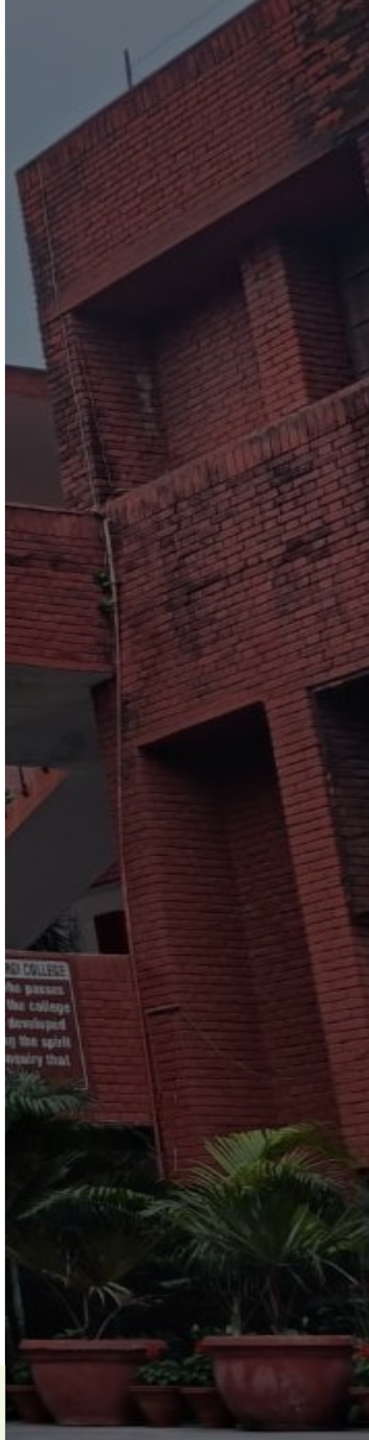
180Degrees
CONSULTING
GARGI

presents its ***first*** *edition of*

CONSULTING CASE - BOOK

(2024-2025)



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This casebook is strictly non-commercial and must not be sold or used for any monetary gain. It represents the collaborative efforts of the 180DC Gargi Student Branch and serves as a resource to empower students and organizations to create meaningful impact.

First Edition: April 2025

ABOUT US

180 Degrees Consulting Gargi Student Branch

Established in 2019, **180 Degrees Consulting Gargi** is the first all-female branch of the world's largest student-led consultancy, rooted in Gargi College, University of Delhi. Our mission is to empower organizations to achieve high-impact social and business outcomes by combining innovative problem-solving techniques, data-driven strategies, and a commitment to social good. We specialize in designing tailored solutions for our clients, encompassing pitch decks, strategic business plans, in-depth consumer and competitor analysis, financial modeling, marketing strategies, impact measurement, and more.

At **180 Degrees Consulting Gargi**, our members embody a blend of creativity, analytical rigor, and accountability, working cohesively to deliver meaningful impact on every project. Guided by a vision of inclusive growth and social responsibility, we bring fresh perspectives and actionable insights to the table, ensuring sustainable and scalable results for our clients.

With a proven record of successfully completing **live projects across diverse sectors**, we have collaborated with NGOs, social enterprises, startups, and established businesses to develop sustainable strategies that drive measurable outcomes. Our work spans critical domains such as education, healthcare, environment, gender equality, and financial inclusion. Each project is an opportunity to bridge the gap between strategy and execution, empowering organizations to thrive in today's dynamic landscape.

20+ Projects	**45000+ Consulting Hours**	**6+ International Clients**	**15+ Verticals**

ABOUT THE BOOK

The First Edition of the 180 Degrees Consulting Casebook

Consulting requires a unique blend of structured thinking, creative problem-solving, and the ability to adapt under pressure. For many aspiring consultants, the journey from preparation to mastery can feel overwhelming. This casebook aims to bridge that gap by offering a practical, structured approach to case interview preparation.

The casebook includes:

- The casebook includes:
- 15+ proven strategy frameworks for structured analysis across business challenges
- Essential consulting math formulas and accounting metrics for quantitative assessments
- 15+ step-by-step guesstimate with detailed breakdowns along with in depth guesstimate solving guide
- 30+ realistic case interviews reviewed by industry experts
- Private equity cases, Exhibit-based cases
- Self-evaluation sheets, Progress tracking matrices
- Tips to structure thoughts effectively without frameworks
- 20+ industry-specific primers for specialized understanding
- Brain teasers and logical reasoning questions for critical thinking
- Curated list of top case competitions

Every framework, case, and tip is designed to help you develop a consultant's mindset. As you progress, you'll find that these techniques not only help you prepare but also inspire creative thinking and adaptability. Our goal is to make consulting prep structured, accessible, and practical. We hope this resource serves as a valuable companion in your journey toward mastering consulting. All the best!

MEET THE TEAM

Vidushi Singhla

Research and Analysis Director

Our journey in building this casebook has been a valuable learning experience. From the first brainstorming session to refining data points and insights, we've invested countless hours to create a well-rounded and thoroughly researched resource. **Our goal:** to challenge participants to think both strategically and analytically. This casebook reflects our teamwork, dedication, and the guidance that shaped it. We hope it supports you during your interviews and propels you toward new heights in your career.

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ACKNOWLEDEMENT

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We extend our deepest gratitude to our mentors and professionals who guided us through the process- reviewing cases, sharing invaluable insights, and helping us refine this casebook.

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EXECUTIVE BOARD 2024-2025

Extending a special thanks to the Executive Board of 180 Degrees Consulting, Gargi , for their constant support, encouragement, and belief in this initiative.

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BASICS OF CONSULTING

What Is Consulting?

- Consulting is more than just giving advice. Consulting is a people's job that involves **interaction, effective communication, critical thinking & analysis**.
- The goal is typically to improve **performance, efficiency, or profitability**. It often involves **working** with diverse clients and **adapting** to different industries.
- Key activities include **research, analysis, and presenting recommendations** for clients.

Why Should You Choose Consulting?

Diverse Exposure

Consultants gain experience across **various industries** and functions due to **ever-changing** projects.

Skill Development

Problem-solving, decision-making, communication, and project management skills are honed.

Work with Experts

Collaboration with **industry veterans** and **senior leaders**, a great learning opportunity for fresh graduates.

Quick Learning

Fast-paced **projects** and **teamwork** accelerate learning from experienced professionals

Instant Networking

Consulting provides a **vast network** by working with multiple clients across projects.

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BASICS OF CONSULTING

What Does A Consultant Do?

- Consultants are hired for their specialized knowledge and experience.
- They analyze **problems** pertaining to various industries and sectors, **develop** solutions, & **guide** implementation.
- They work on project-based engagements with **specific objectives**.
- Consultants often bring an **objective**, outside perspective

Skills Required For Being A Good Consultant

Data Analysis

Strong capabilities in data interpretation and crisp presentation of data.

Business Acumen

Essential to identify client-specific opportunities and threats with Informed decision-making to create value.

Domain Knowledge

An understanding of the industry allows the consultant to interpret data, scenarios, trends and patterns relevantly.

Communication Skills

Efficient communication of the data interpreted is important to convey complex insights in an actionable way.

Hierarchies

- **Analyst/ Associate:** Entry level for recent graduates
- **Senior Associate/ Consultant:** 2-3 years of experience
- **Senior Consultant:** 5-7 years of experience
- **Manager:** 7-10 years of experience
- **Principal/ Senior Manager**: 8-12 years of experience
- **Partner/ Director**: 15+ years of experience

TYPES OF CONSULTING

Types of consulting	Work
Management Consulting	Management Consulting focuses on ➢ The **optimization** of all business processes ➢ Designing and coordinating strategies with leaders ➢ Extends to larger management **challenges**
IT Consulting	IT Consulting Includes ➢ Advising effective usage of existing **technology** ➢ Strategies to navigate the computer system/ software+ hardware ➢ Proposing and drafting a plan to integrate new technologies
Financial Consulting	Financial Consulting Includes ➢ Advising on **financial planning** and management ➢ Strategies to optimize financial performance ➢ Due diligence

Types of consulting	Type Of Work
HR Consulting	HR Consulting Provides ➢ Improved HR operations ➢ Focused services in **recruitment**, **employee training** and **compliance matters**
Marketing Consulting	Marketing Consultants focuses on ➢ Analysing and **auditing trends** ➢ Strategizing **campaigns** and approaches ➢ Advanced marketing insights beyond execution
Operations Consulting	Operations Consulting focuses on ➢ Optimization of operations and **internal workflows**. ➢ Planning for **cost reduction** and **asset/resource management**.

TYPES OF CONSULTING

Types of Consulting	Work
Strategy Consulting	Strategy Consulting Includes ➢ Planning for **long-term growth** and market positioning ➢ Developing competitive and innovative strategies
Environmental Consulting	Environmental Consulting Includes ➢ Suitable **sustainable practices** to reduce negative environmental impact ➢ Information and check-ins of **compliance with laws & regulations**
Legal Consulting	Legal Consulting offers ➢ Expert advice on **legal matters & risk management** ➢ Assistance with regulatory compliance
Political Consulting	Political Consulting offers ➢ Services to political parties on **electoral strategies** and **voter targeting** ➢ Regular guidance with public perception and media communication

Some Examples of Major Consulting Firms

BCG Boston Consulting Group
Bain & Company
accenture
Deloitte.
IBM
pwc
EY
KPMG
Mercer
wtw
Grant Thornton
A&M
Samagra Transforming Governance
McKinsey & Company
Jarvis
LEK
Nation with NaMo
Jacobs
OC&C Strategy consultants
FTI Consulting
publicis sapient
Capgemini
ERM Sustainability is our business
KEPLER

THE HIRING PROCESS

HIRING PROCESS

Resume Shortlisting

- Companies screen resumes after the placement cell's CV vetting.
- For early-career hiring, resumes aren't a key metric (except for consulting front-end roles).
- Companies prioritize CGPA, leadership roles, extracurriculars, and research.

Assignment/ Case Study Round

- The case study round involves completing a task within a set deadline, requiring analytical and problem-solving skills.
- Consulting firms commonly use case study submissions, while assignment rounds apply to roles like content creation and social media.
- Assignments may include content samples, video samples, or other relevant submissions.

