper- and Middle-Income group in the age group of 6 to 60 years.



Case recommendations

- Focus on demand, ascertain the operational feasibility ,manufacturing , outbound logistics and check for suitable value chain/framework and challenges.

Case tips

- Most candidates while sitting with this case will be caught off-guard after receiving the problem statement. The idea is to remain calm and apply first principal approaches while solving these cases. The problem statement looks startling at first but gradually adds up.

Fast Food Chain

Your client has hired you to decide whether cows should walk or run.

I would like to know more about our client and his line of business. Where are they based out of? What are their products and/ or services and where does they lie in the value chain? And how will walking or running of cows affect the client?

Our client is fast-food chain, based out of New York. They have 10 outlets in New York. Our client is popular for their beef burger. They have a manufacturing plant near Bellport, where they produces beef patty from cows. What do you think how the walking or running of cows may affect the client?

Walking or running of cows may affect the quality of meat or quantity produced at the plant. Running or walking of cows may be related to their exercise which can further increase the quality of the meat. Pace of the cows in the manufacturing plant may affect the production rate of beef patty. Am I correct?

Yes. Here, you may ignore the impact of walking or running of cows on quality of beef patty. You may focus on its impact on the quantity of patty produced at plant.

Ok, I would like to understand current scenario in terms of whether the cows are made to walk or run in plant. Due to which, what is the current daily production capacity? By changing the pace of cow, what would be the increased daily production capacity?

Currently, the cows are made to walk in plant. Also, plant can process 10 cows/ hr and 20 cows/ hr when made to walk and run respectively. We can make 20 burger patty from a cow in an hour. The plant operate 10 hours in a day.

Then, our current production capacity is 200 patties/ hr i.e., 2000 patties/ day, & we can increase it to 400 patties/ hr i.e., 4000 patties/ day by making the cows run. So, our client is looking to understand whether they should increase the production rate of beef patty by increasing pace of cows in manufacturing plant.

Correct.

I would like to understand if we have demand for beef burger in market, which can accommodate the increased production. Secondly, I would like to analyse the operational feasibility for the same.

Sounds good. How will you estimate the demand of our beef burgers in market?

I will follow the top-down approach. Starting with the population of New York, I will add filters such as Income, Age, Beef Burger Preference, and Eating Frequency to calculate the total beef burger demanded in Bangalore.
Post that, by multiplying the market size with our share will provide market demand of our beef burgers.(…refer to previous page for calculations) As we can see that the demand of our burgers is more than what we are producing. We should increase our production capacity by increasing the pace of cows in the manufacturing plant.

Right, how will you proceed now?

I would now like to analyse the financial feasibility and operational feasibility of increasing the production capacity. In financial feasibility, I will calculate the net monthly contribution and payback period to recover the initial investment and compare with the targets set by the client.

Good. How will you calculate the net monthly contribution and payback period?

Net monthly contribution is (Monthly Revenue – Monthly Variable Costs). By dividing the initial investment with the net monthly contribution, I will get payback period in months. Till payback period, the net monthly contribution will add up to pay the initial investment and once the initial investment is recovered, the contribution will add up to profits.

Correct. How will ascertain the operational feasibility?

In this case, I would like to follow the value chain and understand the feasibility of the project. Value chain of our client should look like sourcing of cows and other raw materials; manufacturing; outbound logistics; and food outlet operations. We need to understand operational challenges at each stage. Starting with sourcing of cows and raw materials, we need to understand if they can meet the increased demand and look at transportation & storage facilities to guarantee timely and efficient supply chain operations.

There won't be any challenges in this stage of value chain. You may move to next stage.

Ok, in manufacturing stage, we need to review the current manufacturing process and understand if it will need any modification. Secondly, we need to evaluate the availability of skilled labor to operate the new machinery. Will there be any challenge in any other these?

No, we won't face any major challenge in this stage. You may proceed to Outbound Logistics.

Fast Food Chain

In Outbound Logistics, we need to check if the existing distribution network can handle the increased volume. Secondly, we need to check availability & capacity of vehicles needed to deliver products. Will there be any challenges here?
No, we can close the case. Thank you

Unconventional | Miscellaneous | Accenture Strategy | ★★★

Implementation Of Salesforce

The client is a global company and they have decided to implement "Salesforce" as a new tool instead of the already existing tool, across the group. Suggest an approach for implementing the new tool within the organization.

Background Information

- **Client** – Operates in Europe, US and India in the retail industry
- **Number of employees** – 3,000 in US, 5,000 in Europe, 10,000 in India

Phase	Activities
Plan the change	• Conduct an assessment on the impact the change program would have on people, process and technology • Identify and onboard change agent
Analyze & design change program	• Design a communications strategy • Identify training needs • Draft a training plan
Develop content for the program	• Design training content • Draft the new roles and responsibilities of the sales representatives • Design the revised SOPs for the employees • Develop metrics to be measured for adoption
Deploy the new model	• Deliver all communication in phases • Conduct training and refresher training for employees • Implement the tool in phases for employees with the help of change agents

Case recommendations

- Emphasize the benefits of the new tool over time investment to encourage adoption among sales representatives.
- Develop a structured change plan including communication, training, skills assessment, and deployment phases for effective adoption..

Case tips

- Ask clarifying questions about the details of the company. If any new software is to be introduced, get details about the features of the software and why is it better than the existing one.
- Follow a structured approach, right from planning the change to executing the change in the organization.

Implementation Of Salesforce

Since I do not know much about the tool "Salesforce", can you please tell me more about it?

"Salesforce" is a tool that is used to record the details of a client, the lead generated and the key contacts. It is a lead management translating tool that is used by sales representatives of the company.

Thank you! Is there any advantage the client would have by using "Salesforce" over the existing tool and why is it better than the existing tool?

The existing tool has become outdated which arises the need for a new tool. It has become a highly complex tool due to which our operational costs have increased, and the sales representatives must focus on delivering the best customer experience. However, there is one disadvantage of the new tool - Earlier the sales representative used to take 3 minutes to record the details of the lead. The new tool will take 6 minutes. Then why should the company implement the new tool?

The way I would see it is, this con would be outweighed by the numerous pros that the CRM tool would provide a sales representative. For example, when talking to a potential lead, a sales representative might want to send customized email/ message to the lead, schedule an appointment and be reminded about it or even want to update the conversation he/she had with the lead 'on the go.' So, time investment in the initial phase would result in saving more time in the further lifecycle of the lead.

Good. Now that you have a decent context of the use case, we should move towards the approach. How will you convince the sales representatives to use the new tool?

Sure. My approach would be to first understand the 'change' in detail. By this I mean, exploring the current state in terms of how the work is done, who does the work, how is it monitored and what would the new CRM tool change in these areas.

Okay! Then what would you do with this information?

First, I would communicate the gravity of the change to the leadership of the client. Then, I would create a change plan which would cover the timelines for the following elements-

- Communication plan
- Training plan
- Documenting new roles and processes
- Creating training content
- Assessing current skills of the employees and readiness for the skills required for using the new tool
- Delivering training to employees
- Deploying the new tool
- Monitoring and sustaining the implementation

For convincing the employees on using the tool, I believe that we will have to create a communications strategy that clearly informs them about its benefits followed by comprehensive support to develop capabilities to use the new tool. Also, it would be beneficial if we could have some employees with us from the starting and they could be our 'change agents' for the project.

What do you mean by change agents?

By change agents, I mean the more influential sales representatives across geographies who can be the first ones to use the new tool. These employees can help us deliver our message of benefits of using the tool and can thus help us drive adoption.

This sounds like a plan! How will you identify these change agents and convince them?

I think we would have to take the help of the leadership and their line managers for this. While communicating the gravity of this change, we can make a request to them to nominate change agents and we can specify the time commitment that would be required from their end. We can then have a meeting with them and explain their role in detail.

You mentioned something around readiness of the employees. What do you mean by that?

We would have to focus on what the employees need to be able to adapt to the new tool. It would go beyond their will to identifying the new skills they to learn, the revised process they need to be aware of and the technology changes that would happen.

Implementation Of Salesforce

Overall, are there any concerns that you can think of while following this approach?

I feel that the above approach is rigid. If we could add the learnings from our own implementation in the plan and make it iterative, we would reap better benefits.

That is an interesting insight. We may close the case here.

Thank you.

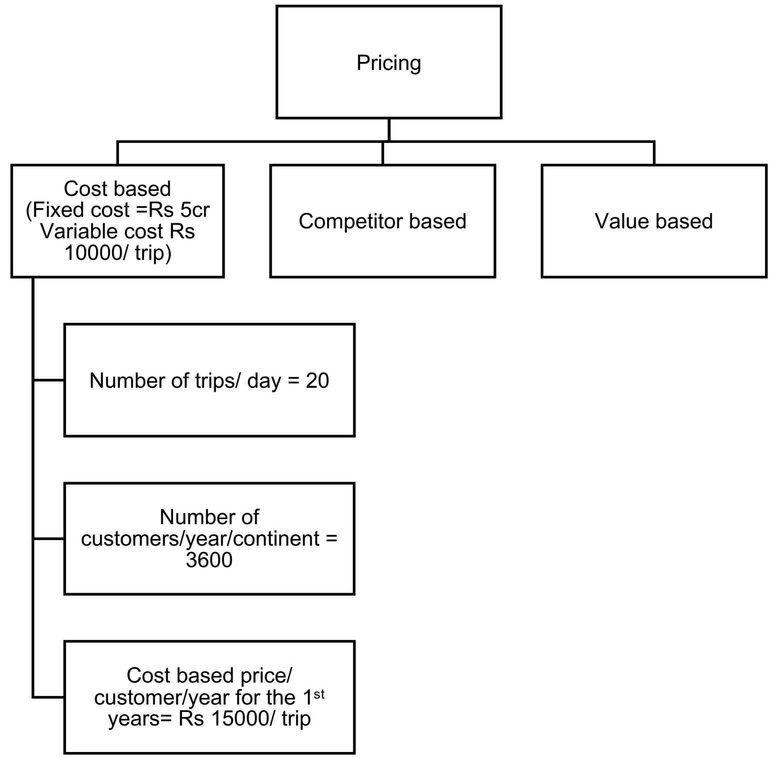
Pricing

Machine Launch

An engineer developed a teleport machine that teleports people from Mumbai to London as of now. He is planning to launch the machine in some time which will enable only a one-way trip for passengers. How should he price it?

Background Information

- **Customers** – High profile businessmen
- **Objective** – Primarily to increase profits and later considering the acceptance, earn for the value provided
- **Product** – Scalable, 5 minutes to travel, 5 minutes to set up



Case recommendations

- It is a new product competitive benchmarking cannot be done but as per value-based pricing, it will depend on the time saved by a passenger from the airplane's travel time perspective, and the time cost saved of a middle or high-end businessman per day derived from their monthly salaries.
- Analyze various pricing strategies - cost-based and value-based - considering unique market conditions.
- Assess the product's primary benefit for customers to derive value-based pricing.

Case tips

- Systematically explore cost-based and value-based pricing methods based on unique market scenarios.
- Calculate the value of time saved to derive value-based pricing efficiently.

Machine Launch

There can be three approaches to pricing- value-based, cost-based, or competitive benchmarking. Is there any competition?

Yes, right now the only way businessmen and CXOs travel in the same route is through the air which is available from multiple airlines. But this machine is the first of its kind.

I shall proceed with cost-based pricing first. So, what are the upfront investment and variable costs associated with the machine?

One-time investment is Rs. 5 crores to be recovered within a period of 3 years. Over this, he wants to recover a variable cost of Rs. 10000 from the customer per trip.

Given the data, machine time for travel & return is 10 minutes. Is it okay to assume that the machine would be kept at rest for a few hours per day for maintenance?

Yes! The machine needs 4 hours per day for maintenance.

If it stays for rest for 4 hours a day, it is travelling for 20 hours.

Then, number of trips= 20 hours/ 10 min=120

So, no. of customers in the first year= 120 *300 (assuming no. of days in a year operating to be 300)

= Rs. 36000

So, there are some businessmen from India going to London, and there are some who came here to work from other countries and are on their way to London. I am assuming there are 5 business heavy continents (Europe, Asia, N & S America, Africa) who need to travel often. Do we have an idea of the number of people travelling on this route?

Going by the assumption made, take the no. of people travelling proportional to the number of business-heavy continents

Okay, the number of one-way travels between any two of these continents are: 5C2=10, and Mumbai to London is one of the 10 options. So, the no. of customers= 36000/10= 3600

Cost base price per customer per year for the 1st 3 years=

Rs. [(5/3) crores + 10000]/3600 = Rs. (1.7*10^7 + 10000)/3600

= about Rs. 15000 per trip

Okay.

We can keep the Rs. 15000 as the lower price bound. We can now directly look into value based pricing due to lack of competitors. We know that the primary functional benefit for the product is saving time for the customers. In order to compute the value based pricing, we could value the time saved by calculating the estimated salary of the person based on the time saved on average.

I like your approach! We can close the case here!

Everlasting Toothbrush

Your client manufactures and sells toothbrushes in USA. Their R&D team has developed a new toothbrush with the following characteristics-
1. It has special bristles that won't lose shape
2. It is made from an unbreakable plastic
3. It has a protective covering that protects it from germs
How should they price it?

I would like to know what do these characteristics exactly entail?

The toothbrush will last forever, basically it will be the last toothbrush you ever buy.

How much investment has already been made and should it be included while pricing it?

No, not required.

Is the technology scalable?

Yes.

There can be three approaches to pricing-value based, cost based or competitive benchmarking. Differential pricing can also be looked at later.

Which one will you do here?

I think value-based pricing makes sense here. Cost based cannot be done as value of initial investment is not known and since it is a new product competitive benchmarking can't be done either.

What is the price of the current toothbrush sold? I think it would be around $3-4.

Correct, about $4.

So now I'll look at the number of toothbrushes used over a customer's lifetime and the cost associated with it. The average age of a US citizen is 25-30 years so they will live for another 50 years and assuming they replace their toothbrush once every year-

Price of new toothbrush= 4*50 = $200

But I believe nobody will pay this much for a toothbrush because people don't keep a toothbrush for so long and people own multiple toothbrushes for different purposes like travel etc. So, the price of this toothbrush should be lower.

Good point. Assume the price is $120. What will be the market size and revenue?

The population of USA is 320 Mn and since most people use a toothbrush and the standard of living in general is high, I think the market size would be 320 Mn.

Revenue= 320*120 = $38.4 Bn

Suppose now that another firm wants to buy this product for $38.41 Bn. Give reasons why this is not a good bargain?

More revenue can be generated in the following ways-

•This product has great scope for generating more revenues by expansion. Since the US market will eventually get saturated, other geographies can be tapped into.

•This technology can be used to make other products since you mentioned that it is scalable.

•Another consideration is time value of money.

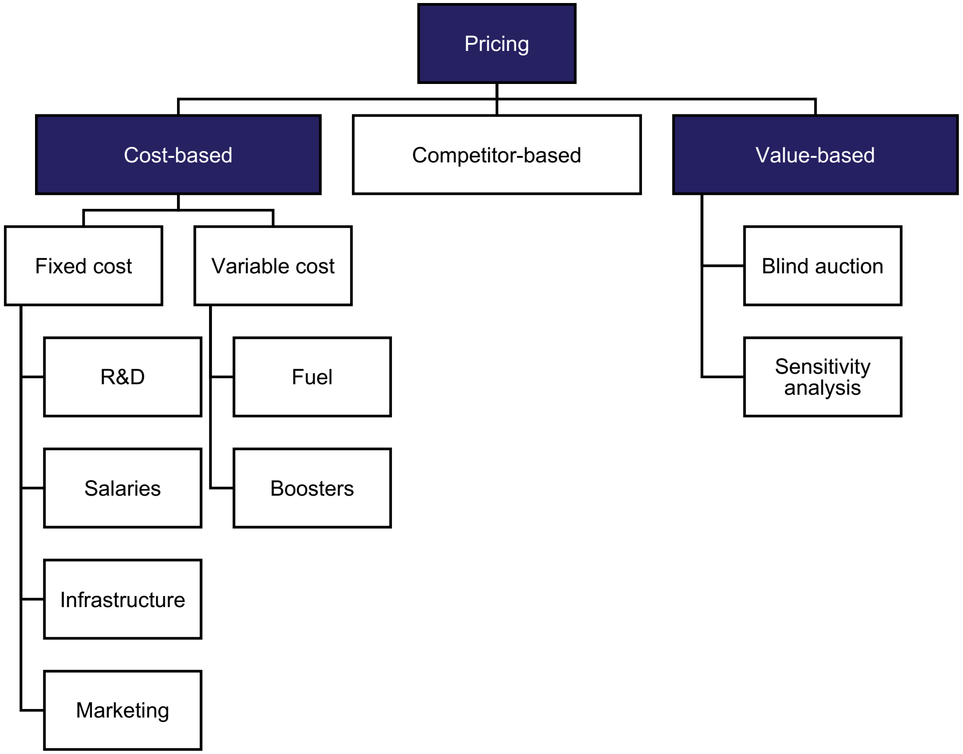
•Some people might buy this toothbrush again, especially if new variants are released.

Moonshot Tourism

Your client is ISRO and after the successful launch of Chandrayaan-3, they have now ventured into space tourism, starting off with Moon. You've been tasked to come up with an effective pricing strategy.

Background Information

- **Client**: Indian Space Research organization
- **Competitors**: Assume currently there are no players with a similar offering
- **Customers**: Top 1% of High net-worth individual
- **Location/Geography**: India
- **Products:** Lunar Space Craft, which will take people to the moon, do a touchdown and come back in 120 days



Case recommendations

- ISRO should make sure that they are able to reach their target consumer segments by effective tailored marketing.
- Since it's an exclusive offering, we need to make sure that even the auction conducted is an exclusive affair.
- Additionally, from the business point of view, ISRO can also expand into outer-stratosphere flights, that can cater to other income groups as well.

Case tips

- Add inputs basis your prior knowledge. This adds depth to your cases and definitely fetches you some brownie points.
- It is important to be well-versed in quick math. Please do make necessary approximations as and when necessary.

Moonshot Tourism

This is a legit out-of-the-world experience we are offering here (both the candidate and interviewer laugh). Before I delve into this, I want to understand a bit more about our offering here?

So, ISRO has a new spacecraft and they plan to deploy it for space tourism. It will be a 120-day round-trip.

Is this 120 days inclusive of the training that needs to be imparted to tourists? Also, how many crafts do we have? What's the occupancy per craft? Is there any downtime between two consecutive launches?

Good points, assume, that there is no maintenance period between two launches and no training required. We just have one spacecraft which can accommodate 10 tourists at once.

Ok. Just to make sure we are on the same page, it takes 60 days one-way and we aren't spending much time on the moon. Also, do we have any competitors so far, I can think of SpaceX, Virgin Atlantic, Blue Origin etc. ?

You seem to know a lot about this but let's keep this simple and assume we have no other players in the market.

Great. So one last thing, are there any objectives that ISRO has in mind, that I should focus on while pricing this service?

So, they want to break-even in the next 5 years.

Sure, so I would like to look at pricing this service through – Cost-Based and Value-Based pricing methods. Since, we don't have any competitors, so that gets ruled out.

Yes, let's start with cost-based approach first.

Alright, since we are looking at breaking even, I would want to get a better understanding of our Fixed and Variable costs involved here. Fixed costs would entail R&D costs, Salaries of scientists and personnel, and infrastructure required for this spacecraft such as launchpads, equipment, advertisements etc. As far as the variable costs are concerned, it would entail rocket fuel costs, contractual workers, one-time specialised launch equipment like boosters.

Our fixed costs are about 2000 crores and we incur 50 crores per flight.

So, we plan to breakeven in 5 years, effectively assuming 360 days in a year with a TAT of 120 days/flight, we have 15 flights. (Calculating)… we need to generate approximately 180 crores in revenue per flight, i.e. 18 crores/tourist.

Perfect, how do you wish to proceed ahead?

So, this 18 crores gives us the floor price. Onto, value-based pricing, we need to ascertain a similar experience using which we can ascertain our pricing. We can look at the time and effort cost associated in becoming an astronaut and triangulate from there.

That is one way, anything else?

Using first principles, we have a constraint on the supply here but I assume the demand is much more than that. Which gives ISRO the leverage to command the prices. We can look at blind auctions with floor bid of 18 crores, and then select top 10 individuals.

Yes, that sounds goods.

We can also survey our target group, assess their willingness to pay at different price levels and then using their sensitivity arrive at the optimum price point for us.

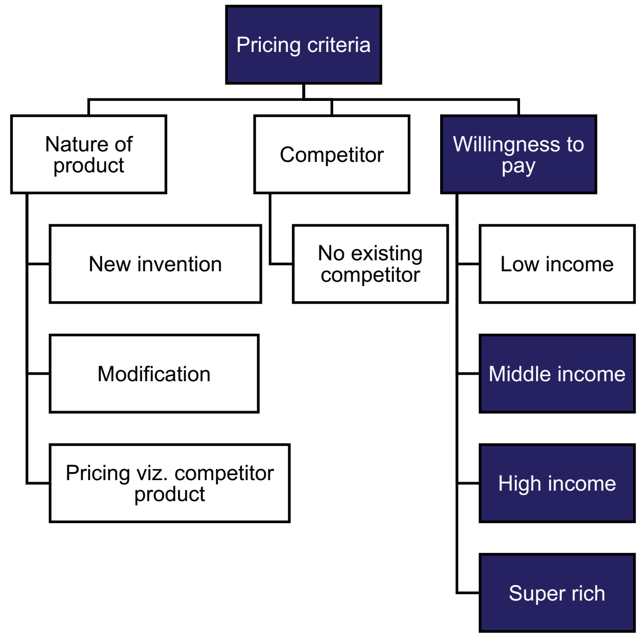
Thank you for all your suggestions, we'll close the case here.