Aptitude Test

- Companies use aptitude tests to filter top talent from the student pool.
- Tests are conducted online (HirePro, Mercer-Mettl, Superset etc) or in pen-paper mode.
- They assess quantitative, verbal, logical reasoning, attention to detail, and data interpretation skills.

Group Discussion

- Group discussions involve candidates debating a topic or case within a time limit.
- Companies assess communication, decision-making, and ability to handle diverse opinions.
- Clear articulation, active listening, and constructive engagement are key evaluation criteria.

Case Workshop (Guesstimates)

- Companies conduct sessions to introduce case interviews, including guesstimates and case-solving.
- Guesstimates focus on market sizing, while case interviews cover profitability, market entry, and unconventional cases.
- Kearney and BCG allocate buddies for Business Analyst and Associate roles after resume shortlisting.

Personal Interview

- A case interview presents a business scenario where candidates analyze and propose solutions, testing analytical and soft skills.
- Technical interviews assess domain knowledge, problem-solving, and industry-specific skills.
- HR interviews evaluate cultural fit, communication, and behavioral competencies.

NOTE : The hiring process may vary, but these steps provide a general outline of the common stages involved

GENERAL TIPS & ADVICES

General Preparation

- **Research the Company:** Understand its values, mission, products, recent news, industry, and competitors.
- **Practice Common Questions:** Prepare answers for typical interview questions like self-introduction, strengths, and why you should be hired.
- **Stay Updated on Industry Trends:** Showcase knowledge of trends, challenges, and innovations to demonstrate awareness.
- **Prepare Questions:** Have insightful questions ready to show genuine interest in the role and company.

Aptitude Test

- **Read Instructions Carefully:** Before starting the test, carefully review the rules, marking scheme, negative marking policy, and time limits for each section.
- **Understand the Test Format:** Familiarize yourself with the structure of the aptitude test, including question types like numerical reasoning, verbal ability, and logical reasoning.
- **Practice Regularly:** Develop a habit of solving aptitude questions consistently using practice books, online resources to test speed and accuracy

Group Discussion and Guesstimates

- **Stay Updated & Think on Your Feet:** Keep up with current affairs, industry trends, and general knowledge to contribute effectively. Develop the ability to handle unexpected questions with logic.
- **Work on Communication & Time Management:** Practice expressing ideas clearly and confidently, focusing on verbal and nonverbal skills. Manage time effectively in group discussions,
- **Master Guesstimates & Problem-Solving:** Understand the question, break it into manageable parts, and explain your thought process. Regularly practice estimation skills for scenarios like market size and product sales.

Interview Round

- **Understand the Case Interview Format:** Learn the structure of case interviews, which involve solving real or hypothetical business problems to assess analytical and problem-solving skills.
- **Build Structured Thinking with MECE**: Focus on developing a structured and MECE approach to problem-solving, to guide your thinking and break down complex problems during interviews.
- **Strengthen Quantitative Skills:** Improve numerical analysis abilities by practicing mental math, percentages, ratios, and basic calculations, as case interviews often involve data interpretation

***PRO TIP** : Develop thinking-on-feet skills to tackle dynamic question even if you don't know the exact answer*

STRATEGY FRAMEWORKS

PESTLE ANALYSIS

What it is: A strategic framework used to evaluate external macro-environmental factors influencing businesses.
Where it is used: It is applied in market research, risk assessment, and business strategy to understand opportunities and threats in an industry.

POLITICAL

Includes policies, political stability, trade regulations, taxation, and infrastructure investments and government interventions that can affect business operations.

ECONOMIC

Includes key economic indicators that influence business performance and consumer purchasing power. These include growth rates, inflation, interest rates, exchange rates, disposable income, and unemployment levels.

SOCIAL

Includes demographic and cultural aspects that affect consumer behavior and workforce conditions. This includes population growth, age distribution, income levels, lifestyle changes, health, and cultural norms.

TECHNOLOGICAL

Includes innovation, automation, and advancements that may impact production, product launches, and market entry. They also consider the risk of investing in obsolete technologies.

LEGAL

Includes regulations that govern business operations, including laws on discrimination, antitrust, environmental protection, consumer rights, patents, and health and safety.

ENVIRONMENTAL

Include ecological and environmental considerations such as resource scarcity, pollution, carbon footprint, and climate change. These factors are becoming increasingly important as businesses adopt sustainable practices.

SWOT ANALYSIS

What it is: SWOT Analysis is a strategic framework used to evaluate a company's strengths, weaknesses, opportunities, and threats to understand its competitive position and growth potential.
Where it is used: It is applied in strategic planning, business decision-making, and market analysis to assess internal capabilities and external challenges.

	Helpful	Harmful
Internal	**STRENGTHS** Strengths describe **what an organization excels at** and what separates it from the competition.	**WEAKNESSESS** Weaknesses are areas where a **business needs to improve** to remain competitive.
External	**OPPORTUNITIES** Opportunities refer to **favorable external factors** that could give an organization a competitive advantage.	**THREATS** Threats refer to **unfavorable external factors** that have the potential to harm an organization

80/20 RULE (PARETO PRINCIPLE)

What it is: The 80/20 Rule, also known as the Pareto Principle, is a concept that states 80% of outcomes result from 20% of causes, highlighting the unequal distribution of effects.
Where it is used: It is applied in business, economics, etc to prioritize efforts, optimize resources, and improve efficiency.

80/20

It's important to note that the exact ratio may vary depending on the specific context. In some cases, the ratio might be closer to 90/10 or even 95/5.

Why is the 80/20 Rule Important?

Increased Efficiency: By focusing on the 20% of tasks or activities that yield the most significant results, you can optimize your time and effort.

Improved Decision-Making: The 80/20 rule helps you identify the most critical factors influencing your goals, allowing you to make more informed decisions.

Example:

- **80 %** of your sales come from **20 %** of your clients.
- **80 %** of decisions in a meeting are made in **20 %** of the time.

PORTER'S 5 FORCES

What it is: Porter's Five Forces is a corporate strategy framework used to analyze an industry's competitiveness and assess whether entering a new market (based on geography or product line) is viable. It evaluates five key forces shaping business environments.
Where it is used: It is applied in market entry strategy, competitive analysis, and business decision-making to understand industry dynamics, profitability potential, and strategic positioning.

BARRIERS TO ENTRY

Evaluates how easy it is for new companies to enter the market. **Key factors:** Entry costs, capital requirements, regulations, switching costs.

THREAT OF SUBSTITUTES

Measures the potential of alternative products to replace the current offering. **Key factors:** Product differentiation, number of substitutes, price differences.

BARGAINING POWER OF BUYERS

Indicates how much power buyers have to influence pricing, based on supply-demand dynamics. **Key factors:** Supply-demand gap, price sensitivity, number of competitors and substitutes.

RIVALRY AMONG COMPETITORS

Assesses how many competitors exist and the intensity of competition.
Key factors: Number of competitors, industry growth rate, Differentiation between products.

BARGAINING POWER OF SUPPLIERS

Analyzes the control suppliers have over raw material prices, impacting profitability. **Key factors:** Number of suppliers, product differentiation.

ANSOFF MATRIX

What it is: It is a strategic planning tool that helps companies evaluate growth opportunities by assessing risk levels in different expansion strategies.
Where it is used: It is applied in business growth strategy, market expansion, and product development to determine the best approach for scaling while managing risk.

	Existing Products	New Products
Existing markets	• **Market penetration** involves **increasing market share** within **existing markets** without altering the product. **Example:** Use of heavy advertising to enter the market. • Commonly employed by businesses operating in **saturated markets** where growth relies on **gaining market share** from competitors. **MARKET PENETRATION (lowest risk)**	• **Product development** involves **creating new products** for **existing markets**. **Example:** New versions of the iPhone by Apple targeted at its existing customer base. • This strategy meets the **evolving needs** of the current customers or introduce **complementary products** that provide **additional value**. **PRODUCT DEVELOPMENT (moderate risk)**
New markets	**MARKET DEVELOPMENT (moderate risk)** • Market development refers to **expanding into new markets** with existing products. **Example:** Starbucks expanding its coffee shops to international markets. • Market development strategy allows companies to **leverage their current capabilities** while **expanding into new territories** or demographics.	**DIVERSIFICATION (highest risk)** • Diversification involves both **new products** and **new markets**. **Example:** A car manufacturer launching electric bicycles to diversify its product offerings. • This strategy allows businesses to **spread their risk** across different areas, **reducing reliance** on a single product or market. It can be further divided into related diversification and unrelated diversification.

Low Risk → High Risk (vertical axis)

Low Risk → High Risk (horizontal axis)

4As

What it is: The 4As Framework is a consumer engagement model that helps businesses refine marketing strategies by focusing on Awareness, Accessibility, Affordability, and Acceptability to improve customer satisfaction.
Where it is used: It is applied in marketing, product positioning, and consumer behavior analysis to ensure better market reach, pricing strategies, and brand acceptance.

Awareness

- Use engaging advertisements to create a memorable impression.
- Leverage social media platforms to reach a wider audience.
- Share valuable content to educate and attract potential customers.

Accessibility

- Ensure product availability across multiple locations or channels.
- Simplify user experiences, both online and offline.
- Reduce barriers like long wait times or unclear processes.

Affordability

- Design pricing strategies that reflect both value and competitiveness.
- Offer flexible payment options for expensive items.
- Communicate product benefits to justify pricing.

Acceptability

- Conduct research to understand consumer preferences.
- Enhance product design and quality to align with customer needs.
- Use feedback mechanisms to improve and refine offerings.

PORTER'S VALUE CHAIN

What it is: Porter's value chain is a Concept that examines a company's activities to identify ways to create added value and gain a competitive advantage.
Where it is used: It is applied in business strategy, operational efficiency, and cost analysis to enhance customer value and optimize internal processes.

SUPPORT

Support activities **assist** primary activities and **form** the foundation of an organization.

FIRM INFRASTRUCTURE

It includes activities that enable **daily operations**, such as line management, administrative processes, and financial management.

TECHNOLOGY DEVELOPMENT

It relates to the **advancement of products and services** both internally and externally. **Example**: Development or improvement of IT systems and other technological innovations.

PROCUREMENT

This includes **establishing and managing relationships with suppliers**, negotiating prices, making product purchase agreements, and setting outsourcing contracts.

HUMAN RESOURCE DEVELOPMENT

This includes **recruiting**, **training**, **coaching**, **compensating**, and **retaining** staff to enhance their capabilities and performance.

PRIMARY

Primary activities have an **immediate effect** on the production, maintenance, sales, and support of products or services, contributing **directly to cost advantage**.

INBOUND LOGISTICS

Processes related to **receiving**, **storing**, and **internally distributing raw materials** of a product or service.

OUTBOUND LOGISTICS

Activities related to **delivering products and services to customers**, including storage, distribution systems, transportation.

PRODUCTION

Activities that convert **inputs into semi-finished** or **finished products**.

MARKETING AND SALES

Processes related to **positioning** products and services in the market, **managing** customer relationships, and **differentiating** from competitors.

SERVICE

Activities that **maintain the value** of products or services after a customer relationship has been established.

COSTS INVOLVED IN VALUE CHAIN

Raw Material Procurement

- Per-unit raw material price.
- Procurement inefficiencies (e.g., wastage, conversion losses).
- Supplier negotiations and bulk ordering.
- Transportation to the manufacturing site.
- Hedging for price volatility (e.g. Futures, options)

Inbound Logistics

- Freight & transportation expenses.
- Distance from suppliers to factory.
- Mode of transportation (road, rail, air, sea).
- Handling and storage during transit.
- Order scheduling (Economic Order Quantity - EOQ).

Manufacturing

- Labor expenses (wages, skill levels, availability).
- Machine downtime and maintenance costs.
- Energy and utility expenses.
- Cost of outsourcing vs. in-house production.

Warehousing

- Storage infrastructure (rent, utilities).
- Stock management (technology, labor).
- Inventory depreciation or obsolescence.
- FIFO/LIFO inventory strategy optimization.

Outbound Logistics

- Transportation from factory to distribution centers/customers.
- Packaging and handling.
- Route optimization and last-mile delivery costs.
- Warehousing at distribution hubs.

Distributions

- Distributor commissions and incentives.
- Logistics for product distribution to retail or end customers.
- Stock replenishment strategies.

Marketing & Sales

- Digital and offline campaigns.
- Market research expenses.
- Product promotions and discounts
- Sales team commissions and salaries.
- Point-of-sale infrastructure.
- Customer acquisition and retention expenses.

Post-Sales Services

- Installation and training (if applicable).
- Warranty servicing and claims.
- Customer service infrastructure (support centers, CRM systems).
- Customer retention programs (loyalty schemes, feedback initiatives).

Key Considerations For Optimization

Focus on operational efficiencies at each step.

Benchmark against competitors to identify gaps.

Employ cost-saving levers such as technology, standardization, and outsourcing.

PRODUCT LIFE CYCLE IN INTERNATIONAL MARKETS

What it is: The International Product Life Cycle (IPL) is a framework that helps companies manage and market *products* across global markets to extend their lifecycle and delay the decline stage.

Where it is used: It is applied in international business, market expansion, and global trade strategies to identify new market opportunities and optimize product longevity.

Sales

1. Introduction

- Product/service is **newly launched** with low demand and awareness.
- Duration depends on product complexity, innovation, market fit, and saturation.
- **High failure rate** due to unmet customer needs.

2. Growth

- **Rising demand** and **sales** as the product gains popularity.
- Focus on **scaling production**, improving features, and aggressive marketing.
- Economies of scale enhance profitability.

3. Maturity

- **Sales stabilize**; production and marketing costs decline.
- High competition **requires strong branding**, pricing strategies, and differentiation.
- Companies reduce prices, enhance customer service, or target new segments.

4. Saturation

- **Market fully penetrated**; sales growth plateaus.
- Differentiation becomes tough; the **focus shifts to customer loyalty** and incremental improvements.

5. Decline

- **Sales and profits fall** due to saturation, tech advancements, or shifting preferences.
- Companies decide to either invest in revitalization or phase out the product.

Time

3C 1P

What it is: The 3C1P framework is a strategic marketing model that helps businesses analyse market position by evaluating Customer, Company, Competitor, and Product.
Where it is used: It is applied in product development, marketing strategy, and competitive analysis to guide business decisions and market positioning.

CUSTOMER

- Understand end-users' **needs, preferences, and price sensitivity.**
- Segment markets based on **size, growth, and unique demands.**
- Identify customer **behaviour patterns** to optimize engagement strategies.

COMPANY

- Analyse **internal strengths, market position**, and **brand reputation**.
- **Assess resources** for growth, marketing, and innovation.
- Evaluate operational **efficiency** and **adaptability** to market changes.

COMPETITOR

- Study **competitors' market share**, **strategies**, and **best practices.**
- Identify **barriers to entry**, supplier dynamics, and regulatory environment.
- Analyse **competitive advantages** and **potential threats** in the market.

PRODUCT

- Evaluate **product features**, **differentiation potential**, and **lifecycle stage.**
- Consider **complementary goods,** substitutes, and packaging strategies.
- Assess **product performance** based on customer feedback and market trends.

5Cs

What it is: 5Cs framework helps businesses assess internal and external factors through Company, Customer, Competitor, Collaborators, and Climate.
Where it is used: It is applied in business strategy, market analysis, and decision-making to refine competitive positioning and growth strategies.

Company

- Evaluate internal resources and perform a SWOT analysis to understand strengths and weaknesses.
- Align company goals with strategies to leverage opportunities and drive growth.

Consumer

- Segment the target market to understand customer needs and preferences.
- Design tailored solutions to address pain points and build customer loyalty.

Competitor

- Analyze competitors’ strengths, weaknesses, and strategies to find gaps in the market .
- Highlight your unique value proposition to differentiate from competitors.

Climate

- Assess external factors (political, economic, social, etc.) to adapt to market changes.
- Prepare for potential risks by monitoring trends and industry shifts.

Collaborator

- Strengthen partnership with suppliers and distributors to enhance efficiency.
- Collaborate strategically to improve reach and create more value for customers.

BCG MATRIX

What it is: The Boston Consulting Group Matrix is a strategic planning tool used to analyse a company's product portfolio and guide investment decisions based on market growth and market share.
Where it is used: It is applied in portfolio management, resource allocation, and business strategy to prioritize products and optimize investments.

	High Market Share	Low Market Share
High Growth	**High growth, High market share** They are the leaders in their markets, requiring significant investment to maintain growth and leadership. Stars have the potential to become future cash cows as the market matures. **STARS**	**High growth, Low market share** They have the potential to become stars but require careful analysis to determine whether they are worth the investment needed to increase market share or if they should be divested. **QUESTION MARKS**
Low Growth	**CASH COWS** **Low growth, High market share** They generate consistent revenue with minimal investment requirements, often providing the financial resources to support other areas of the business.	**DOGS** **Low growth, Low market share** They provide limited returns and may not justify continued investment unless they hold strategic importance.

7 Ps

What it is: 7Ps, also known as the extended marketing mix, is a framework used to develop comprehensive marketing strategies .
Where it is used: It is applied in marketing strategy, brand positioning, and business planning to enhance customer experience and drive business growth.

PRODUCT

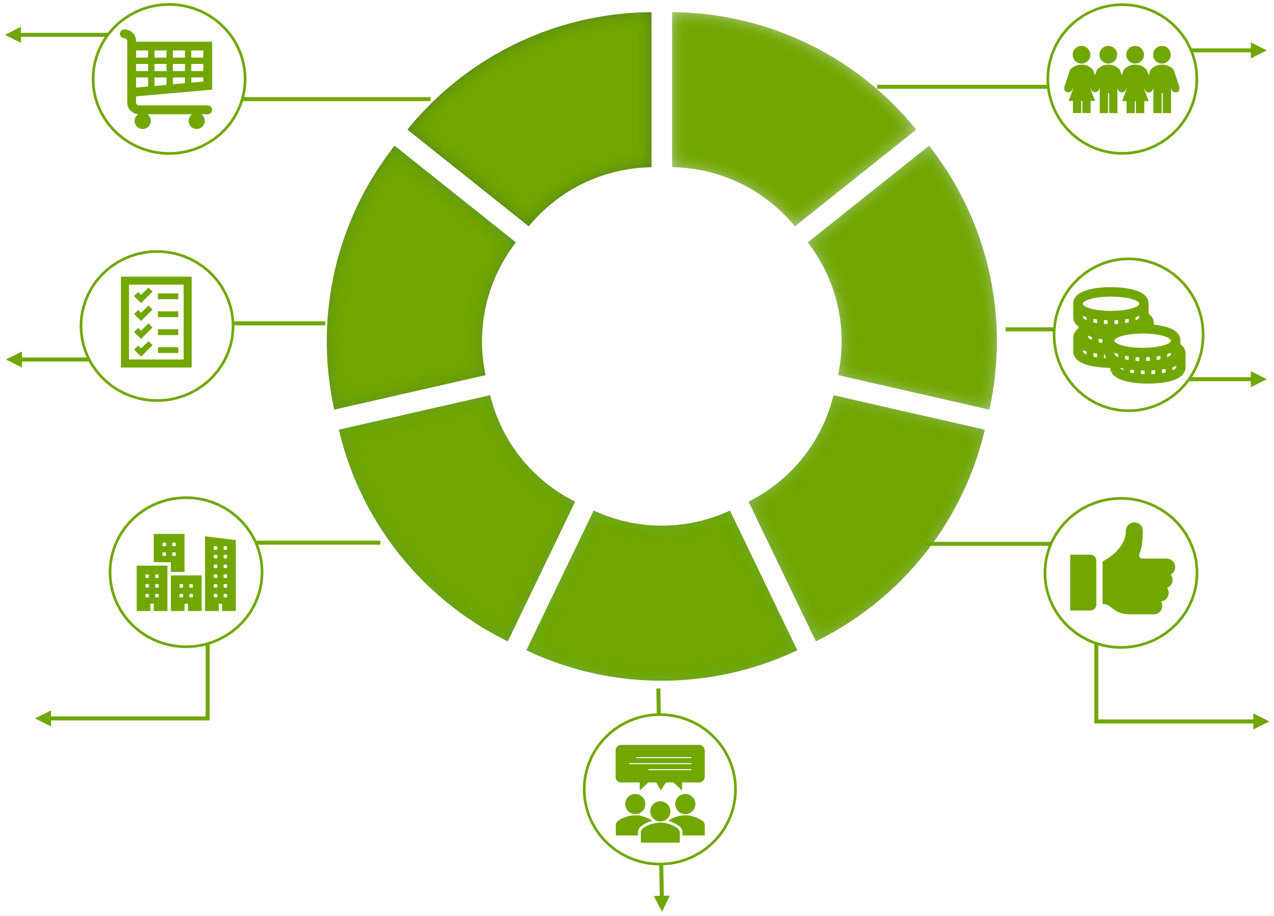
Refers to the goods or services offered to customers. It includes features, quality, branding, and packaging.