Pharmaceutical Manufacturer

Your client is a pharmaceutical company that has discovered a baldness cure. Help them decide on the pricing of the drug to maximize profit

Background Information

- **Company** – Pharmaceutical manufacturer that has discovered a baldness cure
- **Competitor** – No existing competitor in the market
- **Consumer** –India is the target market. The market covers a population of 50 million people
- **Product** – Baldness cure with a recommended selling price of $500



Calculation matrix					
Price \Segment	Low Income	Middle income	High Income	Super Rich	Revenue (sale*price)
1000	0	2.25	1	1.5	4750
500	0	9	3	1.5	6750

Case recommendations

- To price the baldness cure medicine at $500 to maximize profit in the Indian market, considering different income segments and their willingness to pay.

Case tips

- Add inputs basis your prior knowledge because prior industry pricing is necessary for this case to evaluate profits.
- Divide the target customers based on income and use revenue as a proxy for profits due to extremely low cost price.
- It is important to be well-versed in quick math. Please do make necessary approximations as and when necessary.

Pharmaceutical Manufacturer

Your client is a pharmaceutical company that has discovered a baldness cure. Help them decide on the pricing of the drug to maximize profit

I would like to know about the cure. How does it work? Do you need a continued dose for it to work, or is it a one-time dose?

You have to take a one-year medicine course for it to work. Focus on deciding the price for one year's worth of supply.

Are there any comparable products available in the market?

No, this is a first-of-its-kind medicine.

Okay, do we know the target market for this medicine? Are we selling it in India or some other country?

Assume we are selling it in India. Assume that the target market size is 50 million people.

Do we know about the cost of manufacturing and the R&D cost involved in developing the medicine?

Consider the cost of manufacturing to be $10 for a year's worth of supply. The cost can be considered minimal compared to the price we are expecting. Consider there is no R&D cost; it was discovered by accident.

Okay, so I think one way we can go about the pricing strategy can be through the willingness to pay of different sections of the target customers. If we price too high, our volumes will be low, and we will lose on profit. If we price too low, our margins will be low, and we won't be able to get as much profit. I would like to divide the 50 million population based on their income levels, assuming that the willingness to pay will depend on the income level of the population.

Okay, go ahead.

I would also assume that the target customers have a distribution similar to the overall distribution of income groups in India. Would that be a fair assumption to make?

Yes, you can go ahead with that assumption.

Thanks for the go ahead. So, I would demarcate the segments as follows; Low Income: 10 million, Middle Income: 22.5 million, High Income: 5,Super Rich: 2.5 million

Okay, that seems fine.

So now I want to see at different prices the revenue and profit generated.

What is the price that you want to start with?

I will start with $1000 and go down from there.

Can you please elaborate on why $1000?

The closest alternative to a baldness cure medicine will be a hair transplant. I think hair transplant usually starts at $1500-2000 USD, so I am pricing it lower than a hair transplant as the medicine is new, and I assume a hair transplant is a much faster method.

Okay, fair enough. For your profit calculation, you can use revenue as a proxy for profit as the cost is much less than $1000. Compare using two different prices.

Okay, so here is the calculation based on different price elasticities of demand for different income groups.

Price \Segment	Low Income	Middle income	High Income	Super Rich	Revenue (sale*price)
1000	0	2.25	1	1.5	4750
500	0	9	3	1.5	6750

Then, finally what is your recommendation?

The client should price it at $500.

Good job, that was well done. With that we can close the case.

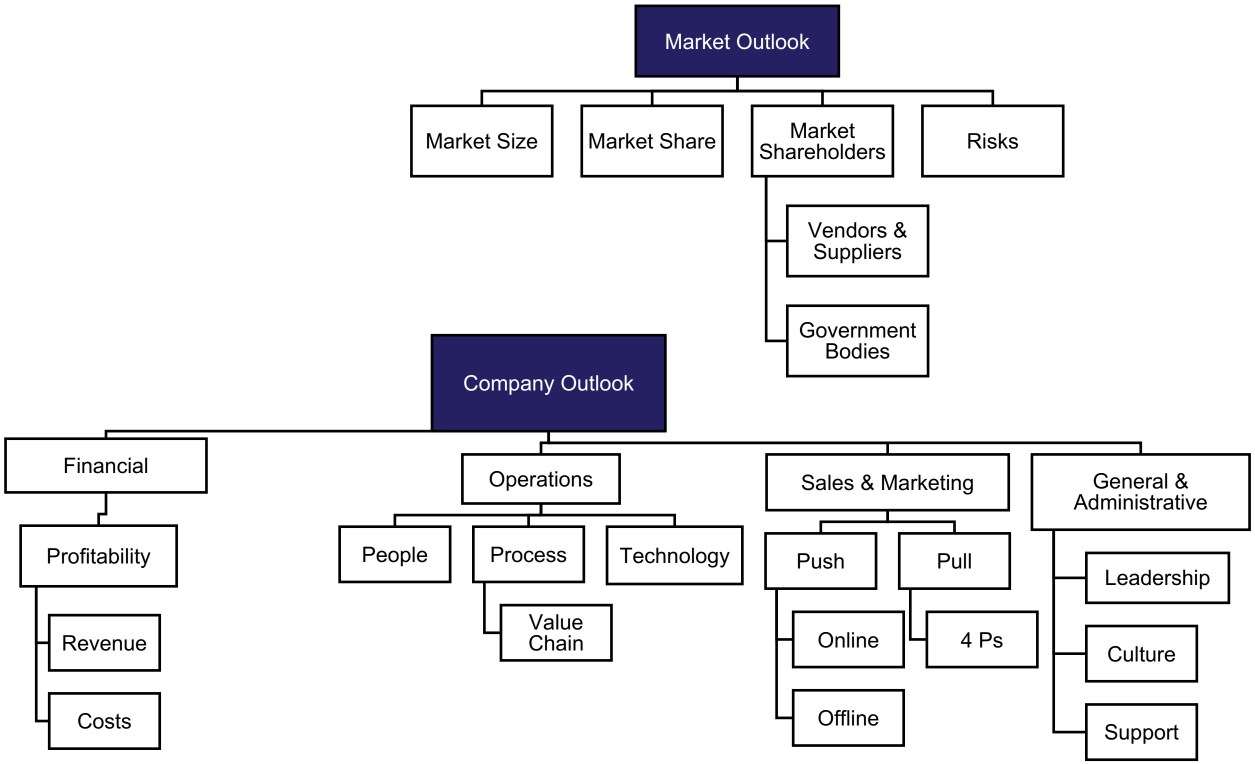
Private Equity

PE Firm Investment in Chain of Schools

Your client is a private equity firm that is looking to acquire a chain of schools in South India. Develop a business case for them.

Background Information

- **Client** – PE firm based out of the US, previously invested in the startup space
- **Firm of interest** – Chain of schools based out of tier-1 and tier-2 cities of South India catering to students from kindergarten to class V
- **Reason to Enter** – Profitability of chain of schools is higher than other schools with similar revenue numbers



Case recommendations

- Invest after conducting thorough due diligence by considering the Sales & Marketing and administrative aspects of the business.

Case tips

- Knowing the Education Industry and its key KPIs is crucial in this case.
- Explaining the framework is also crucial without being too technical in order to ensure that the conversational form of the interview is maintained throughout.

PE Firm Investment in Chain of Schools

Your client is a private equity firm that is looking to acquire a chain of schools in South India. Develop a business case for them.

[Reiterates the case for any clarifications] Can I get some information about the client? Where are they based out of, and what sectors have they invested in previously? And do they have a particular time frame for this acquisition?

The client is a PE firm based out of US and has previously invested in the start-up tech space in the US. They are looking to acquire the chain of schools within the next 2 years.

Alright, can you also tell me something about the chain of schools?

It is a chain based out of tier-1 and tier-2 cities in South India and accommodates students from kindergarten to class V. They cater to children from higher income class families.

Got it. What is the current growth rate of the chain of schools and how does it compare to the market?

The growth rate of this chain is in accordance with the industry standards

Okay. So, I would like to analyze the case on two aspects- the market outlook and the company outlook. Within the market outlook I'd like to look at the market size, the target market share, the market shareholders, and finally the risks associated with this investment. In the company outlook, I'd like to look at the financial, operational, sales & marketing, and other administrative aspects of the chain of schools. Is there something in particular that you would like me to start with?

We can start with sizing the market for the school.

Guesstimate as shown in the flowchart] The market that we are targeting for the school is about 2 million students from high income families of urban tier-1 and tier-2 cities in India.

That sounds about right. Now, the firm has analyzed the chain of schools and understood that the profitability of the chain of schools is higher as compared to the other schools. Can you explain why that might be?

Sure. For this I'd like to understand if there has been any spike in the revenue generated or any reduction in costs that the chain of schools is looking at?

There has been no additional revenue generated, it's on par with the competition.

Then would it be safe to assume that there has been a reduction in the costs incurred?

Yes, go ahead.

Here, I would like to look at the various costs involved- fixed, variable, and exceptional. Under the fixed costs header, I would include the land cost, infrastructure and equipment cost, and salaries paid to the employees. In variable cost, I would include the water and electricity costs, and wages paid to workers. I would also consider any legal costs incurred under the exceptional header. Has there been a change in any particular cost that I have mentioned?

Let's discuss about the salaries cost.

Okay, the cost incurred in paying the salaries can be broken down into the salaries paid to teachers, staff, and management. These salaries can be further broken down into the number of employees and the average salary paid. Do you think I am missing out on something here?

No, this is good. The average salary paid to the teachers is as per the market standards. Additionally, they have also noticed a slight increase in the infrastructure cost. Can you analyze why?

It seems to me that the number of teachers employed has reduced while the infrastructure cost has gone up marginally. This could be because the chain of schools is undergoing a major transition to the hybrid/online mode of teaching. This would reduce the number of teachers required, as classes are now recorded and distributed to the students. However, this will also attract some equipment expense for the set-up of the computers and the necessary software.

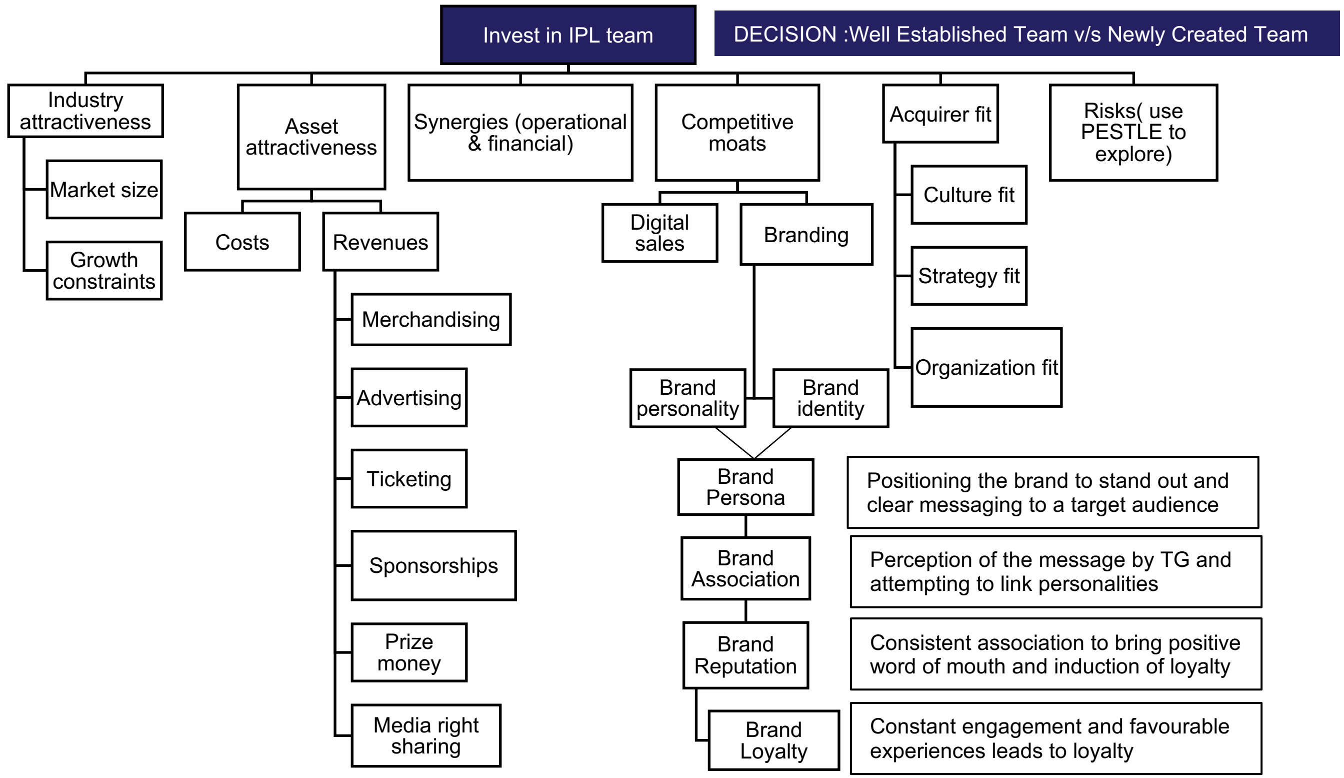
You're right. We can close the case here.

PE Firm Investment in IPL Team

Your client is a P&E firm, and they are looking to invest in an IPL team. Devise a strategy to to triple their revenues in 3 years timeframe.

Background Information

- **Client** – Presently an MNC with decades of experience in Car manufacturing
- **Known** – Specifications of vehicles & ECU data (transcript)
- **Reason to Enter** – : Looking to expand into relevant sectors



Case recommendations

- There are many nuances to this case, one can rely on the standard framework and extrapolate it to this case, but it is important to identify all the factors and segment them.

Case tips

- The case solution involves enlisting your framework & KPIs for short-term and long-term for boosting merchandise sales. So GTM and strategy building is important
- The recommendations of creating synergies with existing business is also critical.
- Also, the interviewer asked questions related to attractiveness, risks and revenue drivers, so basic industry knowledge is crucial

PE Firm Investment in IPL Team

Your client is a P&E firm, and they are looking to invest in an IPL team. They are primarily looking to triple their revenues in 3 years timeframe. Let's start discussing by exploring what can be the key levers to their growth before asking for any information. Post that, we can explore on how they should go investing in it?

(Reiterates PS, then..) Discussing levers to growth, I would like to explore them in those that are derived from the IPL team's internal environment and those due to its functional external environment. For analyzing the investment decision, I would explore the attractiveness of the industry, ways to create competitive moats, and potential risks. Can I go ahead with this approach to enlist and discuss them in detail?

Sure, this approach sounds great. Go ahead.

When I mean to refer to the internal environment of the IPL team, I was including the management structure, quality of support staff (for players and decision-making) and sound financial status (e.g. debt holdings, equity shareholdings, profitability). In the external environment, we need to look at the performance of the team in league, the existing fan base, presence of marquee players, merchandise and ticket sales and advertising efforts across media when discussing growth possibilities.

Great, it sounds comprehensive. You can start rest of analysis and ask any questions you have.

I would like to know more about the IPL setup currently i.e. number of teams, profit splits across teams, and popularity of teams. Further, I would also like to know more about any financial constraints and other objectives especially in long-term sough out by client.

Good you pointed these. The selected IPL team should give high growth for the next 5-6 editions of IPL and IPL 2022 template can be taken as a reference. Also lets discuss on which can be a potential target to invest for client: Established Team like Mumbai Indians/ Mid Table teams like KXIP/ New team like LSG.

Sure. Based on my understanding, as growth in multipliers is expected for revenues over a considerable period, the best option seems to be to invest

Then would it be safe to invest in a new team and build it from scratch relevant to changing fan preferences and carve a loyal fan base via offerings, marketing efforts, marquee player buys, etc. The other option can be to take a mid-table team and analyze their shortcomings in performance and outreach and implement steps to improve on them to develop more engagement with their fans.

Comprehensively stated. With the information given, can we proceed with the analysis? Assume that IPL is already well established and is expected to stay lucrative in long run too.

Sure. I would like to analyze the attractiveness of investing in an IPL team, followed by looking at the brand building process and analyzing key risks to achieving the targets. Is this approach fine going forward?

Sure. Let's restrict our discussion to the attractiveness of the team and and risks involved in the process

Okay, so, then, I would like to first delve into looking at the attractiveness of investing in a new IPL team by looking into revenues and costs that the decision may bring onto the investor. Is there any area that I need to focus on during the analysis?

Let's focus on the revenues of the prospective IPL team predominantly for the analysis. Go ahead and discuss the revenue streams

The major revenue streams for an IPL team are sponsorships, media right sharing, merchandise sales, ticket revenue sharing with BCCI, Prize money (as a function of performance in the league) – arranged in decreasing order of relevance to an IPL franchise. Anything specific that we can pickup and take a deep dive into?.

Comprehensively put. The client is looking for an IPL team that can give high returns in merchandising-related revenue aspect. For reference, take a well-established team like MI to make 150 cr+ in merch sales. The new selected team, let's say, has projected sales of 20 cr in first 1-2 years. How do we boost it by 5x in next 2-3 years or so?

Got it. So, a team like MI has a widespread loyal fanbase and I believe it makes maintaining such a high volume of merchandise sales easier. Hence, I would like to explore the ways our invested team can build a loyal fan following predominantly via brand image creation to get the sought-after multiplier growth. For it, I propose to divide the financial year into Just before IPL > During IPL> Just after IPL> Rest of the Year and look into possible strategies that can be followed at each stage.

Sure, sounds great. We can look at the brand-building exercise as suggested in stages.

PE Firm Investment in IPL Team

Ok. In the time period just before IPL, the focus should be on creating buzz and focusing on consumer activation, and helping recall via digital media- TV Ads, Internet, YouTube, etc. and traditional media-Newspaper, Posters, packaging, etc.,& introducing marquee players.
Also, during IPL the initial efforts must be continued and delivered upon with increased efforts on the lines of ensuring engagement via incentivization and continuous recalling of the team and their progress in IPL (e.g., react, participate and win on the scores scored- Swiggy, Sunstone Scholarship, etc.).A focus on advertising to boost ticket sales via tie-ups, loyalty programs promotions needs to be brought here at this stage.
Post-IPL, the exploits of the team must be spread further to attract enthusiasts and remind loyal watchers of their favorite moments in the short run. In the longer run, engagement must be done primarily via social media posts, and occasional TV & paper ads over the rest of the year to keep the buzz going and engage larger audiences.

Great. Do you think that target is feasible or too steep? Give reasoning based on your understanding of the cricket viewer market in India.

Sure. The merchandise sales are directly related to engagement quality, the popularity of the team, and the presence of marquee players. Given the tight schedules of the cricketing season and the presence of teams like CSK&MI with a strong and rich IPL legacy and fan base across the nation, it is indeed difficult for a new team to carve out a sizeable loyal fan base quickly with 1-2 years.

Correct. So, we can continue with the analysis and suggest what should the team focus on?

Sure. At start, the team should start acquiring players at auction who have excellent fan followings or are potential match winners. There needs to be an aggressive digital marketing campaign to attract customers to the Website/app to purchase merchandise. Also, tie-ups need to be set up to procure, sell and promote merchandise in modern trade outlets. The product mix design for merchandising also needs to be kept in mind and varied as the team gains popularity over time (start with more of lower cost items initially – keychains, badges - along with the official team kit and later keep on adding items such as memorabilia, collectibles, special edition merch. etc.).
At a later stage on the development of a stable purchaser base, the merchandise range can be expanded to areas such as training kits, exercise jackets, seasonal wear, etc. This I believe will help to maintain buzz and create engagement even in the period between the seasons.

Nice. Can you enlist your framework & KPIs for short-term and long-term for boosting merchandise sales to conclude the case.

Sure.
In the short-term (1-2 years):
Invest in Crowd pulling players > Design content (theme song, logos, etc.) & look for exclusive niches >Decide on merchandise mix to be sold > Invest in Digital Marketing >Estimate & Invest in setting up procurement> Monitor and Engage throughout the year
KPIs: Impressions, CAC, Bounce rate, Reshares (for posts), Sales Growth

In the long-term (2-3 years)
Track and monitor market response to merchandise > Expand Merchandise Product Mix if needed > Engage in special and seasonal events/sales of merchandise > Develop tie-ups/loyalty programs to create. Mix, CLTV

Excellent. We can end the case discussion now.

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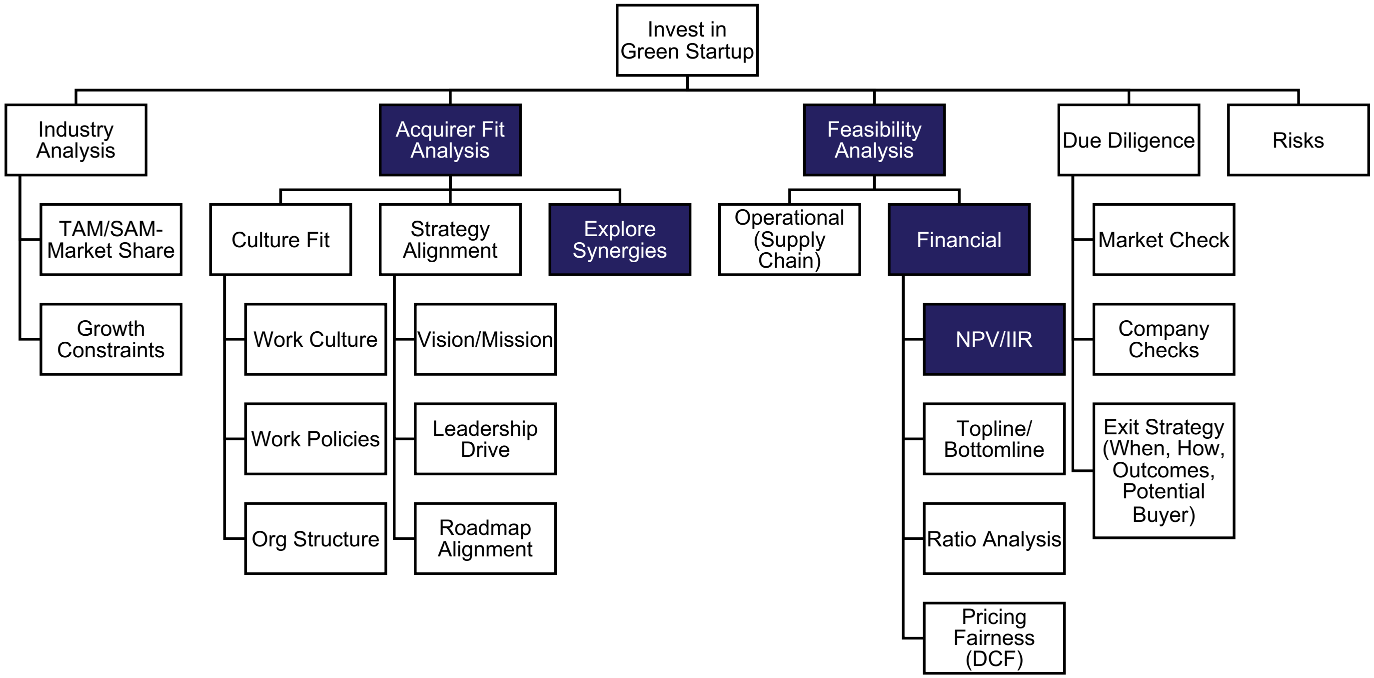
Green Startup

Your client is a VC firm, which invests in the auto tech, clean tech, and green energy space. It has invested in a startup, which manufactures ECU component in vehicles. You need to advise the client on their strategy

Background Information

- **Client** – Presently an MNC with decades of experience in Car manufacturing
- **Known** – Specifications of vehicles & ECU data (transcript)
- **Reason to Enter** – Looking to expand into relevant sectors



Case recommendations

- The client can utilize the current portfolio to explore more opportunities in the B2B segment such as well as ECU fittings as a standalone offering to dealers and acquiring the players in the value chain and integrating offerings.

Case tips

- The case involves the use of financial concepts and bringing in multiple types of analysis helps to create a brownie point opportunity
- The recommendations of creating synergies with existing business is also critical as utilizing sustainability and linking green concepts would help candidates to stand out
- Also, the interviewer asked questions to check awareness of the candidate on markets – Industry knowledge would be handy here

Green Startup

Can you tell me what was the objective of the VC fund for investing in this startup, was it growth or profitability?

They are looking for growth over profitability.

Can you tell me more about the ECU component? What makes this startup's product different?

An ECU controls how different parts of the car operate. It takes in information from various sensors in the car, processes it, and then sends out commands to make sure everything runs smoothly. This ECU is differentiated by modifying engine parameters for increased mileage. The vehicles incur approximately 15% cost savings on fuel by increased mileage.

Okay, that's interesting. As I understand, the startup must be either manufacturing or importing certain components and then modifying it according to needs. Is this assumption correct and can elaborate on the value chain of the startup?

So this startup basically imports components, writes code on it, and then embeds them onto vehicles, which are known as ECU components.

Okay, help me understand where in a customer's journey does the startup intervene, for., e.g. Do the car manufacturers sell ECU along with the vehicle or does the startup sell it separately to vehicle owners?

So, they sell it as a product and provide one-time installation. OEMs release the vehicles with standard ECU, and this is an additional service that vehicle owners might purchase.

Is there any regulatory or technical limitation that the startup faces?

Yes, a vehicle loses its warranty as soon as its ECU is modified, replaced or removed. Also, the startup installs 30 ECUs minimum to ensure profitability.

Okay, that means the target segment for the startup are vehicles that have run out of warranty. Also, mostly fleet owners, corporates and B2B segment is where the startup needs to play with. Is this hypothesis correct?

Yes, you are right. And this startup wants to analyse if playing in the 4-wheeler segment makes sense.

I understand, that the cost structure for the two will be different and so will the price points. What is the difference in price-point, costs, and other features between buses/trucks and 4-wheelers for the ECU component?

Yes, correct. However, the price is the same which is Rs 10000 for each unit. And each unit lasts for 3 years. Can you arrive at a decision based on this?

Yes, give me a minute to gather my thoughts. Are there any variable costs associated with the ECU that the end-user incurs?

No. There are no such variable costs associated especially with end-users.

Do you have any data on the average mileage for buses? Also, let's assume petrol/diesel costs to be Rs.100/litre

Works and do assume average mileage to be 8 km/litre.

Would proceed by performing a break-even analysis for the ECUs. Summarizing data available.

Parameter	Data
Price/unit	Rs. 10000
Lifetime	3 years
Current Mileage	8 km/litre
Mileage savings with ECU	15%

Hence the mileage with the ECU unit is ~Rs.9/km. To formulate, for breaking even, Cost = Savings = ((100/8)-(100/9))*X=10000; where X= no. of kms run. Solving, the value of X= 7200 Km.

Do you think this is practical? How can you justify this?

For this, based on my experiences, I think a bus/truck mostly takes an average to long-distance journey, which takes an average of 300-600 km one way, so taking an average of 600 km per day (for both to & fro).

We know that to travel 7200 km, an average bus/truck will take 12 days, which is negligible when compared to the lifetime of 3 years, and hence it makes sense for buses/trucks unless hindered by persistent maintenance and breakdown issues

Green Startup

Great then. Do proceed with your analysis for the 4-wheeler segment

4-wheelers - So assuming that the mileage savings are the same as 15% for 4-wheelers as well, do we have any data for mileage without ECU for 4-wheelers?

Yes, it is 15 km/litre

Doing similar calculations for a car, we see that a car travels usually shorter distances, approx. 20-40 kms in a day. Let's average it to be 150 kms/week adjusting for no-use & low-use days, which is 600 kms /month.

Now, to breakeven a car needs to run for approximately 18 months, which is half the lifetime of the ECU, and hence it makes more sense for the startup to focus on long-distance vehicles like trucks, and buses and mostly operate in the B2B segment targeting fleet operators, corporates, etc.

That's great. What would be your final recommendations for the client?

Okay, the client can utilize the current portfolio to explore more opportunities in the B2B segment such as well as ECU fittings as a standalone offering to dealers and acquiring the players in the value chain and integrating offerings.
In the B2C segment, the firm can explore expanding service scope – Testing, Repairs and Maintenance, etc. and further utilize new footfall to cross-sell other products at retail outlets.

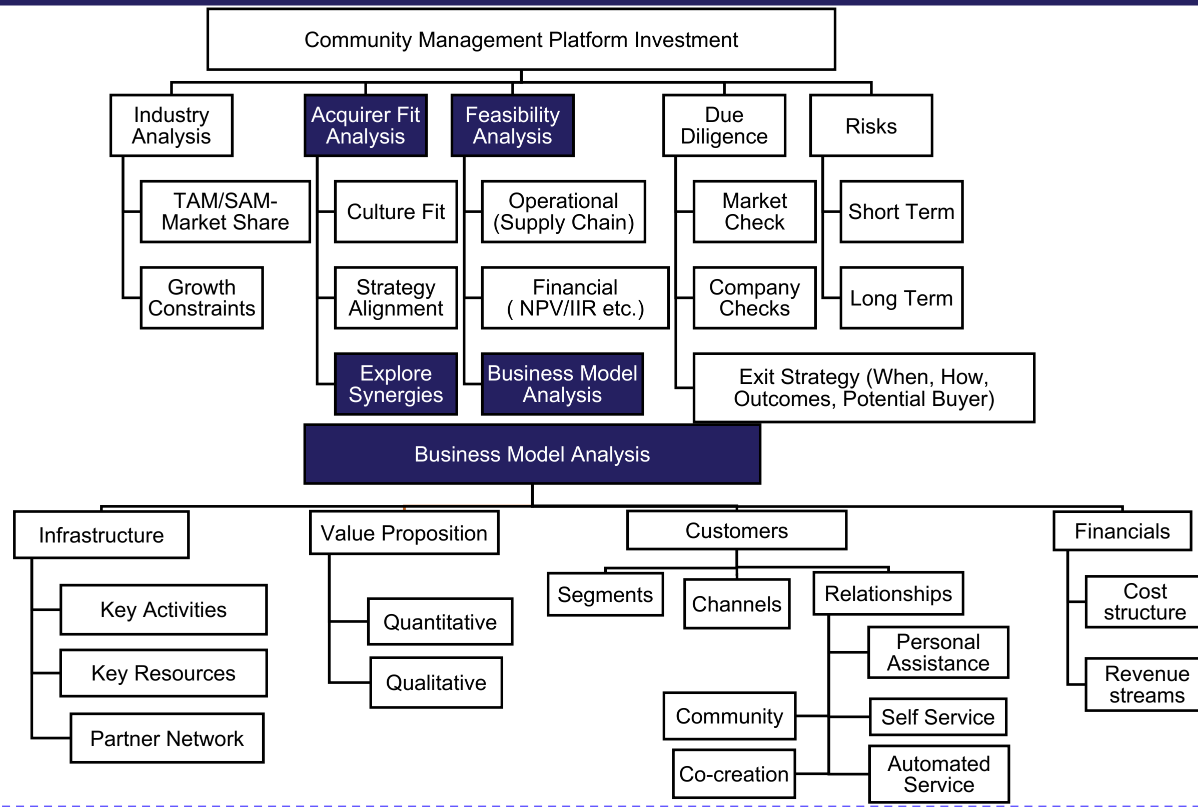
Looks great. We can close the case here.

Community Management Platform

Your client is a VC firm, and is contemplating to invest in innovative new age startup - MyGate – which deals with requirements of community and society to provide end-to-end services and create a ecosystem for the digital apps

Background Information

- **Client** – Currently is in the business of investing in tech unicorns and promising firms
- **Firm of interest** – Promising startup – Obtained offers in shark tank
- **Relevance** – : Although an interesting proposition; the VC firm feels that the business model is limited
- **Reason to Enter** – Looking to expand and catch future early unicorns in a growth phase, to reap the benefits of growth
- More on the startup MyGate: Here



Case recommendations

- The client can utilize the current portfolio to explore more opportunities in the B2B segment such as well as ECU fittings as a standalone offering to dealers and acquiring the players in the value chain and integrating offerings.

Case tips

- Can use Business Model Canvas to extract information in a structured manner or formulate scoping questions in an unknown industry
- Explaining the framework is also crucial without being too technical in order to ensure that the conversational form of the interview is maintained throughout – REFER to the transcript for description of the framework used
- Can conclude better by focusing on the top 3 features to incorporate based on the KPIs: Impact on the audience, effort to incorporate, and revenue generation.

Community Management Platform

I would like to understand the business that startup MyGate undertakes. My understanding is that it must be providing services across the daily requirements such as security services, management of society accounts and ledgers, and providing essential services. Is my understanding correct?

Great. Your understanding is broadly correct regarding the services provided by the firm of interest. Do consider the process of value addition for brands interested in promotions from the app too. We'll have a relook at this aspect later

I would like to know more about the company and as in who are the direct competitors. Also, what is the market share occupied by MyGate? At the same time would like to understand what are the major revenue sources that it currently has along with the clientele it serves.

There is no major competitor to them in India right now and they operate in a white space. The target segments that MyGate serves are society residents, society boards, developers and product brands. I would like you to use the above information to discuss the revenue streams

The following can be the major revenue sources along with factors impacting them:
1. Residents:
a.Subscription model = ∑ (# No. of Subscribers X Subscription Fee) – Across all pricing brackets;
b.Pay-for-service: Product/Service Unit X Unit rate X Order Frequency
2. Societies:
a. Service Provision+ Digitization : (Commission rate X Service utilization) + Price of service(if offered by self)
b. High price systems: Price of system + Service charges over use life manage maintenance
c. Digitization: One-time Onboarding rate + Business digitization rate
3. Brands: Promotional charges (Rent, event, etc,) + Click through rate*Bid per click(PPC)
4. Building Developers: Subscription revenue for dashboards & project management software

Great. We can start approaching the problem now. Kindly outline your broad approach once

Given the problem of exploring the attractiveness of investment proposition, I would first like to explore the market overall by calculating the market size and market share that a customer can gain.

Then followed by understanding the feasibility and accounting for the acquirer fit to derive synergies. At the same time, it is pertinent to follow up on due diligence activities as well as create an exit plan for the end of the agreement with the startup with the client, which I would cap off by analyzing long-term and short-term risks.

Excellent job on enlisting your approach well. Would like for you to discuss some more on the user journey of a typical person in a gated community and discuss ways to improve the MyGate App

If I were to define a user persona: they would be someone living in a gated community, who cares about security, and seeks convenience. The User Journey can be defined as: Wake up, daily rituals, ordering food, delivering groceries, dropping kids to school, office journey (calling cabs), gym, night walks.
Now coming to how MyGate can be improved;

1. Creation of app features for the community- to plan /chat for fun as well as quickly connect with key personnel – plumber, watchman, etc. – Can integrate with Alexa/voice assistants to enable IoT-level functioning
2. Safety Alarm system and alerting relevant authorities at the earliest
3. Status updates of utilities and systems in all houses can be tracked in order for the society manager to provide data to support and service personnel

Ok, sounds great. What do you think are the relevant concerns on the app that were missed

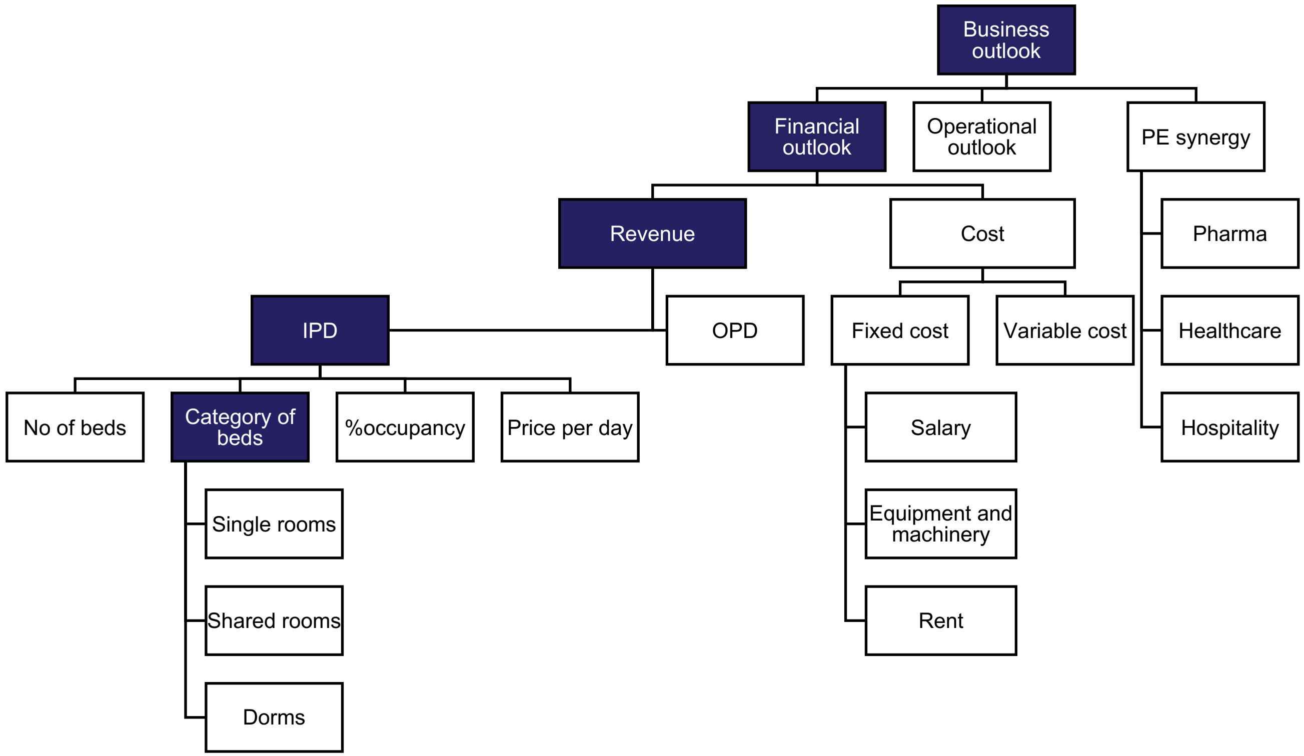
I think somewhere we also need to consider the pricing aspect for affordability and the packages. Further, the paradigm of consent and personal space needs to be respected during implementation. The app also leads to limitations on the choices of residents for repair jobs and grocery needs

PE Fund Investing in Hospital

Your client is a PE fund, they are looking to invest in a hospital with the hopes of achieving 25% IRR in the next 5 years. You have to help them evaluate the scenario and come up with suggestion to achieve the same.

Background Information

- **Company** – PE fund with the background of investing in multiple industries with a focus on healthcare. The hospital is a multispecialty hospital in Gurgaon.
- **Competitor** – Few other hospitals in the area near the hospital that offer consultancy but not specialized services.
- **Consumer** – Patients looking for specialized operation and treatment.
- **Product** – The hospital has all medical services, consulting, testing, surgeries, and pharma.
- **Fund background** – Investing in hospitals as they have a strong background in the medical industry, looking to invest around Rs 200cr, looking particularly in hospitals having expertise in specialized operations.



Case recommendations

In order to achieve the set financial goals, the following can be done

- Increase the average occupancy rate of the beds by focusing more on marketing the services offered by the hospital through
- Partnering with medical practitioners having small clinics to refer patients to this hospital for specialized operations.
- Certain value-added services can be introduced by leveraging other companies in the portfolio of the PE fund such as having cheaper and more effective latest drugs in partnership with pharma portfolio companies.

Case tips

- This case does not have a very defined structure and will mostly be conversational with some number crunching in between to check the quantitative ability of the candidate.

PE Fund Investing in Hospital

Your client is a PE fund, they are looking to invest in a hospital with the hopes of achieving 25% IRR in the next 5 years. You have to help them evaluate the scenario and come up with suggestion to achieve the same. .

Our client is looking forward to invest in a hospital chain or a single establishment and if so where is it located?

They are looking to invest in a single hospital in Gurgaon.

Okay, what kind of hospital is it? Is a multi-speciality hospital with all medical services available? And is there any particular speciality of this hospital as I am assuming there would be multiple hospital in Gurgaon.

Yes it is a multi-speciality hospital, and your assumption is correct, there are multiple hospitals and even 2-3 in the nearby area, what makes this hospital unique is that they have a large team of doctors and facility to do operations.

Okay so our client, the PE fund have they invested in hospital and similar fields in the past?

I don't see how this is relevant to this case.

The reason I thought that it would be relevant to this case is that they could leverage their portfolio companies to establish partnerships and values services to boost the business of this hospital

Sounds fair, they have invested in multiple hospitals across India, they also have a big portfolio in the pharma sector and some investment in other sectors such as hospitality and real estate

One thing I would like to clarify here as I don't have enough financial knowledge what does IRR 25% translate to? Is it in terms of business valuation and can a proxy such a profit and revenue be estimated to track this number?

You can use IRR of 25% as a proxy by EBITDA growth by 300% in the next 5 yrs

Thank you for that information, I would like to analyze this situation by breaking it down into three major segments, financial and operational outlook, and business synergy.
Starting with the financial first since our focus will be on EBITDA which roughly translates to operational profit, I will break it down into revenue and cost. In revenue, we can look into inpatient and outpatient separately, I will start by focusing on inpatient first as the hospital specialised in surgeries.

The approach seems good with valid assumptions, you can focus on inpatient first.

In order to calculate the revenue of inpatients, I will break it down in to the following formula: Revenue= No of beds * occupancy of beds *no of days a person stays* price per day (having segregation based on types of rooms) do we have any data on any of these?

Yes, the hospital has 1000 beds, average occupancy is about 50% and the price on average paid by any patient in 650000.

Okay so that gives us a daily revenue of around 3.25 cr which would translate to roughly 1100 cr per year, which looks a bid odd to me, is it correct or do you want me to recheck my calculations here?

No your calculations are correct, can you quickly give me suggestions to bring this number up

In order to achieve the set financial goals of 300% increase the following components can be targeted from the revenue components in short run:

- Occupancy: Increase the average occupancy rate of the beds by focusing more on marketing the services offered by the hospital
- Type of room: Can focus on increasing the number of patients that occupy single rooms instead of shared rooms and dorms.
- Price per day: The average price for the services can also be increased but that may not be a feasible option as it could lead to people choosing the lower category of rooms.

In the longer run :

- No of beds: Once enough growth is observed to increase average occupancy to about 80% more beds can be added to further boost revenue

Okay, you had earlier mentioned that the PE fund's portfolio companies can also help in the growth of this business, any recommendations on that front?

Certain value-added services can be introduced by leveraging other companies in the portfolio of the PE fund such as having cheaper and more effective latest drugs in partnership with pharma portfolio companies. Using the hospitality portfolio companies they can provide special meals.

Okay, is there anything else you would like to explore while making the final decision to invest in the hospital.

Yes, we can look into the exit opportunities such as selling out or shares to another investor or looking to merge this hospital into a bigger chain. One more important area to be considered here would be to perform thorough due diligence on the complete business

Sounds comprehensive enough, we can close the case here

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Mergers & Acquisition

Electronic Hardware Companies Merger

An Indian electronic hardware company 'A' has merged with a foreign electronic hardware company 'B'. Should the brands be merged? What should be the plan for the existing employees? Should there be 2 sales heads be employed?

I would like to understand the pre-merger business models of both the companies. What is the product portfolio of both the companies?

Both the companies are dealing majorly in electronic switches.

Understood. Who are the customers base we are catering to?

Both the companies operate in B2B and B2C market. However, for this case you can consider only the B2C portion of the business.

Okay and pre-merger, did both the companies have sales team and what was the hierarchy? What was the price range and quality of the switches for each company?

Both the companies had a well functional sales team with a sales head at the helm. Company 'A' operated in the price range of Rs. 20 – Rs. 50 while Company 'B' operated in the price range of Rs. 30 – Rs. 100. Company 'A' deals in non-premium switches only while Company 'B' deals in both premium and non-premium switches.

Is the Indian company 'A' have enough experience in the Indian market? Has the Foreign company 'B' already doing business in India?

With these case facts in mind, answer all the questions posed earlier.

So, the approach to the first question in my opinion should be that
- The products in overlapping price range should be merged to reduce the number of SKU's. The non-premium switches to be clubbed under the same brand.
- The premium switches should be sold under a different brand name to maintain the value attached to it.

In short, less SKU's at lower cost and wider SKU's range under the brand would optimise the market strategy.

Can you gauge the effects of having both affordable and premium switches in the same brand segment.