PROCESS

The procedures and systems used to deliver the product or service.It includes customer service processes, ordering, and delivery methods.

PLACE

Where the product is sold or distributed. It includes channels, logistics, and market coverage.



PEOPLE

The individuals involved in delivering the product or service. It includes employees, customer service, and company culture.

PRICE

The amount customers pay for the product or service. It includes pricing strategies, discounts, and payment terms.

PHYSICAL EVIDENCE

The tangible elements that customers experience. It includes store layout, website design, and packaging.

PROMOTION

How you communicate with customers about your product. It includes advertising, public relations, and sales promotions.

SEGMENTATION, TARGETING, POSITIONING (STP)

What it is: The Segmentation, Targeting and Positioning strategy helps businesses identify their most important customers, focus marketing efforts on these groups, and differentiate their brand from competitors.
Where it is used: It is applied in marketing strategy, advertising, and product development to enhance customer engagement and optimize market reach.

SEGMENTATION

- Involves **dividing the market** into smaller subgroups based on characteristics like age, gender, preferences, income, or behaviours.

- These segments can be based on **factors** such as psychographics (lifestyle and values), geographics (location), behavioural patterns (buying habits or product usage), and demographics (age, gender, income).

TARGETING

- The process of **evaluating** different market segments and **selecting** the most suitable ones to focus on.

- Requires thorough **research** to avoid wasting time and resources. Key **factors** include size (segment growth potential), profitability (willingness to spend and customer lifetime value), and reachability (ease of reaching the segment and customer acquisition cost).

POSITIONING

- Positioning involves **creating a unique image** for your product in the minds of target customers, making it stand out from competitors.
- Key **factors** are target market size, competition level, and existing brand value.
- Effective positioning can be achieved through symbolic positioning (enhancing self-image), functional positioning (providing real benefits), and experiential positioning (fostering emotional connections).

SALES JOURNEY MAP

What it is: A Sales Journey Map tracks the customer's path from need to post-purchase, optimizing touchpoints for a better experience.
Where it is used: Applied in marketing and strategy to boost acquisition, retention, and loyalty using PR, promotions, and after-sales support to maximize conversions.

Need

- Substitutes Availability
- Utility of good/service
- Luxury good/service

Awareness

- Promotion
- PR Feature
- Social Media
- Search Ads
- Emails & Word of Mouth

Accessibility

- Distribution
- Reach
- Logistics & Channel Management
- 4 R's (Right Place, Way, Environment & Quality)

Affordability

- Pricing
- Base/Premium/ Ultra-Premium categorisation
- Discounts/ Promotional Schemes
- Loyalty/Subscriptions

Purchase

- E-commerce
- Web/Mobile Applications
- Store
- Factory Outlet
- Departmental Store

Retention

- Review Requests
- Re-targeted Ads
- Feedback About Service
- Customer Grievance Cell
- Delivery Satisfaction

Advocacy

- Community Building
- Reference Programs
- Surprise benefits
- Personalisation
- After sale service

MECE FRAMEWORK

What it is: The MECE framework is a tool that is used to break information or ideas into categories and organize them accordingly.

MUTUALLY EXCLUSIVE

A B

Each category or group is distinct, with no overlap or shared elements.

COLLECTIVELY EXHAUSTIVE

A B C

It means that all possible options or scenarios are covered, leaving no gaps.

It means that there is no overlapping between categories and all the possibilities should be listed.

100% MECE Framework

Using the X not X Framework

X	NOT X
External	Internal
Direct	Indirect
Upside	Downside
Short-Term	Long-Term
Supply	Demand
Benefits	Costs

Example

Given, Total costs = marketing costs, wages, production costs

NOT MECE as costs missing – rent, raw materials, etc.

MECE: Total costs = Fixed costs (e.g., rent, utilities) + Variable costs (e.g., wages, raw materials, marketing, production).

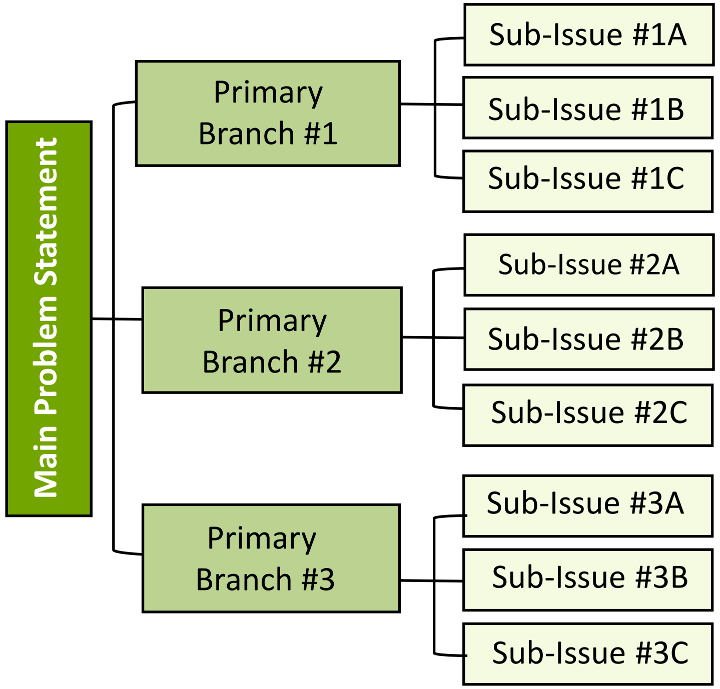
ISSUE TREE

What it is: It is a structured, hierarchical breakdown of a complex problem into smaller, more manageable components. It helps in identifying root causes and developing a logical approach to problem-solving.

Key Characteristics:

MECE Framework – Categories are Mutually Exclusive Collectively Exhaustive.
Logical Breakdown – Moves from a broad problem to granular sub-issues.
Hypothesis-Driven – Helps in formulating and testing potential solutions.

Structure of an Issue Tree:



Types of Issue tree

Diagnostic Issue Tree (Why is this happening?)
-find root causes.

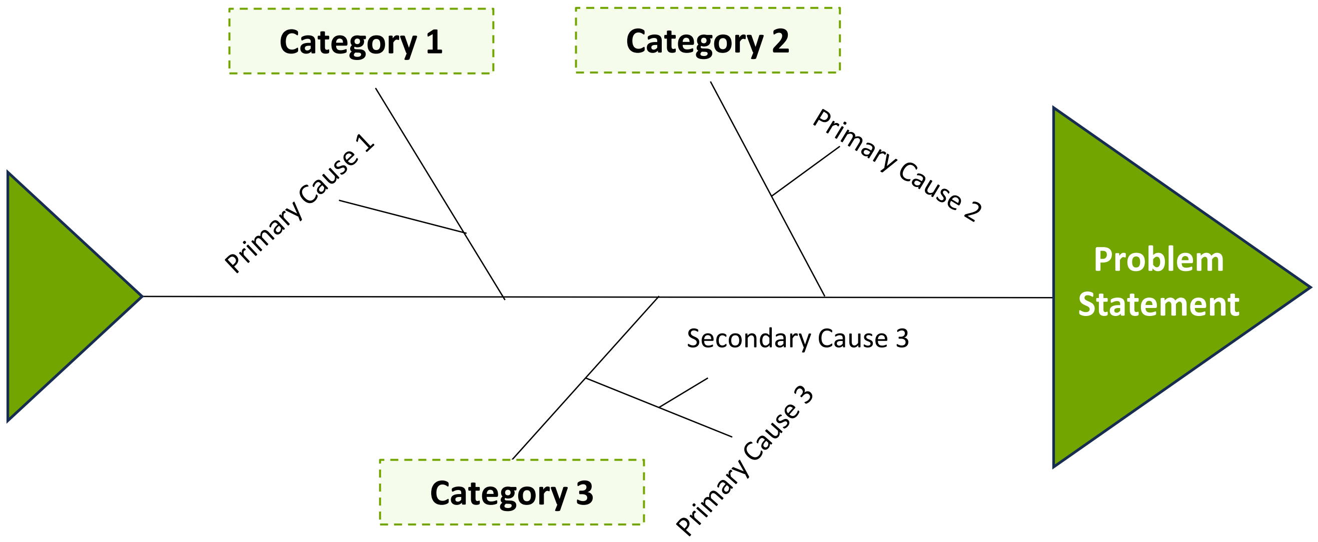
Solution Issue Tree (How can we fix it?)
-Develop potential solutions.

Decision Issue Tree (What should we do?)
-Evaluate choices based on criteria.

ISHIKAWA DIAGRAM

What it is: Ishikawa Diagram also known as fishbone analysis is a visual discovery tool used to uncover problems by analyzing root causes. This diagrams help teams analyze complex issues and develop targeted solutions

Where it is used: It is used for root cause analysis by visually mapping out potential causes of a problem, helping in problem-solving, process improvement, quality control, and risk management across various industries.



How to use?

- **Define the Problem:** Clearly state the issue and write it at the "head" of the fish.
- **Identify Major Categories:** Common ones include People, Process, Equipment, Environment, and Policies (or use 6M, 4S, 8P approaches).
- **Brainstorm Causes:** List possible causes under each category by asking "Why does this happen?"
- **Dig Deeper:** Keep asking "Why?" to uncover root & sub-causes.
- **Organize & Analyze:** Group related causes and identify the key factors contributing to the problem.
- **Take Action:** Address the root causes to prevent future occurrences.

6M

The **6M Fishbone Analysis** categorizes causes into **Man, Machine, Material, Method, Measurement, and Mother Nature (Environment)** to systematically identify root issues, improving processes and quality across industries.

4S

The **4S Fishbone Analysis** categorizes causes into **Surroundings, Suppliers, Systems, and Skills** to identify root issues in processes. It works for any business problem in the service industry. That said, it can be used for any other industries as well.

8P

The **8P Fishbone Analysis** categorizes causes into **Product, Price, Place, Promotion, People, Process, Physical Evidence, and Performance** to identify root issues in business and marketing. It is typically used in enterprise scenarios where the problems have lots more categories.

TAM SAM SOM

What it is: The TAM SAM SOM framework is a strategic tool used to **define and quantify market opportunities** for a product or business.
Where it is used: It provides clarity on **market size**.

Total Addressable Market (TAM)

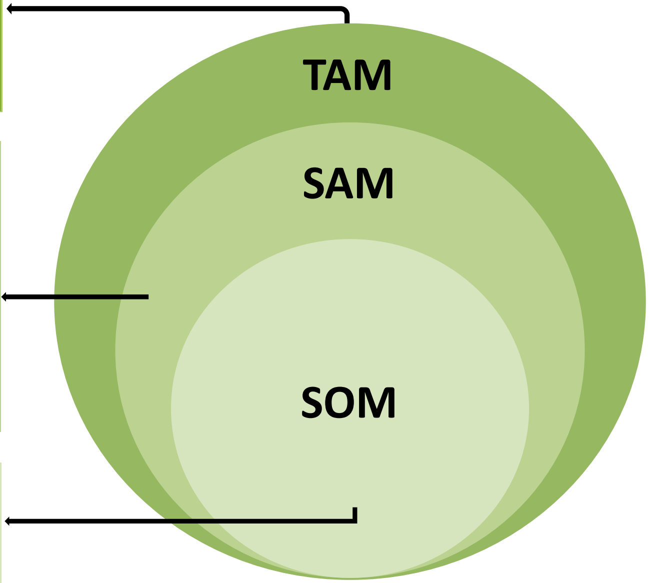
- **Definition**: The total market demand for a product or service if there were no limitations on reach.
- **Purpose**: Understand the overall revenue potential of the market.
- **Calculation**: TAM=Total number of potential customers globally × Average revenue per customer.

Serviceable Available Market (SAM)

- **Definition**: The portion of TAM that a business can realistically target with its current products or services.
- **Purpose**: Define the target market based on product capabilities and market access.
- **Calculation**: SAM= TAM × Percentage of the market you can serve.

Serviceable Obtainable Market (SOM)

- **Definition**: The segment of SAM that the business can realistically capture, considering factors like competition and resources.
- **Purpose**: Estimate achievable market share within the targeted segment.
- **Calculation**: SOM= SAM × Expected market share with current resources.



Example

For an electric scooter company:

- **TAM**: All urban commuters globally.
- **TAM**= 2 Billion global customers*$500=$1 Trillion.

- **SAM**: Urban commuters in the U.S. interested in eco-friendly transport.
- **SAM**= 200M urban commuters *20% eco-conscious *$500 (average scooter price) = $20 Billion.

- **SOM**: Urban commuters in California who prefer electric scooters and can be targeted with current marketing resources.
- **SOM**=SAM*10%(California commuters preferring scooters)=$2Billion.

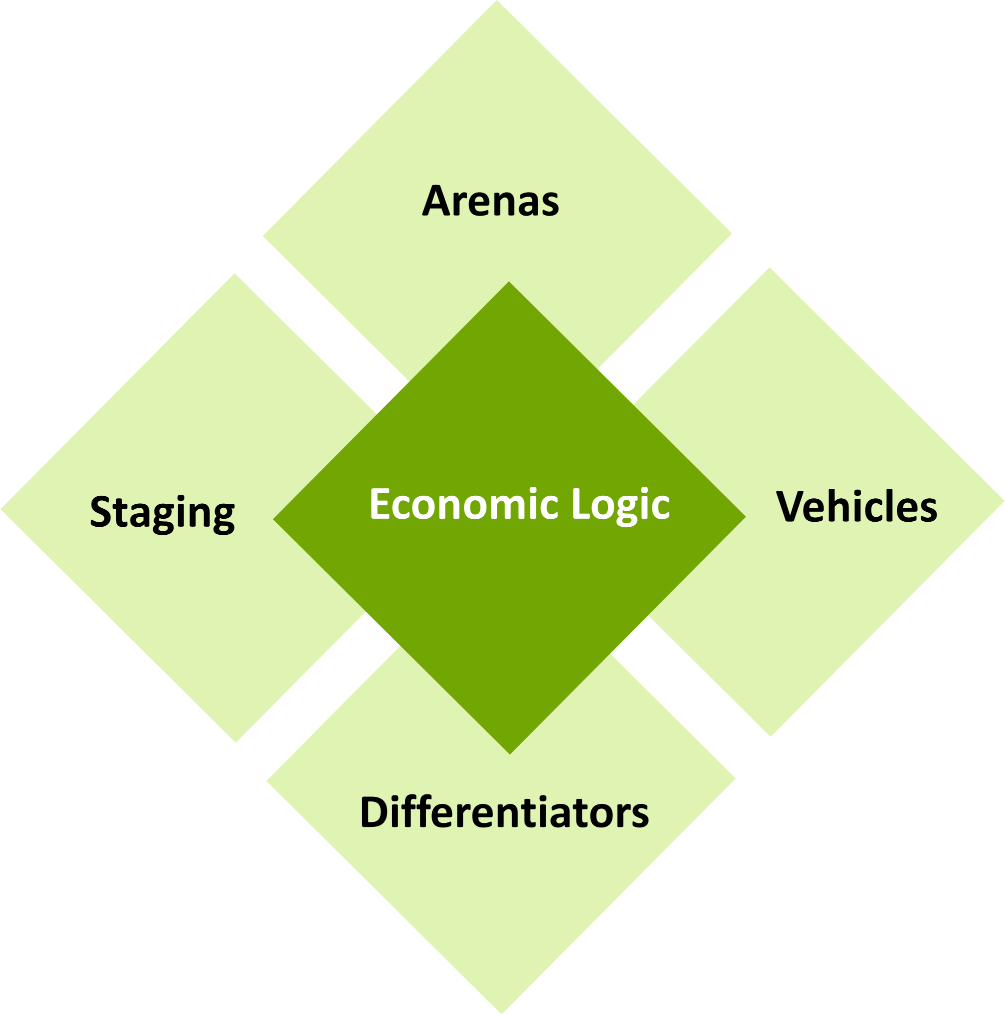
STRATEGY DIAMOND

What is it: The Strategy Diamond is a framework that outlines five key elements of strategy to create a coherent strategic plan.
How is it used: The Strategy Diamond is used to create a clear, comprehensive strategy by breaking it down into five key elements. It helps businesses align their strategic decisions, evaluate different options, and ensure consistency across various aspects of the strategy, such as competition, market entry, differentiation, timing, and profitability.

Arenas: Where will we be active?
- Which geographical areas?
- Which core technologies?
- Which value creation stages?
- Which product categories?
- Which market segments?

Staging: What will be our speed and sequence of moves?
- What should be the speed of expansion?
- What should be the sequence of initiatives?

Differentiators: How will we win?
- Image?
- Styling?
- Pricing?
- Customization?

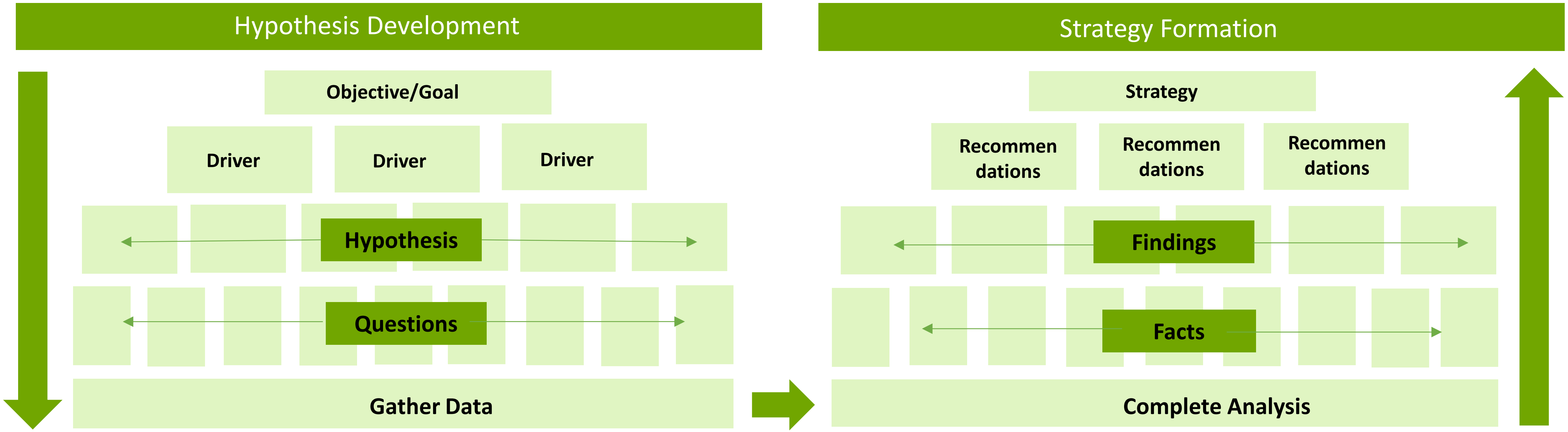


Vehicles: How will we get there?
- Internal development?
- Joint venture?
- Licensing/Franchising?
- Acquisition?

Economic Logic: How will we obtain our returns?
- Lowest cost through scale advantage?
- Lowest cost through scope and replication advantage?
- Premium prices through unmatchable service?
- Premium prices through proprietary product features?

Hypothesis-Based Strategy Formation

What is this: A structured framework for solving business problems by forming hypotheses first, then validating them through data to build strategic recommendations.
Where is this used: Used at the start of consulting projects or case interviews to quickly frame possible solutions, guide data collection, and structure insights into actionable strategies.



<u>Top-Down Hypothesis Development:</u>

1. Start with an objective i.e. Increase revenue by 50%
2. Identify key driers i.e. Price, volume, product mix
3. Generate hypothesis i.e. If we add more features, our customers will be willing to pay more.
4. List key questions to ask i.e. What features will our customers be willing to pay for?
5. Gather data i.e. Conduct customer interviews and industry analysis.