As I understand it, to allude to the exclusivity of the premium switches we can probably launch these under a different brand name. Since the higher priced SKU's come from the former foreign parent company, it is likely to add to the premium quality image

Okay how would you approach the second question pertaining to the plan for existing employees

If we have an option, we should look to reduce the sales team. Further, the sales team should be segmented based on the reduced number of SKU's depending on their experience in that SKU and the general market experience of the Sales team.

Okay and what is your approach to the last posed question.

Lastly, only one Sales team head should be maintained who should ideally be from Indian Company 'A' because he/she might have a better knowledge of the Indian electronic hardware market given the prior experience. The Sales head of Foreign Company 'B' should be moved to another functional role.

Thank you, I think we are done.

Particulars	Company A	Company B
Origin	India	Foreign
Segment	B2B &B2C	B2B &B2C
Price Range	Rs. 20 – Rs. 50	Rs. 30 – Rs. 100
Sales Team	Yes	Yes
Sales Head	Yes	Yes

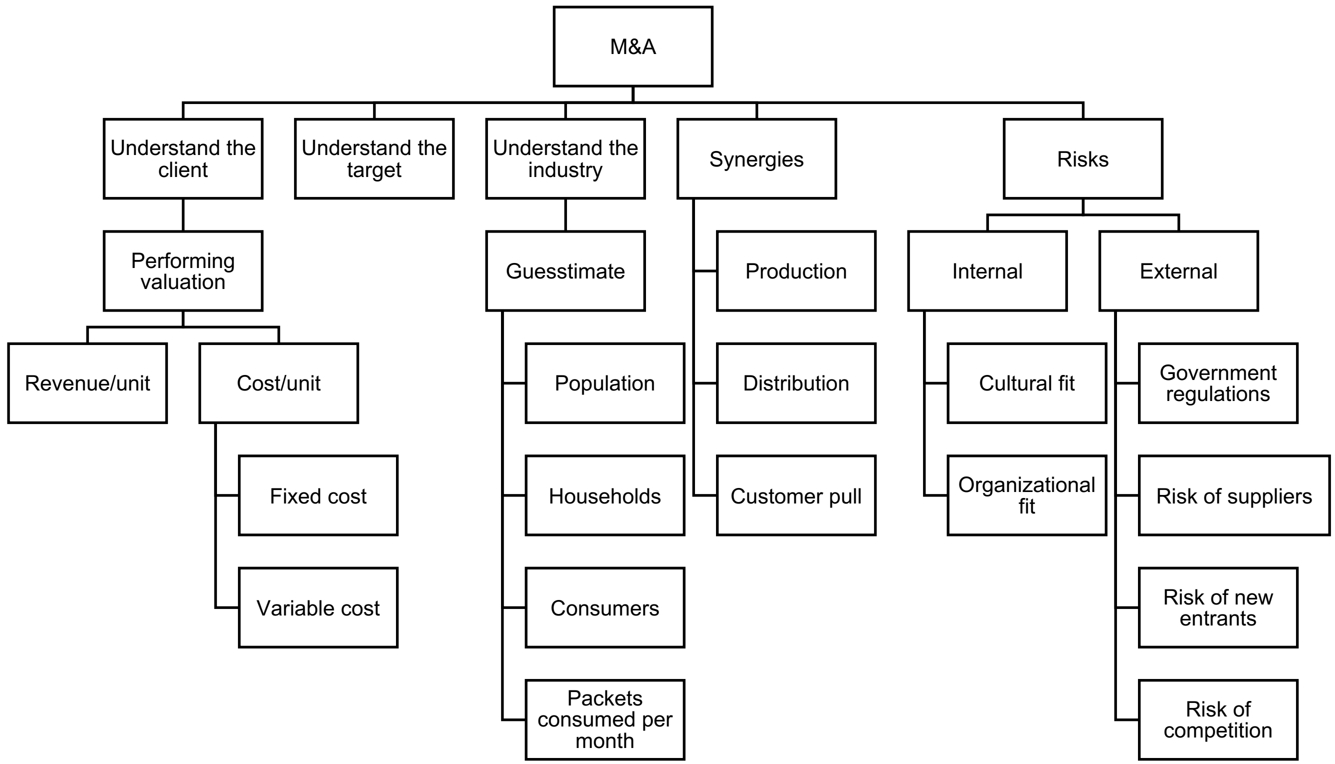
Mergers and Acquisitions | Manufacturing | Bain & Company | ★★

Peanuts Manufacturer

Your client is a snacking peanut manufacturer and they wish to acquire a snacking almond manufacturer. You have been asked to help them with this.

Background Information

- **Client** – Located in Seattle, manufactures 1 kind of peanuts sold at $2 per packet. Customers lie across the US. Amongst the top 4 players.
- **Target Company** – Almond manufacturer in NY. Produces 1 kind of Almonds and amongst the top 5 players in the industry.
- **Rate of Growth of the Industry** – GDP+4%



Case Recommendations

- The company can focus on various internal as well as external risks.

Case Tips

- Being aware about major economies like the US.
- Talking about risks gives brownie points.
- Being aware of simple concepts like Time Value of Money (TVM).

Peanuts Manufacturer

So, I have a few questions about our client first. I'd like to understand, where exactly is our client located, how does our value chain look like, who are our customers, how many product SKUs do we have, what market share do we hold and finally why do we wish to acquire this almond manufacturer?

Our client is present in Seattle, US. We manufacture only one type of salted peanuts which are then packed and sold through third-party distributors. We sell the peanuts at $2 per packet and our customers are spread across the entire eastern US market from all income segments, given our products aren't that expensive. Additionally, we are amongst the top 4 players in the market. Profit maximization is our aim with this acquisition.

Okay, I feel I have enough knowledge about the company. Now I would want some information about the Almond manufacturer. How exactly does their value chain look like, where are they located, who are their customers, how many product SKUs do they have and how much share do they hold in their category?

They are located in New York, USA. Having only 1 SKU, they cater to people across all income segments throughout US. They manufacture themselves and then sell through their own outlets. They are amongst the top 5 players in the segment.

Understood. Next, I would like to understand something about the dry fruit snacks industry and the almond industry in particular. Is it a lucrative industry and at what rate does it grow?

Good. So the dry fruit industry is growing @GDP + 1% while the almond industry is highly lucrative, growing @GDP + 4%.

Noted. Now that I have decent knowledge about the company and the Industry, I want to understand the valuations at which we plan to acquire the company. Is there any data that you have available that would help me in calculating the acquisition price?

Yes, good question. We shall be using profits as a metric and we wish to get a payback in a period of 4 years. You can ignore the time value of money. Now I want you to calculate the profits, given the variable cost of producing almonds is $1, the selling price is $3 and fixed costs are $100,000.

Okay so now I would have to find out the market size for the almond-eating population in the US. For this, I'll take the population of the US, divide it into households since almonds are purchased majorly by houses, take a certain proportion of houses that consume almonds, divide it into income levels and finally take a certain number of packets they will consume per month and per year.

Good approach. Assume that the number comes out to be around 200,000 people that we can target and capture.

Okay so this gives us $300,000 in the first year of operations. Taking a GDP growth rate of 5%, so almond industry @9% implies 327,000 in 2nd year, 356,430 in 3rd year and lastly 388,508 in 4th year. Ignoring TVM, we get $1,371,938 as the acquisition price that we can actually pay. Next, we can look into budgetary constraints, if any.

Makes sense. Ignore the budgetary constraints for now. What other things would you like to look into.

Yes. Synergies in terms of operations i.e., in terms of Production, Distribution and Customer Pull. We'll have savings throughout the value chain, from production to storage as well as packaging. We can get newer Channels of distribution since the almond manufacturer has its own stores. When we talk of creating demand, we can have a merged brand, better product categories, a better marketing team and so on. We can even cut down on admin-related costs by downsizing the departments that we have.

Good pointers. Any last few things that you would like to look into before we close the case?

Yes, every M&A transaction involves a lot of risks. I'll break risks into internal and external. Internal risks would involve risks relating to any cultural fit issues, organizational structural fit issues etc. External risks would include risks of Government Regulations like those of CCI in India, then risks of suppliers, threats of competition and new entrants etc.

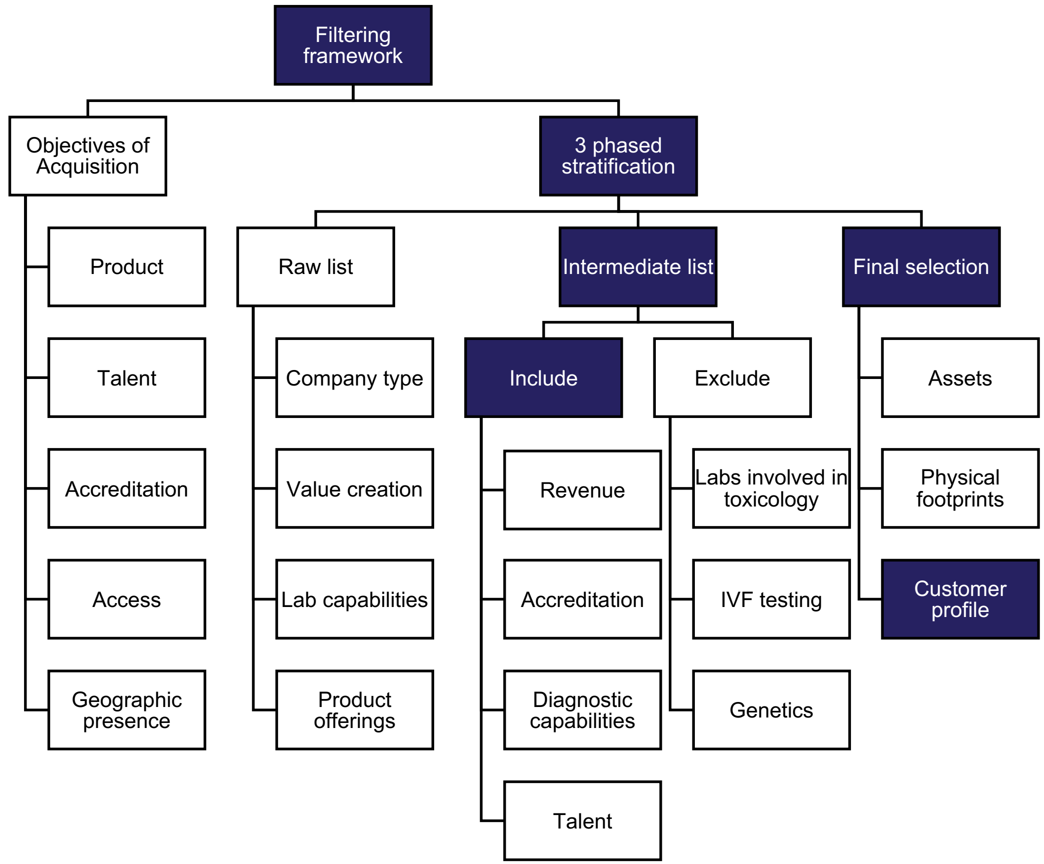
Nice. That's all that I wanted. We can close the case now.

Medtech Company

Client is a Medtech player company in the UK with diagnostic lab capabilities. They wanted to pursue acquisitions in the diagnostics space and was looking for potential players for the same. Help them in carving out the filtering framework to prioritize the potential M&A targets.

Background Information

- **Company** – Medtech company specializing in in-vitro diagnostic capabilities
- **Competitor** – 2 major players having a cumulative market cap of 45%
- **Consumer** – Majorly spread across the retail segment and captures a market size of £10bn across three tiers of customers



Case recommendations

- Prioritize Complementary Capabilities: Focus on acquiring companies with diagnostic capabilities that complement client's existing portfolio, enabling product diversification.
- Expand Customer Base: Target companies with a diverse and extensive customer base, especially in untapped geographic regions, to grow your market reach and profitability.

Case tips

- Prioritize M&A targets based on customer profile alignment.

Medtech Company

The client is a Medtech company in the UK with diagnostic lab capabilities. They want to pursue acquisitions in the diagnostics space and are looking for potential targets. Help us develop a filtering framework to prioritize M&A targets.

To start, could you clarify the main reasons for these acquisitions? Is it for product expansion, talent acquisition, market access, geographic expansion, or credibility building? Also, is there any specific information about the no. and size of competitors we have in the market and the customer base that exists for the industry in UK?

We want to evaluate all these criteria, so it would be helpful if you could help us identify what to assess for each parameter.
As for competition, there are 2 other major players having a cumulative market cap of 45%. The customer base is majorly spread across the retail segment and captures a market size of £10bn across three tiers of customers (i.e. rich, middle and poor)

Sure, for product, we should focus on the types of tests the labs offer. For talent, we should examine the scientific expertise. To assess credibility, we should look for major accreditations. Access should involve analyzing the customer base. Lastly, for geographic expansion, we should evaluate the lab's presence in the home market. Is this comprehensive, or did I miss anything?

This is quite exhaustive. Also, please keep in mind that we have 60 companies to evaluate. Do you plan to assess all of them together, or do you have another approach in mind?

I suggest a three-phased approach. We'll start by filtering companies based on fundamental criteria like company type, value creation, lab capabilities, business focus, and product offerings. After this, we'll create an intermediate list for further evaluation, considering revenue, diagnostic capabilities, accreditation, and talent. Finally, we'll shortlist a few companies for a final assessment based on assets, talent, physical footprint, and customer profiles.

This is a detailed approach.

Also, are there any specific exclusion criteria that you think is a no venture zone for us in the diagnostic industry for us.

Not exactly, but we would not like to enter majorly into toxicology which primarily has to do with drugs; IVF testing; and genetics and genomics.

Okay, so we'll add this exclusion criteria while narrowing down on the intermediate list.

Great. Can you now present a method to analyze and select the target company for acquisition after all these assessments?

Certainly. Before I create the assessment matrix, could you clarify the most important criteria for choosing the final picks?

As a prominent diagnostic brand, we are primarily focusing on expanding our product capabilities and increasing our customer base.

Alright based on that, we can leverage the following matrix to shortlist the right company.

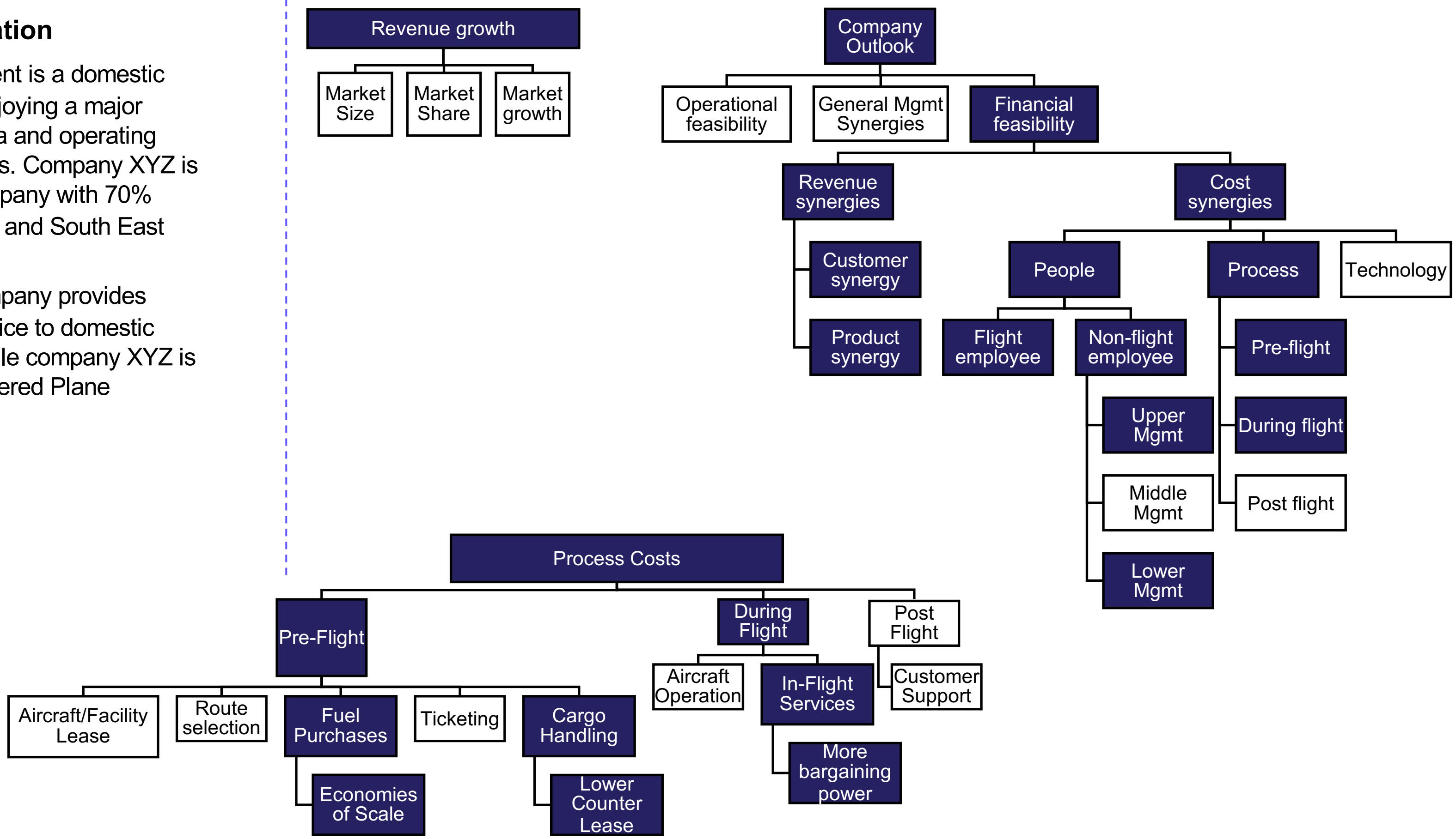
		Product Capabilities		
		High target capability	Niche target capability	Wild card capability
Customer Focus	Target customers	XX	XX	XX
	Mixed customers (Target & Non-target)	XX	XX	XX
	Non-target customers	XX	XX	XX

Airline Company Acquisition

Your client is a major airlines company ABC looking to acquire another airlines company XYZ. How should the client go about this?

Background Information

- **Company** – Our client is a domestic airlines company enjoying a major market share in India and operating between 6 tier-I cities. Company XYZ is an international company with 70% traffic between India and South East Asia.
- **Services** – Our company provides general airlines service to domestic passengers only while company XYZ is also providing Chartered Plane Services.



Case recommendations

- No recommendations were asked by the interviewer.

Case tips

- The interviewer is not looking for specific answers, but your approach. Make sure to be MECE at each step.
- For M&A, remember that synergies are maximised when product/service and customer base of both the companies are different.

Airline Company Acquisition

Your client is a major airlines company ABC looking to acquire another airlines company XYZ. How should the client go about this?

Alright! I would like to know more about the two companies. Can you provide more information about the customer base, location of operations and kind of services provided by the two companies?

Sure! Your client is a domestic airlines company connecting flights between six tier I cities of India, while company XYZ is operating across Asia, with 70% flights between India and South East Asia. Your client is similar to Indigo with a decent market share in India. On the other hand, company XYZ provides two types of services: General airline services and Chartered Plane services to corporates.

That's interesting. Moving on with my analysis, I would focus upon two areas: the Market outlook for both the companies and Company Outlook post the acquisition. To see if the acquisition would be beneficial, I would first want to know about the market size, market share and growth rates for both the markets, ie. Domestic and South East Asia.

Both the markets seem lucrative and both companies enjoy a decent market share. Why don't you focus upon the company outlook?

Sure! Here I would focus three major areas: i) Financial feasibility of Acquisition, ii) Operational feasibility of acquisition, iii) General Management synergies.

Let's begin with the financial feasibility analysis.

Here, I would analyze the revenue as well as cost synergies that would emerge as a result of the acquisition. For revenue synergies, I would focus upon two things: the customer base and the services. Since we know that the companies are dealing with different markets, the customer base for both companies is very different and thus, an acquisition would lead to an increased customer base. Also, since company ABC also. provides Chartered Plan services, the overall service portfolio would widen post acquisition

This seems like a fair analysis. Let's delve down deeper into the cost synergies.

Sure! The overall costs can be divided into people, process and technology costs. Do you want me to focus on any specific bucket first?

Sure, let me know how can we optimize the employee costs post acquisition.

So there are two types of employees: Flight and Non-Flight. Post acquiring company ABC, we can optimize some routes to ensure that same aircrafts could be used for both domestic and international flights. If this happens, the costs associated with flight employees (pilots & crew members) can go down.0.

Where can we reduce the non-flight employees?

Non-flight employees can be divided further into upper management, middle management and lower management. Post acquisition, most upper management employees of company XYZ can be laid off. Moreover, the XYZ's workforce employed in a number of services such as ticketing, Cargo Handling, etc would not be required as the same tasks can be managed by our client's company only.

Fair enough! What all other cost synergies can be there?

The costs associated with operations of the airline can be further divided into Pre-Flight, During Flight and Post-Flight Costs.

Pre-Flight: Here, costs associated with aircraft lease, space lease, route selection, fuel purchase, ticketing and baggage/cargo handling would be included.

During Flight: This will include the costs associated with in-flight services and aircraft operations (utilities, maintenance, etc.)

Post-Flight: This includes the costs associated with Marketing and customer support.

Do you want me to focus on any of these areas first?

Help me understand how cost synergies can be realized in fuel costs, cargo handling and in-flight services.

Fuel Costs: Post the acquisition, the client would be able to negotiate better with the fuel suppliers due to economies of scale.

Cargo Handling: The total number of baggage counters required on the airports would be lesser than the sum of the counters currently being handled by both the companies separately. Thus, the Baggage counter lease cost would reduce.

In-Flight Services: The food and entertainment services currently being provided by company ABC can be provided at a lower cost as the company enjoys a higher bargaining power with increased volume of purchases.

Do you want me to focus upon the Operational Feasibility and General Management Synergies as well?

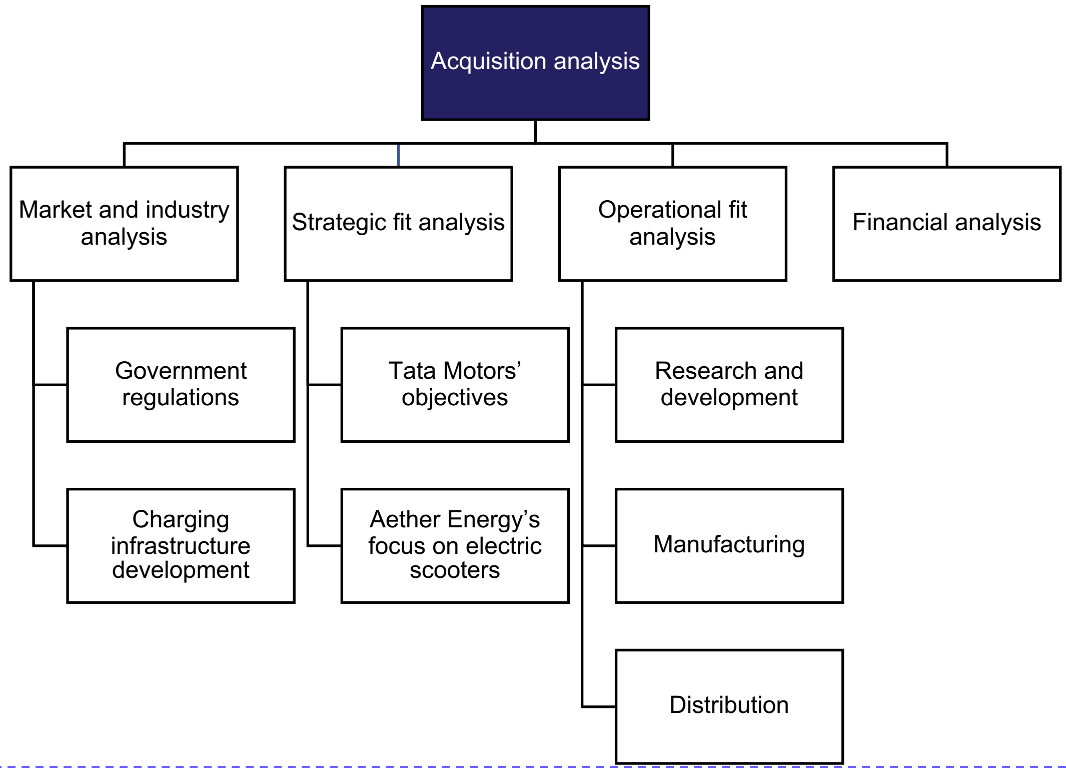
That's alright! We can close the case here.

EV

Your client is Tata Motors and it is considering the acquisition of Aether Energy. Analyse.

Background Information

- **Client Overview** – Tata Motors, a global auto giant with a 30% market share, seeks entry into the electric scooter market.
- **Industry Landscape** – Favorable global EV regulations and a shifting consumer landscape underscore the potential for EV market growth.
- **Current Situation** – Tata Motors aims to bridge its EV gap, specifically in electric scooters, exploring an acquisition strategy.
- **Aether Energy Overview –** Aether Energy is a leading player in the EV market, specializing in electric scooters.
- **Interview Insights –** Regulatory support, charging infrastructure growth, and strategic/operational alignment are key considerations in the potential acquisition.



Case recommendations

- Recommended that Tata Motors proceed with the acquisition. The alignment with their strategic goals and the potential for establishing a robust presence in the growing EV market, especially in the scooter segment, makes this a compelling opportunity

Case tips

- Delve deeper by posing additional scoping questions to fully grasp the nuances of the situation
- Leverage insights from analogous transitions undertaken either by industry peers or from the company's own historical initiatives

EV

Good afternoon, I'd like to present a case involving Tata Motors and their potential acquisition of Aether Energy in the electric vehicles (EV) domain. Let's begin by delving into the situation.

Can you tell me more about the client and current position in the conventional market segment?

To start, Tata Motors is a prominent player in the conventional car market, holding a substantial 30% market share. However, they currently have a limited presence in the EV market, offering only two EV models in the car segment. Tata Motors' objective is clear: they want to establish a significant presence in the EV market, with a specific focus on the electric scooter segment.

That is great. Can you shed some light on the Ather Energy and its business.

Aether Energy is one of the leading companies in the EV market, with a primary focus on electric scooters.

I see the context. Tata Motors aims to expand its footprint in the burgeoning EV market, with a strong emphasis on electric scooters. Is there something you would like me to explore first in this case?

Let's initiate our analysis with a comprehensive examination of the market and industry. Can you tell me about a few important factors that will affect this market going forward?

It's crucial to understand the industry's dynamics, potential, and regulatory environment. One pivotal factor is that government regulations are highly favourable for the EV market. Additionally, we need to delve into a thorough evaluation of the competitive landscape in the EV sector. Government regulations can significantly impact this industry, and it's imperative to gain insights into the competitive landscape. Secondly, Is the development of the country's charging infrastructure even in Tier I cities?

Excellent. Now, let's consider a strategic fit for Aether Energy with Tata Motors.

it's essential to focus on Aether Energy's profile. Although they operate within the broader electric vehicles domain, their primary offerings revolve around electric scooters. This aligns seamlessly with Tata Motors' strategic goal of entering the electric scooter EV segment.

Certainly. Can you analyze this aspect in more detail?

The strategic fit is a critical aspect of this case. Tata Motors aspires to become a market leader in the EV domain while minimizing any potential cannibalization of their existing offerings. Moreover, this acquisition presents a unique opportunity to bring in personnel with expertise in the electric scooter segment, spanning from mechanics to sales personnel. So, the acquisition not only aligns with Tata Motors' strategic aspirations but also provides an avenue for the infusion of expertise in the EV scooter market, spanning across various operational levels. We can now look into the operational fit for the company.

Great so how will you go about it which are the factors that you will consider while checking for operational fitness of the company.

Operational fit involves R&D, manufacturing, and distribution. Is there a specific area in which you want me to look, or should I dive into detail in all of these aspects?

Let us look into all these aspects one by one

In the realm of research and development, the infusion of individuals with expertise in electric vehicles will enhance the company's existing knowledge base. Concerning manufacturing, Tata Motors can capitalize on economies of scale, leveraging its prior business operations to reduce scooter development costs. In the long term, there is a strategic intent to integrate manufacturing units, further reducing fixed costs.

Great, now let us focus on the retail channel on the distribution end.

Sure, let's consider retail channel integration. Tata Motors boasts an extensive retail network. To maximize the synergies, we need to develop comprehensive strategies to integrate Aether Energy's EVs into these established retail channels. These include considering physical dealerships in major cities, online sales platforms, and enhancing customer support to ensure a seamless experience for customers. Integrating Aether Energy's EV offerings into Tata Motors' well-established retail channels will be pivotal in ensuring a successful acquisition. And lastly, are we examining any financial aspects in this case?

In this specific case, we won't require an in-depth financial analysis. Our focus has primarily centered on the strategic aspects of the acquisition.

EV

I understand. Given the information we've discussed, I'd strongly recommend that Tata Motors proceed with the acquisition. The alignment with their strategic goals and the potential for establishing a robust presence in the growing EV market, especially in the scooter segment, makes this a compelling opportunity.

Okay, this concludes the case.

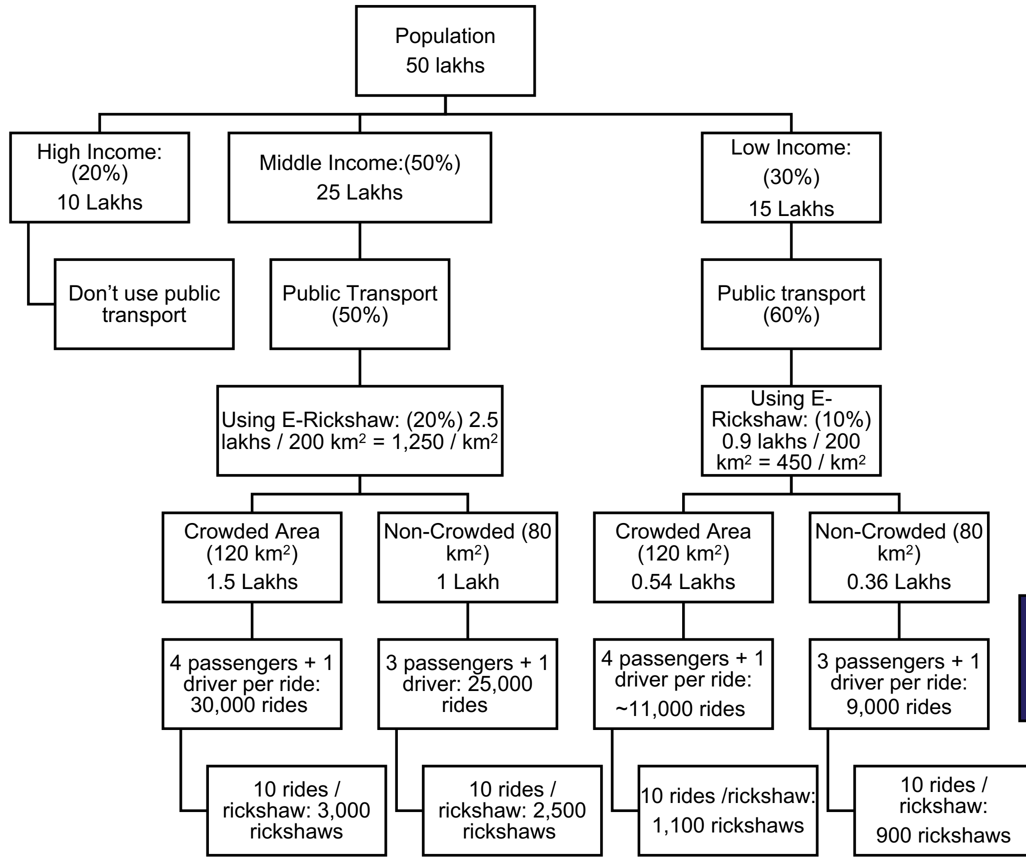
Guesstimates

Guesstimate the No. of E-Rickshaws in Kolkata

Guesstimate the total number of e-rickshaws in Kolkata.

Background Information

- **E-Rickshaw** – Typical tuk-tuks (totos) seen in cities these days.
- New replacement for cycle rickshaws in the city.
- Cycle rickshaws are 2 seater and pedal-driven or hand pulled.
- E rickshaws are 4 seater and driver by electric motor.



3,000 + 2,500 + 1,100 + 900 = 7,500 E - Rickshaws

Case tips

- Include the crowding factor.
- No of rides / demand will be higher in areas with higher population density.
- Include multiple factors and make it comprehensive (not a linear approach).
- Basic BQs (tell me about yourself and why is consulting of interest).

Guesstimate the No. of E-Rickshaws in Kolkata

Sure. By E- Rickshaws we are referring to the typical totos that have become popular in some cities right.

Yes. You can imagine the usual cycle rickshaw. However, this will not be a 2-seater but a 4-seater and driven by an electric motor.

Alright. I'd like to go by the population approach. Considering the population of Kolkata to be around 50 lakhs. Will that be a fair start?

Okay. Go on.

Then I would split the population by the income in the high, medium, low categories with a 20%, 50%, 30% split respectively. In the middle-income category 50% would use public transport and in the low income 60% would use public transport. Thereof, 20% and 10% respectively might go for E- Rickshaws. Next, I'd look into the number of rides and try to arrive at a figure. I'd request you to let me know if I am missing something.

Don't you think the approach is a bit linear. You can try to consider factors like the demand for this vehicle.

Sure. In that case, the population density can be factored in. May I proceed by taking an area of 200 km^2.

Sure.

(Obtained the population density) I'd assume a larger chink to be crowded in the city so roughly 60% of the 200 km^2 will be crowded and will have e – rickshaws at full capacity while the non crowded places will see roughly 3 passengers on an average. Then I would take a horizontal 10 rides per rickshaw per day assumption and calculate.

So what is the final number?

(After a calculation break) I'm getting a figure of roughly 7,500 E- rickshaws in the city.

Alright. That will be all. We may close now. Thank You.

Sure. Thank you so much.

Guesstimate the No. of E-Rickshaws in Kolkata

(Alternate Solution)

Before I begin, I'd like to ask a few clarifying questions.

Sure.

If I understand correctly, e-rickshaws are 3-wheelers that usually commute smaller distances, say max 2-3 kms at a stretch.

Yes, that's right.

Do you want me to estimate market size in terms of units or value?

Units.

Is there a particular timeline we are looking at or the number of units on road as of today?

The latter.

Sure, lastly, what is the average life of an e-rickshaw?

Assume it to be 5 years.

I would like to elucidate my approach first. To estimate the market size for India, I'd like to take proxy by estimating for a tier 1 city and a tier2/3 city. I will extrapolate those numbers for the entire of India using the adequate weights.

Sounds good!

I will start with Delhi since I am most acquainted with this place. As per my knowledge, these vehicles usually are available around metro stations, bus stops and local busy markets.

You can ignore market areas.

Sure, there can be two approaches to estimate this. The demand side wherein I'll see the number of people who commute via these public transports and use e-rickshaws, and the supply side wherein I'll use data regarding the number of e-rickshaws on road when they were introduced, the annual average growth rate coupled with the average life of an e-rickshaw.

You may proceed with the demand side approach.

Sure, for Delhi, I would estimate using the following levers: First divide the population into income classes as this would help me analyse the modes transportation, then bifurcate by age group.

Thereafter I will see different modes used by people for commute. Here I'd take different time stamps- peak and non-peak hours to determine number of people using say a metro at a point in time.
Once we have number of people travelling in public transport and given that an e-rickshaw can include 4 people at a time, I'll get the number of e-rickshaws in Delhi.

Makes sense.

Lastly, I will extrapolate this to estimate the size in all tier 1 cities in India and follow similar process to estimate for the Tier2/3 cities.

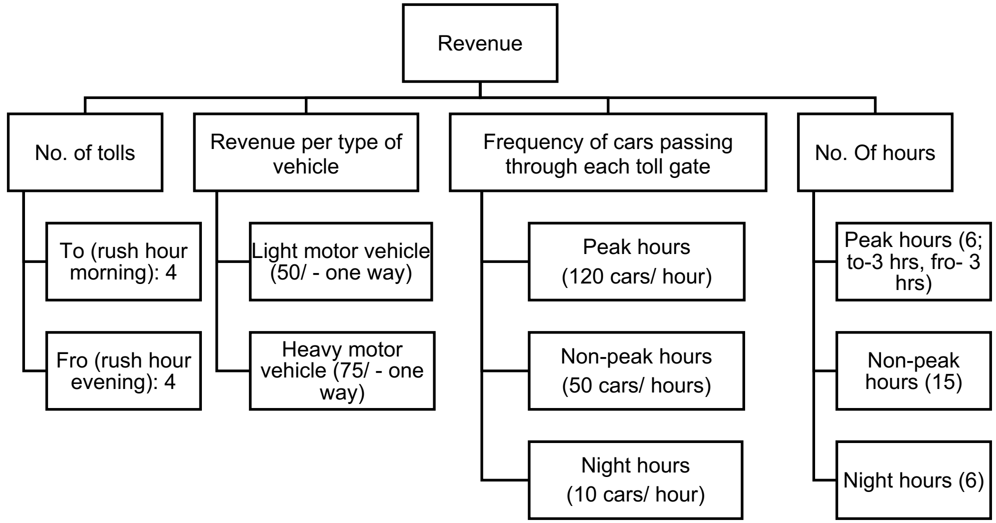
Sure, we can end the case here.

Revenue of Bandra-Worli Sea-Link

Estimate the revenue for Bandra-Worli sea-link on any given day.

Background Information

- **Place** – A toll-bridge in Mumbai with 8 tolls: 4 for each side of travel
- **Product** – Only 4-wheelers



Total Revenue for one side (4 lanes) = 64,800 + 10,800 + 135,000 + 22,500 + 1,200 + 16,200 = 250,500

Total Revenue for all both sides (4*2=8 tolls): 250,500*2=**501,000**

	Peak Hours		Non-Peak Hours		Night Hours	
	LMV	HMV	LMV	HMV	LMV	HMV
No. of hours	3	3	15	15	6	6
Revenue/Car	50	75	50	75	50	75
No. of Vehicles	108 (90%)	12 (10%)	45 (90%)	5 (10%)	1 (10%)	9 (90%)
No. of Lanes	4	4	4	4	4	4
Total Revenue	64,800	10,800	135,000	22,500	1,200	16,200

Case tips

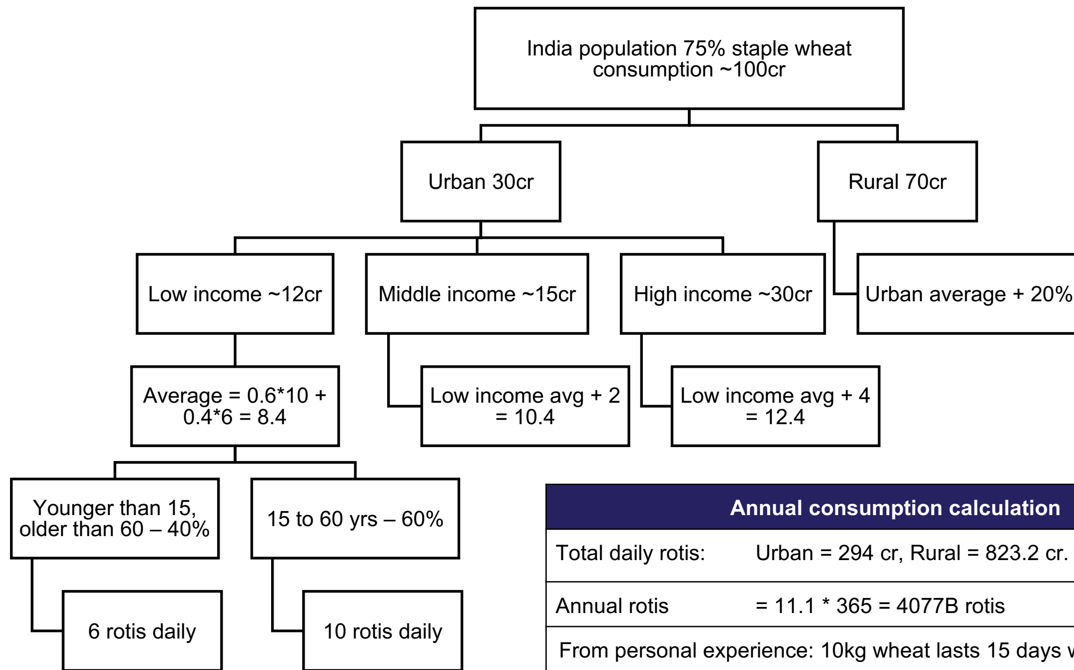
- Supply side approach optimum for the problem.
- One car assumed to take 30s to travel through a toll gate in peak hours (**120 cars/hr/toll gate**). This baseline was used to estimate frequency of cars in non-peak & night hours.
- For peak hours and non-peak hours, LMVs were considered to constitute 90% of vehicle volumes and HMVs as 10%. The converse was assumed for night hours. (Note: The assumptions were validated by interviewer before proceeding with the calculations).

Wheat in India

Estimate the annual wheat production in India .

Background Information

- **Product** – Wheat
- Assume consumption is sourced domestically



Annual consumption calculation	
Total daily rotis:	Urban = 294 cr, Rural = 823.2 cr. Total = 11.1 B
Annual rotis	= 11.1 * 365 = 4077B rotis
From personal experience: 10kg wheat lasts 15 days with 24 rotis daily	
Wheat in 1 roti	= 10kg/15/24 = 27g
Annual	11.1B * 0.027 = 113.25M tonne

Case tips

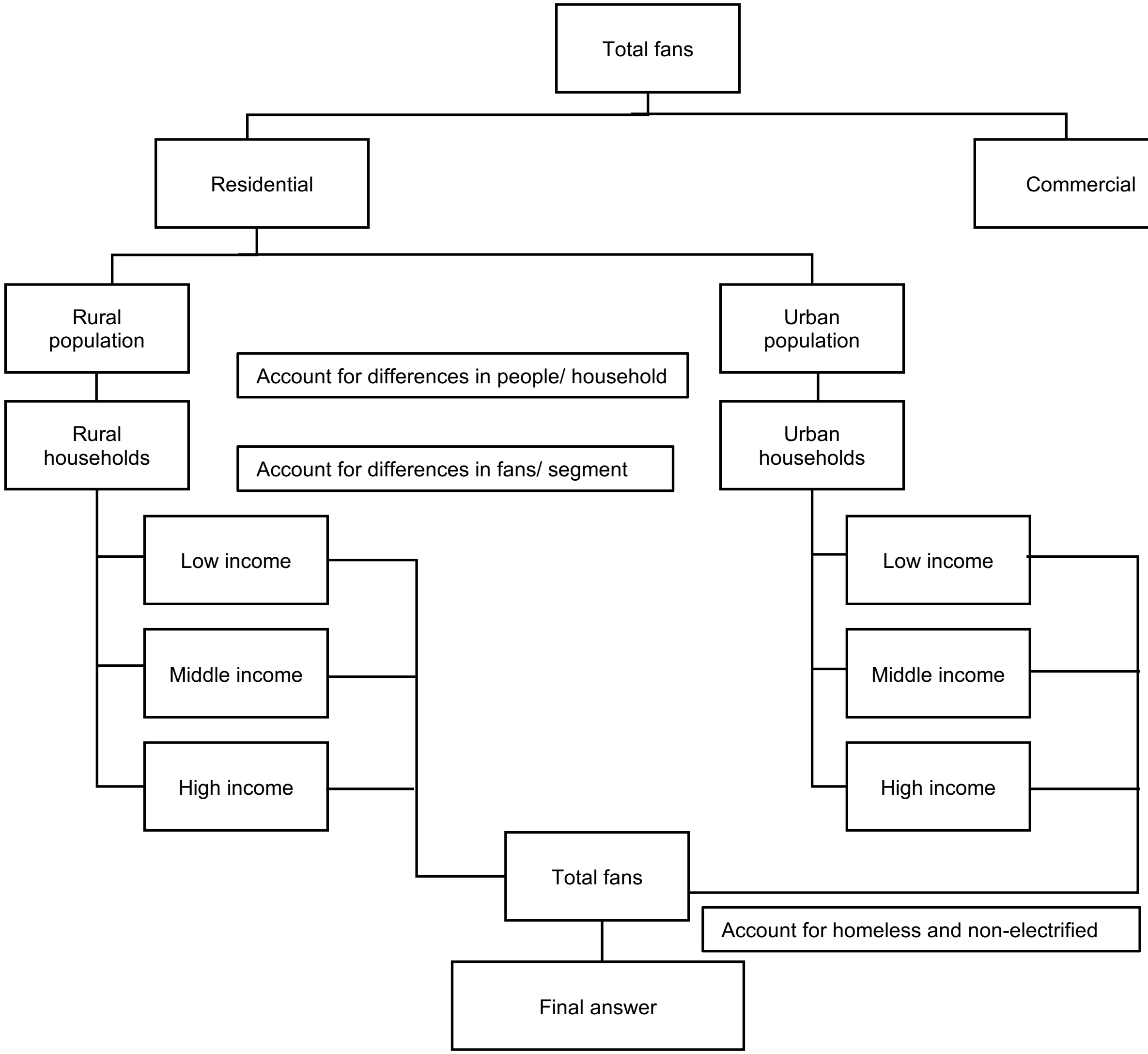
- Walk through the approach before you start multiplying the numbers at every stage. List the factors and weights you would be considering; in case you miss something, interviewer can easily bring it up. In case you are going into too many details, interviewer can point that out as well.
- Estimating wheat from "roti" was essential, the approach was appreciated by the Interviewer. Most guestimates have this part where you can estimate something from daily life.