<u>Bottom-Up Strategy Formation:</u>

1. Complete analysis of data gathered i.e. Charts, graphs, frameworks.
2. Identify facts i.e. Competitor x is charging $y for z feature.
3. Generate findings i.e. It looks like customers are willing to pay for z.
4. Create recommendations i.e. Our strategy is to take both market share and wallet share by build features x, y and z, increase prices q% and increase volume r%

CONSULTING MATHS

KNOW THE BASICS

Percentages

Percent Change Formula:

$$\text{Percent Change} = \frac{\text{New Value} - \text{Old value}}{\text{Old Value}} \times 100$$

Think Smart

If you are asked to calculate 13% of 2500. To solve the given example, you can take 10% of 2500 i.e 250 + 3% of 2500 i.e 75 [1% + 1% + 1% ; 1% = 25]. So your final answer will be 325.

Fractions

You can ask the interviewer if approximations and/or rounding off is allowed.

If the interviewer answers with yes, then we know 18*5 is 90 and 18*6 is 108 so the answer must be 5 point something. You can take 5 approximately. If the interviewer answers with no, then to get the exact answer, you can break down the problem as follows:

95 = (18*5) + 5
95/18 = (18*5)/18 + 5/18
= 5+5/18
= 5 + 2/18 + 3/18 = 5 + 0.11 + 0.16
= **Final answer = 5.27**

Averages

$$\text{Arithmetic Mean} = \frac{\text{Sum of all observations}}{\text{Number of observations}}$$

$$\text{Weighted Mean} = \frac{\text{Sum of (Value x Weight)}}{\text{Sum of Weights}}$$

$$\text{Geometric Mean} = \sqrt[n]{X1 \times X2 \times X3 \times \ldots \times Xn}$$

Ratios

In consulting, ratios assess analytical and problem-solving skills, often in market analysis and financial assessments.

Eg: **A client sells 1.5M smartphones in a 10M-unit market. A competitor sells 2M units. Compare market share**

Solution:

Client's Market Share = 1.5Million/10Million=0.15 (15%)

Competitor's Market Share = 2Million/10Million=0.2 (20%)

Comparison: 15:100 vs. 20:100 → Competitor has a larger share

Fraction	%	Fraction	%	Fraction	%
1/1	100	2/1		3/1	
1/2	50	2/2	100	3/2	
1/3	33.33	2/3	66.66	3/3	100
1/4	25	2/4	50	3/4	75
1/5	20	2/5	40	3/5	60
1/6	16.66	2/6	33.33	3/6	50
1/7	14.28	2/7	28.57	3/7	42.85
1/8	12.5	2/8	25	3/8	37.5
1/9	11.11	2/9	22.22	3/9	33.33
1/10	10	2/10	20	3/10	30
1/11	9.09	2/11	18.18	3/11	27.27
1/12	8.33	2/12	16.66	3/12	25

KNOW THE BASICS

Probability

Conditional Probability Formula: $P(A/B) = \dfrac{P(A \text{ and } B)}{P(B)}$

The occurrence of any event A given (|) B is the probability of occurrence of event A & B together, over the probability of occurrence of event B independently.

Example: Suppose a client approaches the team, and describes an inventory issue. The client says that they often run promotional content for their products, but they sell out on some days and don't on some. They are facing major inventory mismatch because of this issue, since they can't figure out when to order more inventory, and when not to. The following information has been given to you by your research team:

P(promotion) = 0.35
P(sell out ∩ promotion)= 0.15

Can you come up with a solution to this problem using the given information?

Simple dividing P(sell out ∩ promotion) by P(promotion)
We get 0.15/0.35 = 0.428

Mental Math Tricks/Shortcuts

Multiplication Shortcuts

- **Multiplying by 5:** Multiply by 10, then divide by 2 → 78 × 5 = (78 × 10) ÷ 2 = 390
- **Multiplying by 9:** Multiply by 10, subtract the number → 47 × 9 = (47 × 10) − 47 = 423
- **Multiplying by 25:** Multiply by 100, divide by 4 → 68 × 25 = (68 × 100) ÷ 4 = 1700

Percentages & Ratios

- **10% Rule:** Move decimal left → 10% of 350 = 35, 30% = 35 × 3 = 105
- **5% Rule:** Halve the 10% value → 5% of 350 = 35 ÷ 2 = 17.5
- **1% Estimation:** Multiply accordingly → 7% of 750 = (1% of 750 = 7.5) × 7 = 52.5

Consulting Math Tips

- Ask your interviewer if it's okay to round numbers in your calculations.
- Tip- **Alternate between rounding up and rounding down so the effects cancel out.**
- Practice **mental math** to get your answers to seemingly complicated multiplication/division problems in seconds. Eg. While calculating 25*36, instead of using a paper to carry out the multiplication, factorize the numbers and solve 5*6*5*6 (i.e 30*30 = 900) mentally.
- Understand **Key Business Ratios**: Familiarize yourself with common financial and operational ratios and their implications.
- **Think Aloud**: When using ratios to analyze a problem, explain your thought process clearly to the interviewer. This demonstrates your analytical approach.
- Be **Precise and Structured**: In interviews, structuring your approach using ratios shows clarity of thought and methodical problem-solving.

ACCOUNTING FORMULAS

Cost Analysis

COGS = Beginning Inventory + Purchases – Ending Inventory

Operating Expenses = Revenue – Operating Income- COGS

Operating Costs = Cost of Goods Sold (COGS) + Operating Expenses

Profit and Profitability Analysis

Gross Profit = Revenue - COGS

Gross Profit Margin = $\left(\frac{\text{Gross Profit}}{\text{Revenue}}\right) \times 100$

Operating Profit = Gross Profit – Operating Expenses

Operating Profit Margin = $\left(\frac{\text{Operating Profit}}{\text{Revenue}}\right) \times 100$

Net Profit = Revenue – (Total Costs + Taxes + Interest)

Net Profit Margin = $\left(\frac{\text{Net Profit}}{\text{Revenue}}\right) \times 100$

EBITDA = Operating Profit + Depreciation + Amortization

EBITDA Margin = $\left(\frac{\text{EBITDA}}{\text{Revenue}}\right) \times 100$

Profit and Loss Statement

I	Revenue from operations
II	Other Income
III	Total Revenue (I + II)
IV	Expenses:
	Cost of materials consumed
	Purchase of stock in trade
	Changes in inventories
	Employee benefit expenses
	Finance Costs
	Depreciation and amortisation cost
	Other expenses
V	Profit before tax (III - IV)
VI	Tax
VII	Profit after tax (V - VI)

Contribution Analysis

Contribution margin = Sales Revenue – Variable Costs

CM ratio = $\left(\frac{\text{Contribution Margin}}{\text{Revenue}}\right) \times 100$

GUESSTIMATES

BASICS OF GUESSTIMATES

A guesstimate, as its name implies, is a fusion of "guess" and "estimate." It is a reasoned approximation that is made with little or no information, based on logical assumptions and quick calculations to reach a logical figure.

What Is Checked ?

Problem-solving: Break big problems into smaller parts , handle new topics well.

Structured thinking: A step-by-step and clear way of thinking helps to put ideas in order and make good guesses.

Judgment under pressure: Candidates need to make good choices fast showing they can stay calm when things get tough.

Numerical aptitude: Guesstimates check if candidates can do quick math and come up with numbers that make sense.

Creative problem-solving: Think in new ways finding smart answers.

Strategic thinking: Showing how to look at the big picture of their guesses and use them in real-life cases.

Adaptability: Candidates must change how they think based on new facts or feedback while they're making their guesses.

To prepare before sitting for a guesstimate round

- **Basic Arithmetic**: Quick calculations, estimations, conversion units, area, volume(e.g., miles to kilometers, liters to gallons, etc.).
- **Datasets**: Population, distribution by age, income, region, global metrics, penetration rate.
- **Market Share**: Calculate market share using TAM, SAM, SOM and bottom-up or top-down approach.
- **Industry Knowledge**: Being aware of some key metrics for various industries: revenue, pricing, various types of costs, use cases of products, limiting factors, average duration of products.
- **General Knowledge and Current Affairs: Business** Trends, industry trends, global.

SOFT SKILLS TO HAVE

Confidence
Speak with certainty.

Clarity
Explain your thought process step by step.

Composure
Stay calm under pressure.

FOUNDATIONS OF ESTIMATION

How To Approach

Clarify
- Restate the problem to ensure understanding
- Ask for details if unclear (e.g. demographic restrictions, timeframe

Assumptions
- Use logical assumptions, state and explain briefly and clearly
- Keep them simple and clear

Choose a Framework
- **Select an Appropriate Framework** - either the top-down approach, bottom-up approach, demand-side approach, supply-side approach, or proxy approach
- **Explain Your Chosen Approach** - Clearly explain to the interviewer why the chosen framework is appropriate and how it will guide your analysis toward a structured and logical solution

Break It Down
- Segment the problem into manageable components (e.g., population, usage)
- State thoroughly the general trends used

Calculate and Validate
- Perform quick estimates for each part
- Use of properly constructed formula and further application of that
- Sense-check for practicality and adjust if needed

Various Points To Start A Guesstimate

Use Case/ Product Relevance(% who need it) : determine the audience, their potential need for a product & frequency of usage

Propensity(% likely to buy it): consider income levels, historical trends, relevance of product , consumer behaviour

Penetration Rate(% who adopt it): look into past adoption rates, comparable markets, industry analysis, global comparison

Market Growth/Trends: includes growth rates, market expansion, trends in demand

Conversion Rate (% of actual buyers): consider price sensitivity, perceived value, user experience, trust in the product, awareness about the product

Refining Assumptions With Weighted Averages

A weighted average takes into account the relative importance of certain values as reinforced by their weights and produces a better solution. They refine the assumptions that consider variation in the pattern of consumption with regard to age groups and many more.

Weighted Average=∑(Value X Weight)/ ∑Weights

ESSENTIALS FOR EFFECTIVE GUESSTIMATION

Mindset Required	Interpretation	Drawbacks, if not followed
Simplicity with Comprehensiveness	Keep the estimate simple, yet cover all critical elements. Avoid unnecessary complexity by adding excessive layers or filters.	Adding unnecessary layers or filters wastes time and complicates the estimate unnecessarily.
Speed with Accuracy	Balance the need for speed in estimates with reasonable accuracy for practical decision-making.	Speed may lead to wrong estimates; over analysis wastes time.
Analytical Thinking	Tackle problems logically, breaking them down into parts to make it easier to understand.	The problem is overcomplicated with too many details or impossible calculations to work with.
Sanity Checks	Sanity checks of the estimates to ensure they make sense using common sense and known benchmarks.	Skipping sanity checks can lead to estimates that are wildly inaccurate and impractical.
Structured Approach	Apply frameworks or step-by-step processes to ensure nothing is missed.	Lacking a structured approach may omit critical factors or create a confusing estimate.
Flexibility	Be willing to alter assumptions and redo calculations based on new information.	Rigid attitude may lead to overlooking important updates and drawing irrelevant or outdated conclusions.

EXPLORING THE GUESSTIMATE APPROACH MATRIX

Guesstimates can be solved using various methods. Let's take for example **how many water bottles are sold daily at India Gate** through the following matrix:

	Top-Down Approach	Bottom-Up Approach
Demand Side	Estimating market demand and narrowing it down with relevant factors. **Factors to Consider:** 1. Total daily visitors at India Gate (tourists, local residents, vendors, etc.). 2. Percentage of visitors likely to purchase water. 3. Average number of bottles purchased per visitor. **Formula:** Bottles Sold Daily = Total Visitors × Percentage Buying Water × Average Bottles Per Visitor. **Focuses on visitor behavior and overall demand.**	Building estimates by aggregating smaller, localized data points. **Factors to Consider:** 1. Number of vendors selling water bottles at India Gate. 2. Average customers served by a single vendor daily. 3. Average number of bottles purchased per customer. **Formula:** Bottles Sold Daily = Customers Per Vendor × Bottles Per Customer × Total Vendors **Aggregates customer behavior from lowest to highest through individual vendors.**
Supply Side	Estimating the production side using industry-level data for manufacturers. **Factors to Consider:** 1. Total stock of water bottles supplied to vendors at India Gate per day. 2. Wastage rate of stock (damaged/unsold bottles). **Formula:** Bottles Sold Daily = Total Bottles Supplied × (1 - Wastage Percentage) **Utilizes total water bottle supply and corrects for loss.**	Detailed supply chain or production-level data at the level of individual entities. **Factors to Consider:** 1. Average stock of water bottles carried by a single vendor per day. 2. Percentage of stock sold by a vendor. 3. Total number of vendors selling water bottles. **Formula:** Bottles Sold Daily = Stock Per Vendor × Sell-Through Percentage × Total Vendors **Extrapolates individual vendor supply to an aggregate estimate.**

DATASET FOR GUESSTIMATES

Population	
World- 8b	India- 1.4b

Age Divide	
0-18	30%
18-35	40%
35-60	20%
60<	10%

Gender Divide	
Male	50%
Female	50%

Population Density	
India	450/km²
Urban	800/km²
Rural	300/km²
Delhi	2000/km²

Urban Rural Divide	
India	
Urban	30%
Rural	70%
Delhi	
Urban	90%
Rural	10%

Religious Divide	
Hindu	80%
Muslim	15%
Christian	2%
Other	3%

Average Family Size	
Urban	4
Rural	5

	Delhi	Mumbai	Chennai	Bangalore
Total Population	3.2 Cr	2 Cr	1.1 Cr	1.5cr
% India's Population	2.2%	1.4%	0.8%	1%
Area Of Cities	1500 Km^2	600 Km^2	426 Km^2	709 Km^2
Literacy Rate	88.7%	89.7%	90.2%	88.7%

Terrain	Area	%
Land	2.3 M Sq Kms	70%
Water	0.3 M Sq Kms	10%
Forest	0.6 M Sq Kms	20%

Income Split	
Below Poverty	25%
Lower Middle Class	50%
Upper Middle Class	15%
Upper Class	10%

Tier-Wise City Division	
City Type	No Of Cities
Tier 1	8
Tier 2	100
Tier 3	40

Literacy Rate	
India	75%
Urban	85%
Rural	70%
Delhi	90%

Life Expectancy Rate	
India	70
Male	71
Female	68

India's Regional Population Distribution	
Region	Percentage of Total Population (%)
North	40%
South	25%
East	10%
West	25%

Number of People in an Age Group
Assume uniform distribution of population with 0-65 average lifespan =130,00,00,000÷65 =20M people per "year" No. Of people in 25-42 age group? =(25-42+1)×20M

DATASET FOR GUESSTIMATES

Nominal GDP of India	
Total GDP(~3.4 Trillion USD)	
Agriculture	54%
Industry	20%
Service	26%

Household Expenses	
Food	50%
Travel	40%
Others	10%

Formal/Informal (Work) Split	
Urban	
Formal	50%
Informal	50%
Rural	
Formal	15%
Informal	85%

Working/Non-Working Split	
Working Population	60%
Non-Working Population*	40%

Formal/Informal Split	
Urban	
Primary	10%
Secondary	30%
Service	60%
Rural	
Primary	65%
Secondary	20%
Service	15%

Consumption	Saving
75%	25%

Division Of Continents	
Asia	60%
Africa	15%
Europe	10%
North America	10%
South America	5%

Internet Penetration Rate*	
India	50%
Urban	70%
Rural	25%

Smartphone Penetration Rate*	
India	55%
Urban	70%
Rural	30%

Electricity Penetration Rate
95%

Geopolitical & Global Divisions Economic & Trade Blocs

APEC (Asia-Pacific Economic Cooperation), **EU** (European Union), **NAFTA** (North American Free Trade Agreement, now USMCA), **SAARC** (South Asian Association for Regional Cooperation), **ASEAN** (Association of Southeast Asian Nations), **BRICS** (Brazil, Russia, India, China, South Africa), **MSR** (Maritime Silk Road, part of China's Belt and Road Initiative).

Major Time Standards	Regional Time Zones
IST (India Standard Time, UTC +5:30)	**ET** (Eastern Time, used in North America)
GMT (Greenwich Mean Time)	**EST** (Eastern Standard Time, UTC -5)
UTC (Coordinated Universal Time)	**PST** (Pacific Standard Time, UTC -8)

Non-Working Population*: includes homemakers, students, retired and unemployed.

Penetration Rate*: the percentage of a country or region's population that has access to that particular thing

GUESSTIMATE FILTERS

A Guesstimate Filter is a structured approach used to narrow down a broad estimation problem.

Business
- New vs. 2nd hand demand
- Personal vs Professional use
- Peak vs Non peak hours
- Occupancy Rate/Utilization
- Life of product/ replacement rate
- Revenue Streams

Demographic
- Age
- Income/Affordability
- Gender
- Urban vs. Rural
- Households vs Individual
- Metro vs. Non metro
- Area
- Religion

AVERAGE REPLACEMENT CYCLE

What it is: the time consumers take to replace durable goods due to wear and tear, technological upgrades, or preference changes.
Where it is used: it is used in market sizing and demand estimation to help businesses predict sales cycles and plan inventory, production, and marketing strategies.

Consumer Good	Replacement Rate in India (years)	Growth Rate in India (%)	Penetration Rate in India (% that adopt it)
Laptop	5-6	6-7%	12-15%
Car	8-10	7-9%	7-8%
2-Wheeler	8-10	10-12%	25-30%
Refrigerator	10-12	9-12%	30-35%
Smartphone	3-5	7-8%	75-80%
Television	8-10	5-8%	70-75%
Washing Machine	8-12	6-8%	15-20%
Furniture	10-15	6-8%	45-50%
Air Conditioner	10-15	15-20%	7-10%

Total Market Size ÷ Avg Replacement Cycle = Annual Market Size

Note: Replacement cycles can vary based on personal preferences, technological advancements, and market trends.

01 Estimate the number of tweets in a day globally

Clarifying Questions

1. Does this number account for active or dormant accounts? - **Active**
2. Are bot-generated tweets considered? -**Yes**
3. Are we accounting for platform outages or disruptions that affect the volume of tweets in a day? **No**

Assumptions

1. Heavy users-20%, moderate users- 50%, light users -30%
2. Heavy users tweet 5 times daily, moderate users tweet 2 times daily, light users tweet 0.5 times daily.

Total Population: 8 Billion

Internet Penetration (70%)	70% of 8 B = 5.6 B
People using social media (60%)	60% of 8 B = 4.8 B
People with profile on twitter (10%)	10% of 4.8 B = 480 M
Active Twitter Users (60%)	60% of 480M ≈ 300 M
Active Tweeters (50%)	50% of 300 M = 150 M

Active tweeters (150 M)

Heavy Tweeters (20%)	Moderate tweeters (40%)	Non- frequent tweeters (40%)
20% of 150M = 30 M	40% of 150 M = 60 M	40% of 150 M = 60 M
Tweet 5 times daily	Tweet 2 times daily	Tweet 0.5 times daily
30 M * 5 = 150 M	60 M *2 = 120 M	60 M * 0.5 = 30 M

Total Users = 150 M + 120 M + 30 M = 300 M

Estimate the number of AI queries in India in a day

Clarifying Questions

1. Are we estimating all AI queries (like Siri, Alexa, Google Assistant), or just AI chatbots like ChatGPT and Perplexity? **Only chatbots**
2. Are we factoring in the vernacular languages especially for the rural regions or only English? **Yes, we are including vernacular languages too.**
3. Are we considering the queries asked on phone or laptop or both? **Both**

Assumptions

1. People belonging to the age group (0-12) and (50 +) do not use AI.
2. Low-income rural population (40%) is not considered as they don't have the resources to ask Chatbot queries. **Hence only 60% of rural population is considered.**

Population of India: 1.4 Billion

Urban (30%) 420 million

Rural (70%) 980 million

Internet penetration rate (60%): 420 million * 60% = 252,000,000

	Age 12-25 (30%)	Age 25-35 (30%)	Age 35-50 (20%)
	75,600,000	75,600,000	50,000,000
Awareness about bots	80%	60%	40%
Have ever used bots	80%	50%	40%
Active users per day	50%	50%	10%
Queries per day	8	10	6
	=75,600,000*0.8*0.8* 0.5*8	= 75,600,000 * 0.6 * 0.5*0.5*10	= 50,00,000 * 0.4* 0.4 *0.1*6
Total	193,536,000	113,400,000	480,000