Fans in India

Can you estimate the number of fans in India currently?

Background Information

- **Product** – Ceiling Fans
- Residential only



Fans in India

Sure sir, are we looking at any particular type of fan like ceiling or table? Or should I consider all types of fans?

Let's focus only on the ceiling fans for the scope of this problem

Understood. Breaking the problem down, the 2 types of establishments that we can consider are 'Residential' and 'Commercial'. Since majority of commercial establishments are centrally airconditioned, for simplicity, can we focus only on the Residential aspect for now?

Sure! You can ignore the 'Commercial' aspect for the scope of this guesstimate.

So, I'll try to arrive at an answer by estimating the number of households in across demographics and then multiply them with an estimated no. of fans per household. Can I start with this approach?

Yes, please go ahead.

Assuming the population of India to be roughly 130 Cr, I would first split the population base into 2 major segments 'Urban' and 'Rural' with 30% & 70% split approximately. Is that reasonable?

Sure, carry on.

That translates to roughly 90 Cr people in rural and 40 Cr in the urban segment. Next, to arrive at the number of households, is it safe to assume average family size to be 4 and 6 for urban and rural households respectively?

Sounds reasonable

Perfect! So that gives us 15 Cr rural and 10 Cr urban households approximately. Drilling down further, I would like to segregate these households on the basis of income level - Since it can significantly influence the house size and therefore the number of fans in the household.
I would like to break it into 3 types of income groups – High, Medium and low. Can I estimate the respective percentages to be 10%, 30% and 60% respectively?

Yes, you can do that, but tell me how would you define the consumption pattern of these income groups?

Sure sir, based on average no. of rooms in the household, I would roughly estimate the following consumption rates (No. of fans per household) for the respective categories:

1. High Income (Urban) - 6
2. Medium Income (Urban) - 5
3. Low Income (Urban) - 4
4. High Income (Rural) - 3
5. Medium Income (Rural) - 2
6. Low Income (Rural) - 1

Now, I would multiply the consumption rates (No. of fans per household) with the number of households to arrive at the total number of fans. Shall I proceed with this?

I understood your approach, no need to do all the computations. Tell me one thing, after arriving at the final number, are there any further considerations you would like to make?

I can look at the product lifecycle of a fan (how frequently it is replaced) to estimate a yearly number?

No, that is not required. Anything else you might've missed on? Take your time to think.

Since we have considered the complete population base, I can probably adjust the final number for homeless people and also areas which are not electrified within rural segment?

Perfect! How would you factor that in?

For the sake of simplicity, I would take a 5% haircut on the final number to factor in the above considerations. Is that a fair estimate?

Sure, sounds good! We can close the discussion here. Thank you!

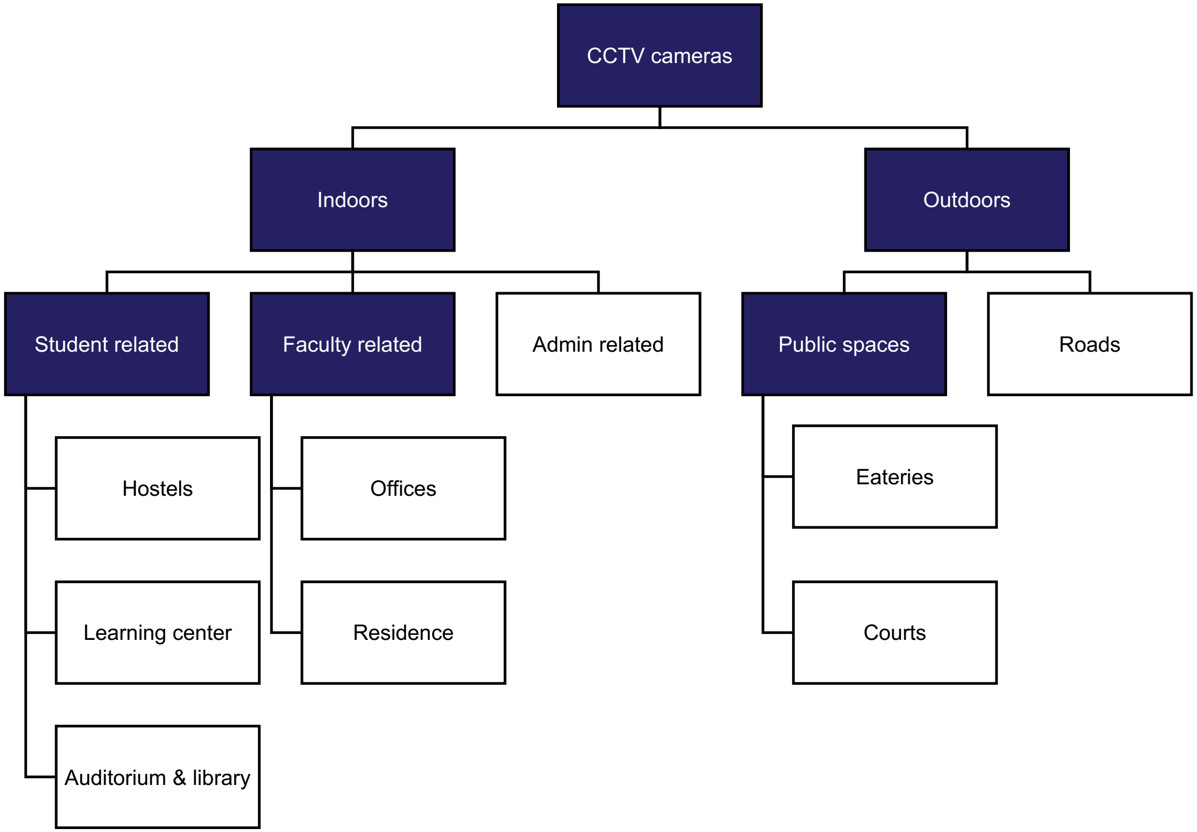
Thank you, sir!

CCTV Cameras in XLRI

Guess the number of CCTV cameras that are installed in the campus of XLRI.

Background Information

- **Area of XLRI** – 200000m^2
- **Area covered/camera** – 150m^2



Case tips

- Clearly drawing the structure and mentioning the segmentations makes it easy to visualize.
- This approach can be extrapolated to malls/other campuses/townships etc.

CCTV Cameras in XLRI

Guess the number of CCTV cameras that are installed in the campus of XLRI.

I would like to segment the usage of cameras into indoor and outdoor. Indoor would include all buildings that have cameras and outdoors would include the roads, eateries, courts etc.

How would you like to segment the indoor usage of cameras?

I would like to segment the indoor buildings based on the primary users. People residing on campus can be segmented into three groups – students, faculty & admin. The students primarily use hostels, learning centers, library and the auditorium. The faculty use their offices and their residences. The administration uses their offices.

That seems like a fair approach. What kind of numbers are we looking at?

I would like to estimate the number with the following data and assumptions. We would thus have around 464 CCTV cameras in the Jamshedpur campus.

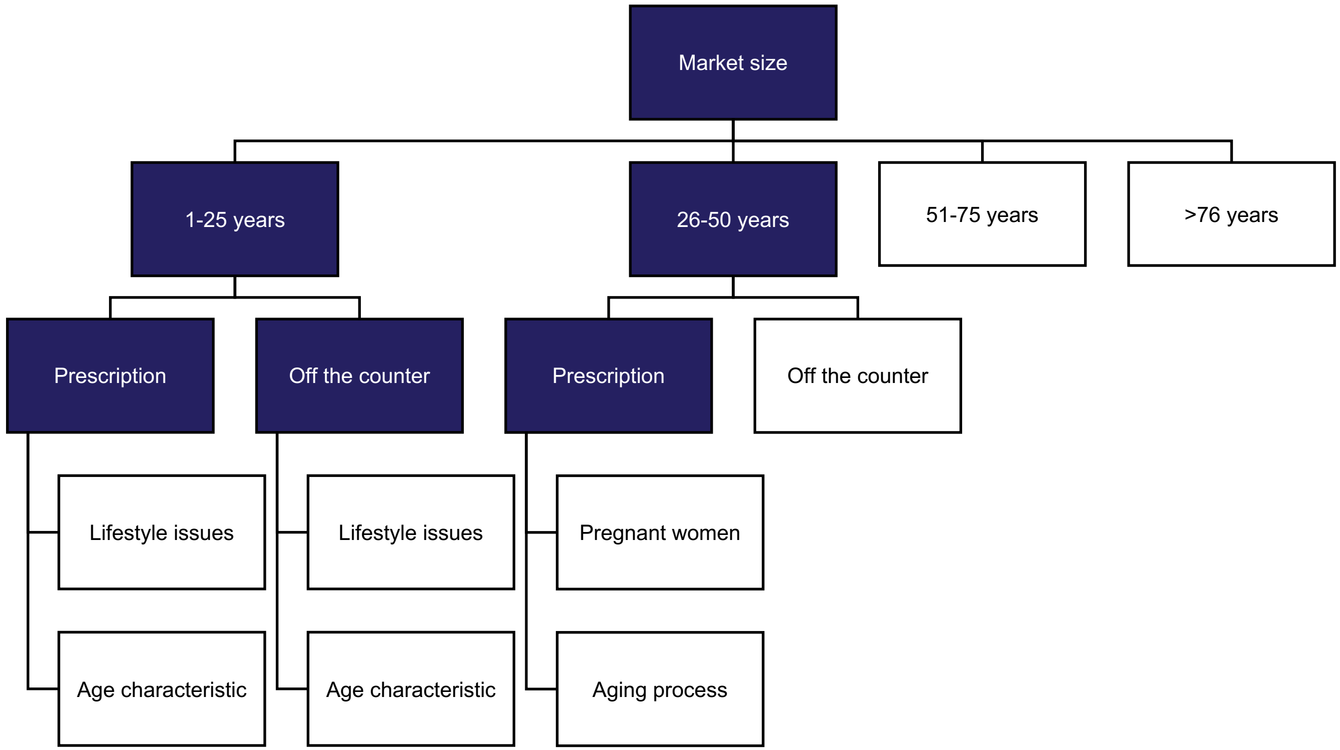
Place	Cameras installed
Hostels, IC & Exceed	2 cameras/floor * 6 floors * 3 buildings + 2 cameras/floor * 4 floors * 3 buildings = 72 cameras
Learning centre	2 buildings * 6 classes/floor * 3 floors * 2 cameras/class = 96 cameras
Faculty offices & Administration offices	240 cabins * 1 camera/3 cabins = 80 cameras
Faculty residence	100 houses * 1 camera/house = 100 cameras
Auditorium & Library	~ 15 cameras
Eateries & shops	8 places * 2 cameras/place = 16 cameras
Sports facilities	10 courts * 2 cameras/court = 20 cameras
Roads	200000/150 = 45 + 20 (miscellaneous) = 65 cameras
Total Cameras	= ~464 cameras

Calcium Substitute Market

Evaluate the size and valuation of calcium substitute market in India.

Background Information

- **Form of Substitute** – Tablets
- **Scope** – Both off the counter and prescribed medicines



Case tips

- It is important to think out loud and bring in as many different aspects to numbers allocated to each bucket.

Calcium Substitute Market

Evaluate the size and valuation of calcium substitute market in India.

I would like to reiterate to ensure that we are on the same page. I am to come with a structure to estimate the market size followed by market valuation of calcium substitutes in Indian Pharmaceutical market.

That is correct.

So, calcium substitutes come in various forms including swallowable tablets, chewable tablets, capsules etc. Do you want me to focus on any specific form?

For this scenario consider the tablet forms of the substitute only.

So, I will start off with sizing the market for calcium substitutes in India. I would first like to divide the population of India in terms of 4 distinct age brackets i.e., 1-25 years, 26-50 years, 51-75 years and above 76 years of age. The percentage of population that I would attribute to each of these age brackets is 30%, 30%, 20% and 20%. Does this approach seem appropriate in your opinion?

Yes, go ahead. How will you segment the population further.

I would further divide people in each bracket into a segment who consume calcium substitutes because of a specific medical condition (prescription) and regular consumption (off the counter). The former is to probably take the calcium substitutes as prescribed tablets by a medical professional while the latter might use them as off the counter medicines.

That’s fair go ahead.

To start with, the age bracket of 1-25 years who use for regular condition would be 20% as this age bracket is characterized by low levels of nutritious food consumption, decreased outdoor activity combined with rapid body growth. For the people consuming calcium substitutes because of a medical condition would be around 5% as this age is associated with good health.

Alright, go ahead.

I believe the largest customer segment for us are the people of the age group 26-50 years. Somewhere around 30% of people might consume it as a regular substitute. This age group includes majorly majority of pregnant women who require calcium substitutes in the first trimester of pregnancy.

Are there any other factors that you think should be makes this age bracket attractive?

I have observed that people usually develop bone weakness during this time because of the work-oriented lifestyle. I think here 50% of the people in this age bracket consume calcium substitutes because of a medical condition.

For this scenario consider the tablet forms of the substitute only.

Proportion of people of age 51-75 years will also require calcium substitutes as the aging process sets in rapidly and weakening bones are one the first symptoms majority of these adults face at the onset. I think 70% of this segment might consume calcium substitutes here a majority of which might be compelled by a medical condition.

Okay, go ahead.

Lastly people 76 years and above will require calcium substitutes but I would allocate 55% of people here consume calcium substitutes. The reason for a lower number to this age bracket is because these people usually are deficient of many other nutrients as well. Hence their consumptions of multi vitamins and externally infused vitamins will be much greater.

This seems like a reasonable approach. How would you triangulate the estimated size you have calculated?

A good way to triangulate this data based on actual data gathered from the sales data of calcium substitutes on various e-commerce platforms that home-deliver medicines. Also, on the ground medical representatives and pharmacy retailers could provide us concrete data that can be extrapolated to the entire population.

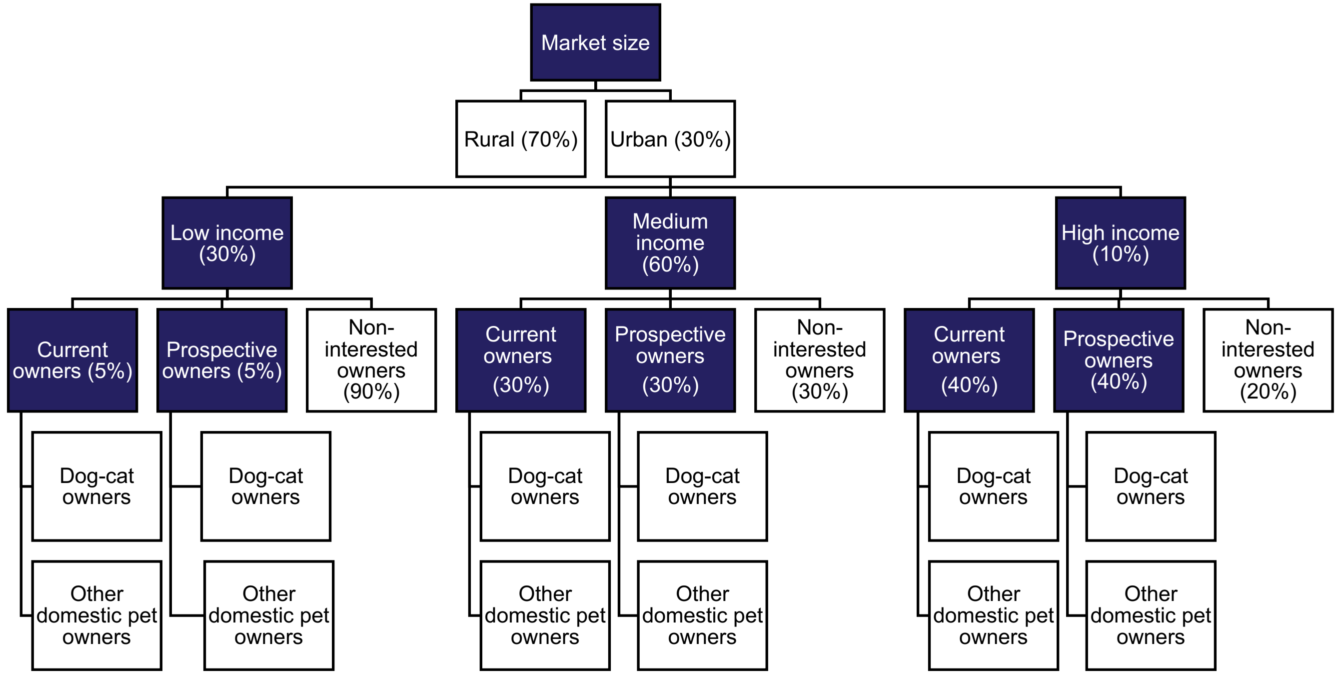
That's a good approach. We can close here. Thank you.

Pet Food Market in India

Estimate the size of pet food market in India.

Background Information

- **Pets** – Dogs and Cats
- **Price Segment** – Affordable
- **Price Range** – Rs. 50 to Rs. 60 per kg



Case tips

- The number of different aspects one can bring in would help bring out a more comprehensive structure.
- Analyzing both the need and want aspect of owning a pet (dog or cat) will help get a perspective on the numbers.

Pet Food Market in India

Estimate the market size of pet food market in India.

Are we looking at a particular category of pets here?

You can consider only dogs and cats here.

The pet food market consists of both affordable and premium brands. Would you like me to focus on a particular brand segment.

You can consider pet food brand that operates at an average price range of Rs. 50 – Rs. 60 per kg.

Okay so I will be considering only the affordable brand segment.

Okay go ahead.

So first I would like to consider the population of India and divide them into urban and rural dwellers. Majority of the people in the rural areas mostly do not own cats and dogs or even if they do usually left-over household food is served to them. Hence, they do not present a substantial market for us. Would it be fair assumption to ignore that portion?

That's a fair assumption, go ahead.

In the urban segment I would like to divide the population into 3 segments: Low income, medium income, and high-income segment. I would further divide each of these segments into the Current Owners, Prospective Owners, and Non-Interested Owners. The former two segments can be divided into Dog-Cat owners and other domestic pet owners.

Okay, go ahead and give me the rationale on how you will allocate population percentages to each segment.

In the low-income segment, because of less disposable income majority of the population will be in the non-interested owner segment. In the current and prospective owner segment, the percentage of people will be higher in dog and cat pet owners as most other pets in market will require more resources from the owner's end.

Fair, go ahead.

In the medium income segment, I think the current and prospective owners will be more, with the later taking precedence because of increased inclination towards having pets and awareness of plights of street animals. This segment too will have a greater number of people in the dog-cat owner segment as their disposable income will allow them to invest in the training, upkeep, vaccinations, and affordable food for the pets.

Okay, how will you triangulate the numbers you are allotting to the segments based on this rationale?

To triangulate this data with real hard facts, we can approach local pet stores and analyse their sales data to cross check our estimations. We can also look at records with animal welfare organizations like PETA, on their animal adoption records.

That's great, go ahead.

Lastly the high-income segment might have least number of people in the non-interested segments and greater proportion in the other two branches. However, with greater disposable income these people might be inclined towards buying more exotic pets. Also, the dog and cat owners of this segment might go for premium pet food rather than the affordable one.

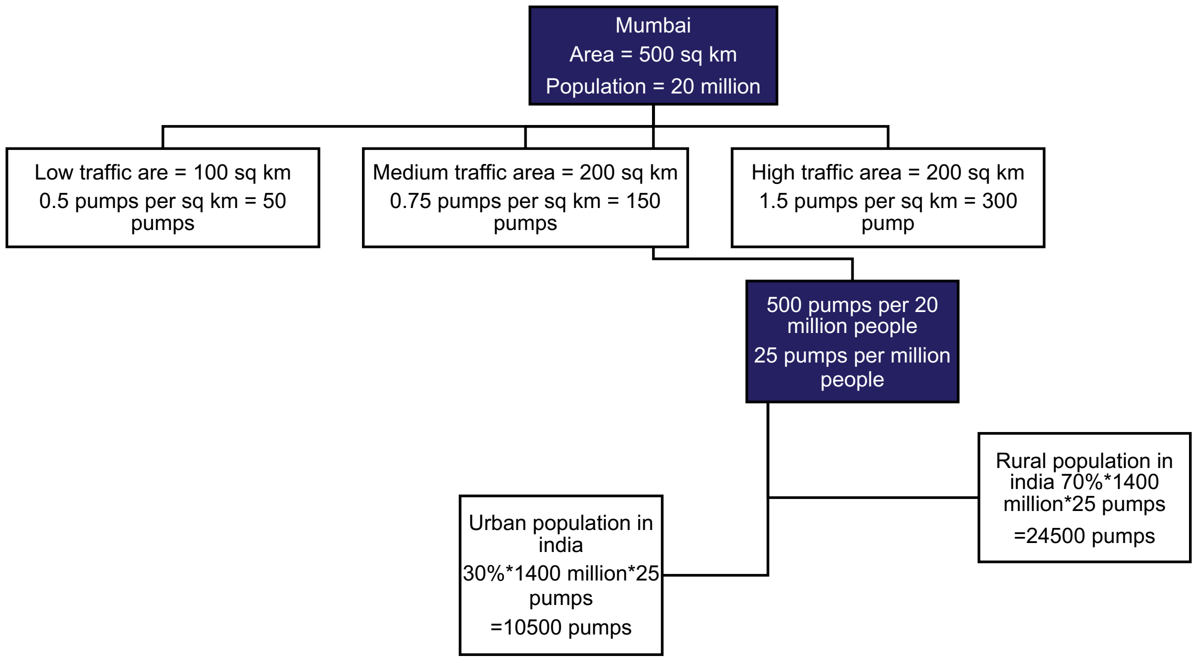
Great! We can close now. Thank you.

Petrol Pumps in India

Estimate the number of petrol pumps in India. Also tell me if their number should be increased.

Background Information

- **Calculation Base** – Population
- **Approach** – Calculated for city and scaled to India level



Case tips

- The interviewer will nudge you to spend less time on the numbers and focus on the second part of the problem statement, which is essentially a case.
- Where country level numbers are hard to calculate, finding the prevalence per million population for a smaller unit like a city or state can be a good approach.

Petrol Pumps in India

Please calculate the number of petrol pumps in India. Also tell me if their number should be increased.

Interesting. I can estimate the number of petrol pumps either by taking the number of vehicles or the population density as a proxy. Which one should I go with?

Whichever you like.

I'll take the population route. Can I estimate the petrol pump for one city and then try to scale it up to India level?

Sure, go ahead.

I have lived in Mumbai, so I'll start there. Mumbai is about 500 sq km. We can divide Mumbai into 3 zones, high traffic, medium and low traffic. We can assign them 200, 200 and 100 km sq respectively. Does this figure sound okay?

Yes.

If high traffic zone would have 1.5 petrol pumps per sq km, 0.75 petrol pump in medium and 0.5 petrol pumps in low traffic zone, the Mumbai would have around 500 petrol pumps.

Please keep going.

Mumbai's number could be good representative of petrol pump density for urban populations which is 500 pumps per 20 million people = 25 per million. For rural population, given the lower familial income, the number of private cars would be less, but they would have high energy consuming farming vehicles like tractors. Would it be a good ideas to assume rural demand to be 75% of urban demand?

You can take them to be equal.

Understood. This makes the calculation easy, 1400 million*25 petrol pumps/million = 35,000 petrol pumps in India, approximately.

Sounds reasonable. Should this number increase? If yes, what metrics would you use?

Number of petrol pumps should be increased if either the current demand is not met or if the future demand is growing faster than the growth in petrol pump capacities.

How do you know the current demand is not met?

We can find that using metrics like the average wait time for vehicles and compare with historic and seasonal baselines to see if areas around particular petrol pumps are underserved.

If the wait time is increasing, would you make a new petrol pump?

Not always. Increased wait time would mean a demand-capacity mismatch. Depending on other factors, this can be addressed by increasing more pumps or lanes in existing petrol pumps or building new ones depending on traffic etc.

Okay. Tell me about how would you make a new petrol pump?

We can start with first finding the types of customers and their cumulative volume consumption of different petroleum products.

For now, lets just consider private cars.

Understood. We can use the sales of new and used cars to predict the demand of petrol since petrol consumption would lag with car sales. We can also use construction of new roads and highways.

What if we don't have the data for car sales? How would you predict car future car sales?

We can use the data on input materials in car production as a proxy. Maybe make a composite metric of steel, rubber and other inputs and see how closely the change their production mimicked car sales. This can give us some insights on future car sales.

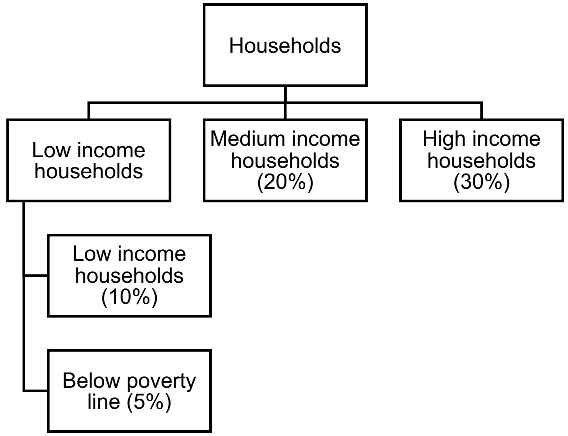
Alright. We can end the case here. Thank you for the discussion.

Food Wastage In India

Estimate the food wastage in India in a year – target only household wastage

Background Information

- **Place** – Food wastage in India is assumed using a demand side approach
- **Product** – Food wastage in domestic household



Food wastage percentage for different income levels:
Data provided by the interviewer when nudged for it.

Food Consumed per person = Mean of 1.0 kg/day is assumed from the person's prior work ex in food tech Industry

Total wastage for a year (only households) = 2417.7+3358.0+1359.9+201.4 = 7337.08 cr kg

	Household categories			
	HIH	MIH	LIH	BPL
No. of households	20%*23cr	40%*23 cr	30%*23 cr	10%*23 cr
No. of people/household	4	5	6	6
Food consumed per person (in kgs)	1.2*365	1.0*365	0.9*365	0.8*365
Food Wastage (%)	30%	20%	10%	5%
Total wastage	2417.7 cr kg	3358.0 cr kg	1359.9 cr kg	201.48 cr kg

Case tips

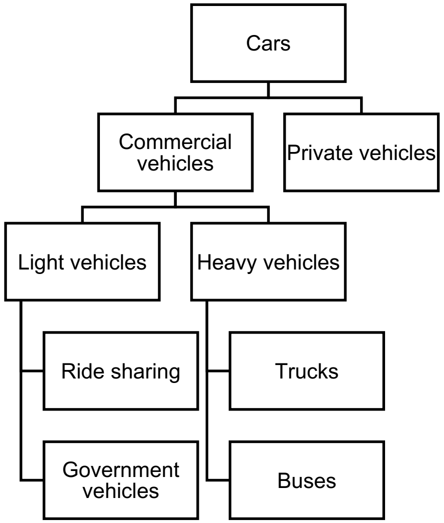
- The important question to ask before beginning this case is whether we need to estimate the food wastage at a household level, restaurants level or at a production level in a field to fork model.
- The food wastage is directly proportional to the income level of the household since a high-income household would most likely waste a higher proportion of the food as compared to a low-income household.
- Supply side approach would be a better approach if we are going for the production level wastage.

Used Commercial Vehicle Market in USA

Estimate the number of used car market in the US – specifically used cars in ride sharing apps

Background Information

- **Place** – Used car market in US forms a major chunk of the secondary car market.
- **Product** – Secondhand car sales in USA.



	Location	
	Rural	Urban
Total population	300 million	
%age of population	30%	70%
Ride sharing adoption %age	5%	20%
Life of cars (in years)	5	3
Total Used cars	140k	580k

Life of a car = 3 years in rural and 5 years in urban setting
Total number of used cars in a population : - 140k + 580k = 720k

Case tips

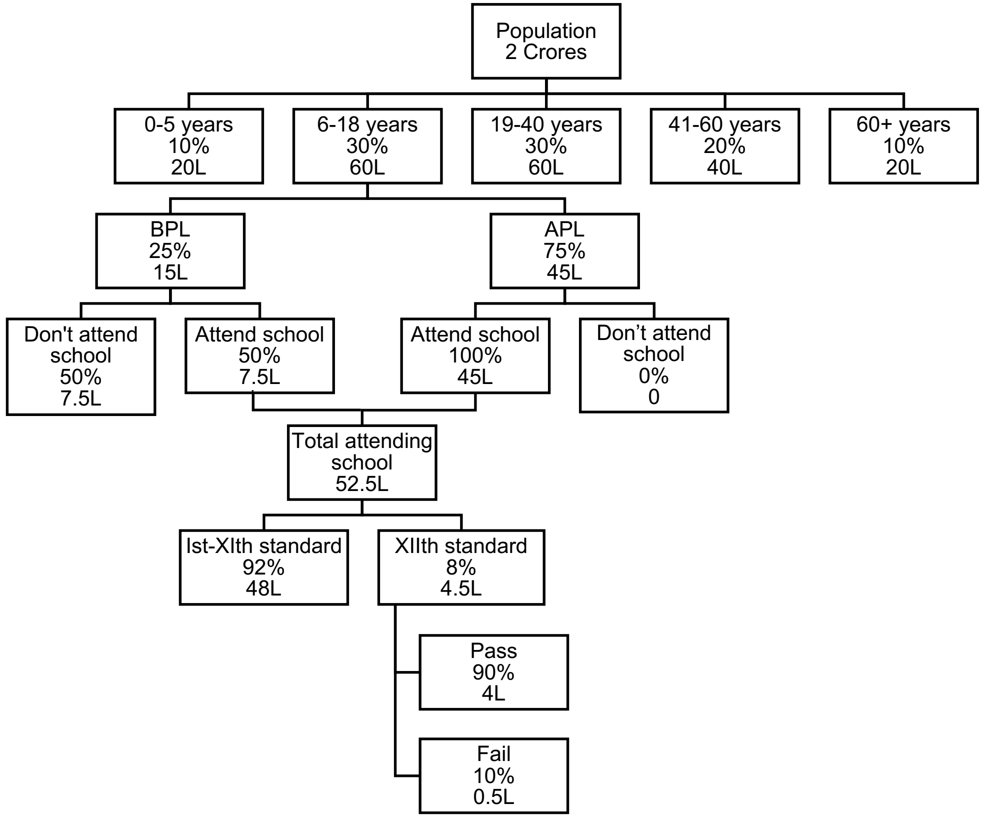
- The important question to ask before beginning this guesstimate is whether we need to estimate used cars in the private sector or in the commercial sector.
- We need to figure out the further divisions in the commercial sector since it doesn't conform to the standard divisions commonly used in the other examples.
- Demand side approach would not work since commercial markets need to be dealt with at a individual use case level.

Number of Students Completing Class XIIth

Guesstimate the total number of students completing XIIth Standard in Delhi every year.

Background Information

- Students from both Public and Private schools would be included
- The number of students passing need to be calculated and not attending



Alternate Approach (Supply side)

No. of students completing XIIth Standard = # Metro stations X # Localities per metro station X # Schools in 1 locality X # Students in 1 school X Proportion of XII Std. students X Pass %

Case tips

- % of students attending school would be different across income categories.
- Include multiple filters in-order-to make it more comprehensive.
- Basic BQs (tell me about yourself, why consulting and why McKinsey & Company)

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Automobile

Value Chain Analysis

R&D	Raw Material	Tier 1 & 2 Supplier	OEM	Distribution & Sales	After Sales Service
▪ Innovation & Product Design ▪ Process Improvement	▪ Procurement of raw materials – Aluminum, Iron, Glass, etc. ▪ Warehouse handling	▪ Component manufacturers (Tier 1) - machining ▪ Subcomponent manufacturers (Tier 2) – casting & forming	▪ Electronics ▪ Suspension ▪ Braking systems ▪ Powertrain systems ▪ HVAC-Heating Ventilation & AC	▪ Marketing ▪ Pricing ▪ Advertisements ▪ Dealerships ▪ Logistics and Distribution	▪ Financing ▪ Insurance ▪ Spare Parts ▪ Service ▪ Used Cars ▪ Rentals

Important Drivers

Revenues	Automobile Sales, Post Sale Services
	Financing and Insurance, Income Levels
Costs	Raw Materials, R&D, Labor, Marketing
	Infrastructure, Development
Growth	Exports, Policies, Increasing buying power
	Availability of Credit, Technological Advancements

Business Segments

Revenues

- 2-wheeler
- Passenger 4-wheeler
- Commercial 4-wheeler
- Heavy Motor Vehicles

Key Players

2 wheelers - Hero(32%), Honda(25%), TVS(16.2%)
Passenger 4-wheelers - Maruti Suzuki(46%), Hyundai(15%), Tata Motors(14%), Mahindra(9%), KIA(6.7%)
Commercial - Tata Motors(39%), Mahindra(24%), Ashok Leyland(16%)

Key Industry Metrics

Size	\$222 Bn, 7.1% contribution to GDP
Margin	5% (Maruti) - 20% (Bajaj)
Growth	CAGR of 3.71% (2018-2025)
Share by Vehicle	2-wheeler (82%), Passenger (14%), Commercial (4%)
Exports	4.76 M units, declined by 14.9% from FY2022

Recent Industry Trends

- India aims to reduce its carbon footprint by 35%, releasing Bharat Stage VI norms by 2030
- The Indian market was showing a growing preference for SUVs and crossovers, with automakers introducing various models to cater to this demand, making the share to 47% among cars in India.
- Improved safety standards and features were becoming more prevalent, driven by government regulations and consumer demand. This included the adoption of advanced driver-assistance systems (ADAS).
- The used car market was expanding, driven by affordability concerns and a desire for more cost-effective transportation options. The used car market is growing with a CAGR of 15.1% (2018 - 2027)

Aviation

Value Chain Analysis

Inbound	Operations	Marketing	Customer Services
▪ Aircraft Leasing ▪ Fuel Supply ▪ Facilities & Hangars ▪ Route Planning ▪ Fleet Management	▪ Ground Services ▪ Flight Crew ▪ Baggage Handlers ▪ Ticketing ▪ Gate and Airport Operations ▪ Rental Cars and Hotels ▪ Connecting Flights	▪ Advertising ▪ Loyalty Programs ▪ Travel Agents ▪ Discounts	▪ Complaints ▪ Baggage Service ▪ Customer Support for ticketing and add-ons

Important Drivers

Revenues	Ticket Sales, Loyalty Programs
	Catering Services, Baggage Services
Costs	Aircraft Leasing, Airport Lease/Rents, Distribution
	Fuel, Food, Employees, Raw materials, Advertisements
Growth	GDP Growth, Consumption, Policies
	Tourism, Trade, Shipments

Business Segments

Revenues

- Domestic Passenger Travel
- International Passenger Travel
- Cargo

Key Players	Domestic - Indigo(63.3%), SpiceJet(4.4%), Air India(9.7%),Vistara(9.7%), AirAsia(7.1%), Akasa(4.2%) International - Indigo(15%), Air India(14%), Air India Express(10.7%)

Key Industry Metrics

Size	$16B
Margin	2%-3% Operating margin
Growth	10% CAGR
Share by Traffic	Domestic (82.6%), International (17.4%)
Passenger Traffic	327M

Recent Industry Trends

- Currently accounting for 69% of South Asian trips, India is on track to become the world's third-largest air passenger market, surpassing the UK by 2024.
- Tata Group announced the merger of Vistara Airlines with Air India, making it the leading domestic and international carrier with a fleet of 218 aircraft.
- The government's UDAN (Ude Desh Ka Aam Naagrik) scheme aimed to improve regional connectivity, enabling more people in remote areas to access air travel.
- There was a growing emphasis on sustainability, with airlines exploring measures to reduce their carbon footprint. This included investments in fuel-efficient aircraft and the use of sustainable aviation fuels.

Value Chain Analysis

Marketing	Sales	Funding	Services	Investment	Transactions
▪ Advertising ▪ Sales Support ▪ Branding	▪ Multichannel Sales ▪ Acquisition of customers ▪ Retention of existing customers ▪ Distribution of ATMs	▪ Customer Deposits ▪ Securities ▪ Assets ▪ Mortgage	▪ Asset Management ▪ Cash deposit/withdrawal ▪ Loan/Card-based services ▪ CRM	▪ Financial Products ▪ Credit ▪ Investment through capital and cash markets ▪ Interbank lending	▪ Automated Payments ▪ Clearing & Settlements ▪ Trading ▪ Account opening and maintenance

Important Drivers

Revenues	Lending, Investment Yield, Foreign Exchange
	Commissions, Transaction fees, Deposits in RBI
Costs	Advertising, Labor, Infrastructure
	NPAs, Operational Costs, Service Costs, Write Offs
Growth	Economic Growth, Financial Literacy, Regulations
	Increasing Population, Tech Innovations

Business Segments

- Banks
  - PSUs
  - Private
  - Foreign
  - Regional Rural / Small Finance

Key Players

Public Sector – SBI (24%),PNB, BoB
Private – HDFC, ICICI, Axis, Kotak
Foreign -- HSBC, Barclays
Regional/NBFCs – Saraswat Co-Op Bank, Manappuram

Key Industry Metrics

Size	₹130.4 trillion(Sep 2022)
Operating Margin	3.5% - 5%
Growth	9% CAGR
NPA Ratio	3.9%(March-end 2023)
Credit Growth(SCB)	15.4% vs 9.7% in 2022

Recent Industry Trends

- RBI introduced digital lending norms that prevented Neo Banking and Fintech companies like Slice from issuing loans and credit cards. Slice merges with NBFC to comply with the guidelines
- Asset quality stress behind with GNPAs at a decadal low; however, an increasing share of unsecured loan book remains a monitorable
- Improving margins along with controlled credit costs help bolster overall PAT to more than Rs 2L crore
- NIMs higher for NBFCs on account of higher yields, continued upward trend and increased by 30 bps for both lenders at 5.4% and 3.2%,
- Digital transactions crossed 200 Bn mark in FY23; share of UPI transactions volumes at 42% compared to 4% in FY18

Cement

Value Chain Analysis

Raw Material
- Quarrying of limestone, clay, shale, silica, and other raw materials
- Raw Material Storage

Inbound Logistics
- Transportation from Limestone quarries to manufacturing sites through roads and railways

Manufacturing
- Crushing
- Clinker formation
- Grinding & Additives
- Mixing and Blending

Outbound Logistics
- Packaging
- Railway and Road Network
- Warehousing

Sales
- Contractors and Developers
- Dealer Networks
- Bulk Ordering

Marketing
- Advertisements
- Campaigns
- Promotions

Important Drivers

Revenues	Cement Sales
Costs	Raw material costs, Transportation Costs
	Fuel, Power
Growth	Govt. Policies, Infrastructure Projects,
	Urbanization, Increased GDP per capita

Business Segments

Revenues
- Housing & Real Estate
- Infrastructure
- Industrial Development

Key Players: UltraTech(21.4%), ACC(6%), Ambuja (6%),Shree Cement(7%), Dalmia(5.5%)

Key Industry Metrics

Size	370MT~$32B(2023)
EBIDTA Margin	5%-10%
Growth	9% CAGR
Capacity Utilization	65%(2022)
Exports	3MT(declined by 3.1%)

Recent Industry Trends

- The goal of adding 25,000 km to the nation's highway network in FY 2023 significantly boosted infrastructure and increased the demand for construction equipment and trucks. The Government provided ₹ 20,000 crores for the initiative.
- In the Union Budget 2023-24, the Government allocated US$ 1.8 billion to create safe housing, clean drinking water, sanitation, and increasing road and telecom connectivity, among other initiatives. It also gave US$ 9.6 billion to address urban housing shortages.
- Gautam Adani's Adani Group bought the cement business of Swiss building materials major Holcim, which included Ambuja Cement and ACC, for $6.4 billion.

E - Commerce

Value Chain Analysis

Inbound Logistics	Inventory Mgmt.	Marketing	Sales	Outbound Logistics	Reverse Logistics
▪ Sourcing, B2B ▪ Vendor Contracts ▪ Procurement ▪ Modular Production	▪ Warehousing ▪ Storage ▪ Demand Planning ▪ Forecasting ▪ Assortment	▪ Multichannel Marketing ▪ Market Research ▪ Customer Targeting ▪ Dynamic Ads	▪ Customer Retention ▪ Customer Experience ▪ Payments ▪ Discounts	▪ Order Fulfillment ▪ Packaging ▪ Invoicing ▪ Logistics Partners ▪ Delivery Planning ▪ Last mile delivery	▪ Return Management ▪ Product Queries

Important Drivers

Revenues	Sales Commission, Own products
	Advertising, EMI, Listing Fee
Costs	Infrastructure, Warehousing
	Marketing, Technology, Transportation
Growth	Govt. Policies, Internet penetration
	Buying trends, Impulse buying of young population

Business Segments

Revenues
- Sales Commissions
- Advertising
- Other Products

Key Players	Flipkart (42%), Amazon (26%), Reliance, PayTM, Myntra

Key Industry Metrics

Size	$83B(2022)
Margin	Ranges from 2-3% to 15-20% based on products
Growth	35% CAGR
GMV	$165B (2025 – projected)
B2B E-Commerce	$18.2B (2023) (projected to $60B by 2025)

Recent Industry Trends

- Amazon CEO Mr. Andy Jassy announced that the company is committed to invest US$ 26 billion in India by 2030, out of which US$ 11 billion has already been invested.
- In July 2023, the post office departments of Canada and India recently entered into an agreement, which is aimed at facilitating e-commerce exports and establishing International Tracked Packet Service (ITPS) between the two countries.
- As of May 2023, the Indian government's open e-commerce network ONDC has expanded its operations into 236 cities in the country while adding more than 36,000 merchants.
- In FY23, the procurement of goods and services from the government portal crossed the Rs. 2 lakh crore (US$ 24 billion) mark.

Value Chain Analysis

Inbound Logistics	Procurement	Manufacturing	Distribution	Sales & Marketing
▪ Innovation of existing products and development of new products ▪ Suppliers	▪ Sourcing Raw material ▪ Quality test and release ▪ Storage	▪ Production ▪ Packaging ▪ Quality Test	▪ Warehouses ▪ Distributors ▪ Retailers ▪ E-Commerce	▪ Branding ▪ Advertisement ▪ Complaints ▪ Feedback

Important Drivers

Revenues	Pricing
	Promotion, Distribution
Costs	Raw material and processing cost
	Distribution cost; Promotion
Growth	100% FDI in food processing, single brand retail & 51% in multi-brand retail allowed by the govt
	Introduction of new and innovative products; Growth of E-commerce; Rising Per-capita income

Business Segments

Revenues
- Price of SKUs
- Quantity of products sold
- Repurchase of products

Key Players	HUL, ITC Ltd., Nestle India Ltd , Britannia Industries Ltd.

Key Industry Metrics

Industry Size	$110B(2020); To grow to $220B (2025)
Net Profit Margins	15-18%
Growth	13-18% CAGR
Industry Characteristic	Fragmented

Recent Industry Trends

- India's FMCG market is the Fourth largest in the world and a major contributor to the Indian economy.
- Increasing Investment: 100% FDI in food processing and single-brand retail and 51% in multi-brand retail. USD 20B FDI in FY21.
- Emerging Trends: Supply Chain digitization, Boom in E-commerce, extending to rural India, Emergence of D2C Brands (Mama Earth, Bombay Shaving Co).
- Greater technology intervention for customer interaction.
- Rural markets account 45% of the revenue share for the sector while urban market account for the remaining 55%.

Health Care

Value Chain Analysis

Consulting	Diagnostics	Admission	Treatment	Post-treatment
▪ Walk-in ▪ Traditional Scheduling ▪ Scheduling via appointment booking apps ▪ **(Awareness)**	▪ Medical history ▪ Symptom-based ▪ screening ▪ Pathological tests to ▪ diagnose diseases	▪ Emergency section ▪ OPD, IPD ▪ Ease of onboarding ▪ Referral cases ▪ Selecting care team	▪ Medical procedure ▪ Clinical & ops support ▪ Doctor (GP, CP, Specialist) ▪ Equipment & Supplies ▪ Sharing updates	▪ Monitoring and discharge ▪ Bill Payment ▪ Post discharge care ▪ Follow-up visit

Important Drivers

Revenues	Healthcare services; Diagnostic,
	Sale of drugs and equipment
Costs	Employee salaries
	Raw material costs; Infrastructure cost
Growth	Rise in income levels, awareness, health insurance
	Increase in personal health exp. ; transformation from communicable to non-communicable diseases

Business Segments

Revenues

- Consultation
- Surgery & Operations
- Health tests
- Medicines

Key Players	Apollo Hospitals Fortis Healthcare Narayana Hrudalaya, Aster DM

Key Industry Metrics

Industry Size	$372B
Growth Rate	22% CAGR
Industry Characteristic	Fragmented
Industry Terminologies	ARPOB– Avg. Revenue/Occupied Bed ALOS- Average Length of Stay BOR- Bed Occupancy Rate

Recent Industry Trends

- The healthcare industry, comprising of hospitals, medical devices, clinical trials, outsourcing, telemedicine, medical tourism, health insurance, and medical equipment, has become one of India's largest sectors in revenue and employment.
- The healthcare market in India is expected to reach US$ 372 billion by 2022, driven by rising income, better health awareness, lifestyle diseases, and access to insurance.
- Over the next 10 years, National Digital Health Blueprint can unlock incremental economic value of over $200 billion for the health sector.
- 562 medical colleges as of Feb 2021, 157 colleges under various stages of implementation

Value Chain Analysis

Product Development	Distribution & Sales	Marketing	Underwriting	Claims	Service
• Use customer and market insights to design, develop and deploy products and services	• Channel Mgt. • Lead Generation • Distribution Mgt.	• Driving, monitoring and enabling sales • Customer retention by brand management, ads • Customer engagement	• Analyzing risk profiles and premium pricing models to bind and issue policies.	• Assessments • Fraud Management • Claims payout • Adjudication	• Customer Relationship Management • D2C & Agent-Based service

Important Drivers

Revenues	Premiums collected
	Investment income (interest income)
Costs	Claims paid; Prod. Develop.; mkt and sales support
	Operating and IT support
Growth	Increase in Per capita GDP; Digital Disintermediation
	Low Penetration (Underserved Market)

Business Segments

- Revenues
  - Underwriting
  - Investment Income
  - Cash Value Cancellations

Key Players	Life Insurance: LIC, SBI Life, ICICI Prudential, HDFC Life & Max Life. Non-Life Insurance: ICICI Lombard, Bajaj Allianz, New India

Key Industry Metrics

Industry Size	Total Premiums underwritten: ~$112B (FY 2020-21); YoY: + 8.3%
Industry Characteristic	Life (market share: ~75% - Few Big) | Non-Life: Motor (market share: 8.5% - Fragmented); Health (market share: 8% - Fragmented)
Industry Terminologies	Insurance Density & Insurance Penetration; Embedded Value (EV); Renewal & New Business Premium

Recent Industry Trends

- India's Insurance Market Size: As of FY22, the Indian insurance market is valued at $310 billion, reflecting significant growth over the years.
- Industry Growth Rate: The Indian insurance industry has exhibited strong growth with a Compound Annual Growth Rate (CAGR) of 16.4% over the past two decades.
- Insurance Penetration Levels: Insurance penetration in India is as follows: Overall penetration stands at 4.2%, life insurance at 3.2%, and non-life insurance at 1%.
- Mortality Protection Gap: The total mortality protection gap in India amounted to $16.5 trillion as of 2019, with an estimated protection gap representing 83% of the total protection need.

Iron & Steel

Value Chain Analysis

Raw Material
- Extraction of iron ore
- Creating coke from coal for furnace
- Source from Suppliers

Inbound Logistics
- Ocean, Rail, Road transport
- Storage of raw materials

Iron Production
- Furnace – Iron ore limestone and carbon fuel is heated to form molten iron

Steel Production
- Molten Iron, steel scrap and oxygen are blasted in furnace to produce steel

Outbound Logistics
- Demand Planning
- Delivery
- Forecasting
- Warehousing
- Last mile delivery

Sales
- Distribution Network
- Sales Force
- Customer Service

Important Drivers

Revenues	Construction, Automotive, Railways
	By Products, Tools & Parts
Costs	Raw material, Labor, Infrastructure, Transportation
	Fuel and Energy
Growth	Increased Infrastructure Investment
	Govt. Policies, Growing demand/exports

Business Segments

Revenues
- Construction
- Capital Goods
- Automotive
- Tools and Parts

Key Players	JSW Steel, Tata Steel, SAIL, Hindalco, JSPL

Key Industry Metrics

Size	121.3 MT Finished Steel ~ $82B(2% of GDP)
Margin	2%-10%
Growth	4%-7% CAGR
Capacity Utilization	85%
Exports	24MT

Recent Industry Trends

- The National Steel Policy, 2017 envisages 300 million tonnes of production capacity by 2030-31. The per capita steel consumption has increased from 57.6 kgs to 74.1 kgs during the last five years.
- Under the Union Budget 2023-24, the government allocated Rs. 70.15 crore (US$ 8.6 million) to the Ministry of Steel.
- The government has been pushing for cleaner and more sustainable steel production. The adoption of cleaner technologies, such as Direct Reduced Iron (DRI) and electric arc furnaces, is rising.
- Steel scrap policy to reduce import of steel and improve internal supply by levying 30% export duty

Value Chain Analysis

R&D and Setup	Service Development	Sales	After Sales
▪ Innovation & Product Design ▪ Tech and Infrastructure ▪ Employee Hiring and Training ▪ Delivery Centers	▪ Customer Requirement ▪ Product Roadmap ▪ Product Development ▪ Quality Control ▪ Testing	▪ Acquiring Customers ▪ Fine tuning to suit needs ▪ Testing and Deployment ▪ Sales team	▪ Bug fixes ▪ Updates ▪ Support ▪ Loyalty

Important Drivers

Revenues	SaaS, Support and Maintenance, Cloud services
	Consulting services, Subscription, Licensing
Costs	R&D, Employee Costs, Software, Hardware
	Sales & Marketing, Administration
Growth	Technology adoption, IT Spending
	Govt. Policies, Increased Demand

Business Segments

- Revenues
  - IT Services
  - BPO/BPM
  - Knowledge Processing
  - Software Products

Key Players	TCS, Wipro, Infosys, HCL, IBM, Accenture, Cognizant, Capgemini

Key Industry Metrics

Size	$245B(2023), Contributes 8% to GDP
Margin	5% -25%
Growth	10.4% CAGR
IT FDI	$14.6B
IT Exports	$194B

Recent Industry Trends

- AR and VR are being utilized in various sectors, including gaming, education, and training, offering new opportunities for IT development.
- The rollout of 5G technology in India is expected to boost IoT, mobile app development, and connectivity, creating opportunities for IT companies.
- The pandemic has also shifted towards remote work, with many IT companies adopting a hybrid work model. This has opened up new opportunities for IT professionals, allowing them to work from anywhere globally.
- The software industry accounts for 26% of total FDI. 27K startups in India.
- Women in IT are on the rise with 36% of women employees in the IT industry in 2023.

Logistics

Value Chain Analysis

Inbound Logistics	Operations	Outbound Logistics	Sales and Marketing	Servicing	Sales After Sales
▪ Receiving order and consequently shipments at the designated pick-up points from customer location	▪ Damage-Proof packaging ▪ Material Handling and movement ▪ Product Labeling	▪ Multiple Transport modes: Railway, Roadways, Airplanes, Waterways, Pipelines	▪ Receiving order and consequently shipments at the designated pick-up points from customer location	▪ Clustering of Packages ▪ Allocation of orders for delivery ▪ Salesforce Management	▪ Delivery time intimation ▪ Last-mile delivery ▪ Feedback

Important Drivers

Revenues	Domestic Transportation and Value-Added Services
	Import, Export
Costs	Transportation costs, Warehousing, Packaging , Shrinkage
	Sales & Marketing, Administration
Growth	Simplified Freight Policy
	Improving Road Connectivity Network

Business Segments

Revenues

- Road
- Rail
- Waterways
- Air Transport

Key Players	CONCOR (Multi-modal), Blue Dart (Courier Delivery), Transport Corp of India (Multi-Modal), VRL Logistics (Parcel and Priority delivery)

Key Industry Metrics

Order Accuracy	Measure of inventory on hand and order pick accuracy
Perfect Order	KPI that measures how many orders shipments are delivered without issues
On Time in Full	Customer centric metric that measure how often a customer gets what he ordered
Number of shipment	How many load your company sends out in a given period

Recent Industry Trends

- Industry Size: Indian logistics sector is valued at 215 Bn USD; forecasted to grow at CAGR 10.5% (2019-25)
- Rank : India's rank has gone up from 54 in 2014 to 44 in 2018 in World Bank's LP Index.
- Improved Connectivity: Sabarimala, Bharatmala and UDAN projects aimed at improving connectivity and reach.
- Warehouse Automation: Marked valued at Rs 20,000 crores; evolution of technologies like AI,IOT, AGV and Blockchain.
- Green Logistics: Implementation of sustainable practices due to technological evolution.

Metals and Mining

Value Chain Analysis

Exploration	Mining	Refining	Transportation	Manufacturing	Sustainability
▪ Identify potential mineral deposits through surveys and drilling ▪ Assess commercial viability	▪ Mining operations to extract valuable ores, minerals and metals	▪ Extracted materials undergo processing and refining ▪ Separation of desired metals from impurities.	▪ Refined products are transported to smelters, manufacturers or export facilities ▪ Means include trucks, rail & ship	▪ Used in various industries like construction, automotive etc. where they are transformed into final products	▪ Emphasis on recycling and sustainable practices

Important Drivers

Revenues	Regulatory changes, Export and import trends
	Commodity Prices, Global Demand, Production Volume
Costs	Raw Material, Fuel and Energy
	Salaries and Wages
Growth	Increasing Investment, Government policy support
	Growing demand and exports

Business Segments

Revenues
- Construction
- Export
- Recycling
- Equipment

Key Players	Vedanta, Hindalco, Tata Steel, Coal India, Nalco, Hindustan Zinc, JSW Steel, Adani, NMDC, MOIL

Key Industry Metrics

Size	Global: $1.5 Trillion, India: $125 Billion
Production	India Production Volume: 1 Billion Tonnes per year
Exports	Exports from India: $25 Billion per year
Growth	Annual Growth of around 5% over the next 5 years
Industry Characteristics	Capital Intensive, Cyclic in nature, Resource intensive, high environmental impact

Recent Industry Trends

- Increasing demand for metals from electric vehicles and renewable energy such as lithium, cobalt, nickel and is expected to grow by 25% annually over the next 5 years.
- Increasing environmental and social costs. The industry is expected to spend over $50 Billion on environmental and social initiatives in 2023.
- To combat climate change, the World Steel Association has committed to achieving net zero carbon emissions by 2050.
- Consolidation is a major trend in the industry. For example, in 2022, Rio Tinto acquired Turquoise Hill Resources for $3.1 billion. This was the largest mining M&A deal in over a decade.

Value Chain Analysis

R&D	Exploration	Drilling & Production	Transportation	Refining	Distribution
▪ Continuous innovation ▪ Improving refining processes ▪ Develop eco-friendly techniques	▪ Identify potential drilling location ▪ Geological surveys and seismic data to search for hydrocarbon reserves	▪ Oil and gas wells are drilled ▪ Extracting resources from underground reservoirs	▪ Transportation from production sites to refineries and distribution points ▪ Involves pipelines, tankers & storage facilities	▪ Crude Oil is refined to produce various products – diesel, gasoline & petrochemicals ▪ Processing raw materials	▪ Refined products are marketed & distributed to end consumers ▪ Gas stations and retail outlets

Important Drivers

Revenues	Electricity, Transport (CNG, Petrol, Diesel, ATF)
	Domestic Consumption (LPG), Industries (Paper Pulp, Chemicals, Metals)
Costs	Exploration, Excavation, Labor
	Capex for plants, Transportation
Growth	Increasing energy demand, Rapid technological advancements
	100% FDI is allowed in the oil and gas exploration activities

Business Segments

- Revenues
  - Power Companies
  - Manufacturing
  - Retail: transportation fuel

Key Players	IOCL, Reliance, BPCL, HPCL, ONGC

Key Industry Metrics

Size	3rd largest energy & oil consumer Largest refiner in Asia wit h23 refineries
Growth	Demand: CAGR of 4% (2017-2040)
Imports	82% of Crude Oil & 46% of LNG is imported
Industry Characteristics	Cyclic in nature, geopolitical sensitivity, capital-intensive, regulatory scrutiny

Recent Industry Trends

- High investments in renewable energy due to increasing pressure to reduce its emissions and transition to cleaner energy sources.
- Carbon Capture and Storage (CCS): a technology that captures carbon dioxide emissions from industrial processes and stores them underground.
- Rapidly adopting digital technologies to improve efficiency, safety and sustainability. The use of artificial intelligence in the oil and gas industry is expected to grow by 30% annually over the next five years.
- The oil and gas industry is expected to produce 20% of global hydrogen demand by 2030.

Pharmaceuticals

Value Chain Analysis

R&D	Trials	Regulatory Approvals	Distribution	Promotions	Surveillance
▪ New Drugs – Discovery, formulation & Development ▪ Old drugs – Adjustments	▪ Pre-clinical: On living cells and animals ▪ Clinical: On humans	▪ Evaluated on various standards by a regulatory authority. ▪ Patenting new drugs	▪ Production with strict quality control ▪ Logistics and distribution systems ▪ Pharmacies, Hospitals and Clinics	▪ Pharma Rep-HCP interactions, speaker programs, online promotions	▪ Ongoing monitoring to detect and evaluate reactions ▪ Both short-term and long-term side effects are monitored

Important Drivers

Revenues	Sales of drugs, Patent Licensing, Penetration
	Exporting Drugs, Insurance Premiums
Costs	R&D, Patent Filing, Manufacturing
	Distribution, Promotional Activities
Growth	Specialty Medicines, Telehealth, Rare diseases
	Ayushman Bharat Scheme

Business Segments

Revenues
- HCPs
- Households
- Hospitals & Clinics

Key Players

Sun Pharma, Dr Reddy's Labs, Divi Labs, Cipla, Aurobindo Pharma, Zydus Cadila

Key Industry Metrics

Size	Global Market: $1.27 trillion
Growth Rate	Compound Annual Growth Rate is 6-8%
Profit Margin	Net Margins: 10-20%
Exports	$22.9 B (April-Feb 2023) India ranks 3rd globally
Industry Characteristics	Heavily regulated. Characterized by intense competition, high R&D costs, long timelines

Recent Industry Trends

- Growing adoption of AI and Big Data Analytics in drug discovery & development
- Expansion of telemedicine and digital health solutions, providing remote healthcare access and monitoring.
- Accelerated research and development efforts to combat global health challenges, such as the COVID-19 pandemic.
- Expansion of telemedicine and digital health solutions, providing remote healthcare access and monitoring.
- Emphasis on patient-centric approaches, involving patients in clinical trials and decision-making processes

Value Chain Analysis

Sourcing	Inbound Logistics	Inventory	Outbound Logistics	Sales & Marketing
▪ Vendor selection and management ▪ Demand Forecasting ▪ Market Analysis ▪ Price Prediction ▪ Quality Testing	▪ Network optimization ▪ Transportation ▪ Cold Chain Management ▪ Receiving and Unloading	▪ Storage and warehousing ▪ Allotment and scheduling ▪ Merchandising	▪ On- Time, In Full Delivery ▪ Route Analysis ▪ Order Tracking ▪ Warranty Services	▪ Promotional offers and discounts ▪ Cross selling ▪ Digital Marketing ▪ Payment Options

Important Drivers

Revenues	Own Brand (Private label Sales)
	Loyalty and Reward Points
	Affiliate Marketing
	Cross Selling
Costs	Retail Lease
	COGS and Supply Chain
	Credit card fees

Growth Drivers and Challenges

Growth Drivers

- Ability of labor, low costs and special investment wages
- Easy Payment options such as UPI,BNPL
- Expansion of E-commerce, Data driven insights

Challenges

- Fragmented Logistics
- Rise of digitalization and low adoption by small retailers
- Rise of e-commerce giants may hamper growth

Key Players

Avenue supermarkets, Future group, Aditya Birla Fashion, Trent(westside, Landmark)

Key Industry Metrics

Fill Rate	How many items out of the ordered are delivered
OTIF(Order time in Full)	A stricter measure than fill rate (additionally includes timely order delivery)
Funnel Metrics	Number of people dropping at different stages of customer journey, download, bounce rate, cart abandonment
CLV	Customer Lifetime Value, measures total spend of customer on the platform
SWOOS	Sales weighted out stock

Recent Industry Trends

- Industry Size: India’s e-commerce market is expected to reach US$ 111 billion by 2024 and US$ 200 billion by 2026
- Consumer electronics and apparels makes up 80% of e-commerce value in India
- Policy Support: 100% FDI is allowed in B2B e-commerce. 100% FDI under the automatic route is permitted in the marketplace model of E-commerce.
- Increasing investments: India’s e-commerce sector received US$ 15B of PE/VC investments in 2021, a 5.4 times increase YoY.
- Growing Demand: India’s social commerce has the potential to expand to US$16–20 billion in FY25, growing at a CAGR of 55-60%

Telecom

Value Chain Analysis

Tower Infrastructure
- The foundation of telecom networks.
- Involves building and maintaining cell towers.

Network Equipment
- Includes routers, switches, etc.
- Connects towers and data centers.
- Facilitates data transmission within the network.

Device Manufacturers
- Design and produce smartphones, etc.
- Create the consumer's endpoint for communication.

Network Operator
- Manages and operates the telecom network.
- Provides services like voice, data, etc.
- Billing, and optimization.

Customers
- End-user services.
- Subscribers, both individual and business.
- Generate revenue for the network operator.

Important Drivers

Revenues	Calling & Messaging Services, Internet Services
	Network Connectivity to other telco firms
Costs	Spectrum auctions, Network investments
	Operating expenses
Growth	Growing mobile penetration in rural India Increase in internet access across the country
	Relaxed FDI norms by the government Reduction in license fee

Business Segments

Revenues
- Power companies
- Manufacturing
- Retail customers

Key Players: Reliance Jio, Airtel. Vodafone Idea, BSNL MTNL

Key Industry Metrics

Size	118 cr. Subscribers (India); 2md largest telecom network globally
Avg revenue per user	139.630 INR/Month in Mar 2023
Avg call duration	13 sec
Call drop percentage	4.73%

Recent Industry Trends

- Government has allowed for 100% FDI for satellite-based Narrowband IoT, and the Phased Manufacturing Programme
- In 2021-22, telecom infrastructure was allocated $1.9 bn in the union budget and the Department of Telecommunications has been allocated $8Bn
- India’s 5G subscriptions are expected to rise to 350 million by 2026 accounting for 27% of all mobile subscriptions
- India has the highest data usage/ smartphone with an average usage of 13.46 GB per month

Tourism & Hospitality

Value Chain Analysis

Service Suppliers	Training	Operations	Marketing & Online
▪ Sourcing of food, beverages & essentials ▪ Supplier Relationships ▪ Negotiations	▪ Staff training & development ▪ Skill enhancement for employees	▪ Accommodation and facilities management ▪ Guest service and experience ▪ Quality control and service delivery	▪ Promotions & Ads. ▪ Website management & Online booing ▪ Engagement and feedback gathering.

Important Drivers

Revenues	Room Rents, Bars
	Dining, Restaurant, Event Organization
Costs	Salaries, Consumables
	Power and Fuel
Growth	UDAN Scheme, Reduced GST
	E-Visa, PRASHAD Scheme

Business Segments

Revenues
- Tourists
- MNCs
- Wedding/Cultural Programmes

Key Players	Marriot, Taj Hotels, Hyatt Hotels, EIH(Oberoi)

Key Industry Metrics

Size	$23.5B
Margin	5%-15%
Growth	6.7% CAGR
GST	12%

Recent Industry Trends

- In FY20, 39 million jobs were created in the tourism sector in India accounting for 8.0% of the total employment in the country.
- The number is expected to rise to 53 million jobs by 2029.
- During 2020, foreign tourist arrivals (FTAs) in India stood at 2.7 million, decreasing by nearly 75% from the previous year.
- The Indian hotel industry has lost around 17 billion dollars in revenue due to the impact of the COVID-19 pandemic.
- International hotel chains are increasing their presence in the country, and it will account for around 47% share in the tourism and hospitality sector of India by 2020 and 50% by 2022.

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