AI Chatbot queries (Urban) ≈ 307,420,000

02 Estimate the number of AI queries in India in a day

Clarifying Questions

1. Are we estimating all AI queries (like Siri, Alexa, Google Assistant), or just AI chatbots like ChatGPT and Perplexity? **Only chatbots**
2. Are we factoring in the vernacular languages especially for the rural regions or only English? **Yes, we are including vernacular languages too.**
3. Are we considering the queries asked on phone or laptop or both? **Both**

Assumptions

1. People belonging to the age group (0-12) and (50 +) do not use AI.
2. Low-income rural population (40%) is not considered as they don't have the resources to ask Chatbot queries. **Hence only 60% of rural population is considered.**

Population of India: 1.4 Billion

Rural (70%) 980 million

Eliminating 40% population belonging to the low-income group: 980 million* 60% = 588 million

Internet penetration rate (25%): 588 million * 25% = 147,000,000

	Age 12-25 (30%)	Age 25-35 (30%)	Age 35-50 (20%)
	44,100,000	44,100,000	29,400,000
Awareness about bots	40%	20%	10%
Have ever used bots	60%	40%	20%
Active users per day	20%	7%	2%
Queries per day	6	5	3
	= 44,100,000 * 0.4 * 0.6* 0.2* 6	= 44,100,000 * 0.2 * 0.4* 0.07* 5	= 29,400,000 * 0.1* 0.2 *0.02*3
Total	12,700,800	1,234,800	35,280

AI Chatbot queries (Rural) ≈ 14,000,000

Total AI Chatbot queries in a day in India (Urban + rural) ≈ 321,400,000

03 Estimate number of people visiting Starbucks in Cyberhub in a day

Clarifying Questions

1. Are we just considering the footfall at the store or the ones really ordering something? **Orders**
2. Are we considering dine in customers only or take away too? **Only dine in.**
3. Can we take a standard occupancy of 30 people? **Yes**
4. Are we only seeking people who come for food and beverages? **No people come to work as well**

Assumptions

1. Assuming it's a normal day.
2. Assuming that 30% tables are occupied by people who stay for 3 hours (generally for work purpose)
3. Assuming 6 peak hours and 8 non peak hours for the store.

No of Visitors = Max number of people* occupancy% *(no of hours/time spent by an individual)

Seating Capacity of the store = 12 Tables

	4 seater tables		2 seater tables		
	No of tables = 3		No of tables = 9		
Max Tables occupied for 3 hrs (for work purposes usually)	1 table (4 people)	+	3 tables (6 people)	=	10 people
Max tables occupied for 1 hr	2 table (8 people)	+	6 tables (12 people)	=	20 people

Operational hours = 14

Hourly division	Peak hours (6)	Non- Peak hours (8)
Occupancy	90%	50%
People sitting for work for 3 hours	10*90%*(6/3) = 18 ≈ 20	10*50%*(8/3) = 27 ≈ 15
Normal visitors (people that keep changing)	20*90%*6 = 108 ≈ 110	20*50%*8 = 80

Total visitors 20 + 15 + 110 + 80 = 225

04 Estimate how many birds are there in Jaipur at given moment

Clarifying Questions

1. Are we taking migratory birds? **No**
2. Are we considering stationary or flying birds? **Only stationary**
3. Are we only taking common birds? **Yes**
4. Are there any endangered or migratory species that should be considered? **No**
5. Are we taking poultry birds? **No**

Assumptions

1. Consider only sparrows, pigeons, crows and eagles
2. The count of birds includes birds on trees and below trees.
3. Consider no birds around industrial areas due to unsuitable survival conditions.

Area of Jaipur=470 sq km

- Non-Forest Area (80%) ≈ 375 km sq
  - Industrial (10%): Considering no birds around
  - Residential (60%): = 375 * 0.6 = **225 km sq**
  - Commercial (30%): = 375 * 0.3 ≈ **115 km sq**
- Forest Area (20%) ≈ 95 km sq

Birds per sq. km.

	Non-Forest Area (Residential)	Non-Forest Area (Commercial)	Forest Area
Sparrows	40	20	60
Pigeons	30	20	20
Crows	20	10	10
Eagles	10	0	10
Exotic	0	0	50
Total birds per sq. km.	100 birds	50 birds	150 birds
Birds per sq km*Total Area	100*225 = 22,500	50*115 = 5,450	150*95 = 14,250

Total number of birds in Jaipur: 22,500 + 5,450 + 14,250 = 42,200 birds

05 Estimate the amount of paint required to paint an aircraft

Clarifying Questions

1. Are we considering 3 x 3 flight? **Yes**
2. Are we considering a specific aircraft like Airbus A350, Boeing 737, Airbus A320 etc.? **Any aircraft**

Assumptions

1. Taking average dimensions of an aero plane.
2. Typically, an airplane requires at least three coats (primer, base, and topcoat) for proper coverage and durability.
3. The tail consist of 3 triangular sections.
4. Assuming 1 litre can paint 10 m^2

Division of the plane into parts

Cylindrical body dimensions

Length	40m
Diameter	10m
Formula	2πrh
Area	2*3.14*5*40
	≈ 500 m^2

2 Wings (rectangular planes) 2 sides (front, back)

Wingspan	35m
Avg chord	4m
formula	L * B
Area	4(35*4)
	560 m^2

3 Tail (Horizontal and vertical) 2 sides (front, back)

Height	6 m
Base	4 m
Formula	½ * B* H
	6* ½ * 4 * 6
	72 m^2

Conical front

Height	3m
Base	10m
Slant Height (l)	10m
CSA formula	πrl
Area	3.14*5*10
	157 m^2

Total Surface Area	500 m^2 + 560 m^2 + 72 m^2+ 157m^2 ≈ 1300m^2
Assuming 1 litre can paint 10 m^2	1300/10 = 130 litres
Total coats of paint	3
Total paint required	**130*3 = 390 ≈ 400 litres**

06 Estimate number of credit cards in Pune

Clarifying Questions

1. Should we consider a particular bank's credit card or we can take any?- **take any**
2. Should we consider only active users or inactive also?- **Both**

Assumptions

1. Catering to only those with physical credit cards and not farmers self-help groups etc.
2. **10% of the non working population will have the card since they be retired individuals, may have high family income etc.
3. We are considering only physical credit cards and not the digital/virtual ones.
4. Not everyone eligible will own a credit card since various factors such as credit score, spending habits, financial literacy, lifestyle needs etc also influence decisions.

Pune's Population = 7 M

Rural Population (60%) = 4.2 M
Do not use credit cards due to less income

Urban Population (40%) = 2.8 M
Use credit cards

Below 18 (30%) ≈ 0.8 M
Will not get a credit card

Above 18 (70%) = 2 M
Will get a credit card

Working (70%) = 1.4 M
% of people owning will depend majorly on the income group

Non-Working (30%) = 0.6 M
Assuming 10% will have it = **60,000****

Monthly Income	% of people (1.4 M)	People owning card	No of cards	Total cards
Less than 30,000	(40%) = 560,000	NIL	NIL	NIL
30k – 60K	(30%) = 420,000	40%	1	420,000*0.4*1 = **168,000**
60 k – 1.5 L	(20%) = 280,000	70%	2	280,000*0.7*2 = **392,000**
1.5 lakhs +	(10%) = 140,00	90%	3	140,000*0.9*3 = **378,000**

Total number of Credit cards = 60,000 + 168,000 + 392,000 + 378,000 ≈ 1 M

07 Estimate the number of ATMs in Delhi

Clarifying Questions

1. Should we consider on-site and off-site ATMs separately? **Both**
2. Are we considering only bank-owned ATMs, or also white-label and third-party ATMs? **Bank owned only.**
3. Should we consider only functioning ATMs, or total installations including non-operational ones? **Both**

Assumptions

1. ATMs Around Colleges: 1 ATM in and around 80% of colleges
2. Population of Delhi=30 million
3. ATM are assumed to be in or around hospitals only, not dispensaries or clinics.
4. We assume that despite UPI growth, ATM demand has remained stable, so the current number reflects ongoing cash usage needs.

Number of ATMs = ATMs with bank branch + Standalone ATMs

Standalone ATMs

Hospitals

No of Hospitals	% having ATMs	No of ATMs	Total
Local (140)	0%	0	140 * 0 = **0**
Multi-specialty (40)	80%	1	40 * 0.8 * 1 = **32**
Super specialty (20)	100%	2	20 * 1 * 2 = **40**

Office Spaces

- 1 ATM near an office hub
- No. of office hubs = 500
- Total: 1 x 500 = **500**

Markets

- No. of Constituency=70
- 1 ATM (assumption)
- Total: 70 x 1 = **70**

Near Metro Stations

- No. of metro lines=10
- No. of stations at each line =25
- Stations = 250
- Same station lying on multiple lines = 30
- Unique metro stations = 250 – 30 = 220
- 1 ATM near every 2.5 stations
- Total ATMs = 220/2.5 = 88 ≈ **90**

Colleges

- 1 ATM around colleges
- No. of colleges=500
- % of colleges with/around ATM = 80%
- ATMs = 0.8 * 500 * 1 =**400**

ATMs with bank branch

- Population of Delhi = 30M
- Account Holders (90%) = 27M
- 1 bank branch for every 5000 people
- = 27 M/ 5000 = 5400 branches
- 1 ATM per branch = 5400*1 = **5400 ATMs**

Total = 32 + 40 + 500 + 70 + 90 + 400 + 5400 = 6532 ≈ 6500 ATMs

08

Estimate the value of UPI transaction in India

Clarifying Questions

1. Should we count only successful transactions or also attempted/ failed ones? **Successful ones only**

2. *Are we considering both Person to person (P2P) and person to business (P2B) transactions or only any one? **Both**

Assumptions

1. Ages 15-60 use digital transaction (60%)
2. Assumed varied UPI adoption rate from tier to tier due to varied digital infrastructure, economic activity level, cultural preference etc
3. Average transaction value and average weekly transaction frequency is the highest in tier 1 cities.
4. Average transaction value and average weekly transaction frequency is the lowest in tier 3 cities

Population of India = 1,400,000,000

Internet penetration rate: 65% * 1,400,000,000 = 910 M

Age divide (60%): 910 M* 60% ≈ 550,000,000

	Tier 1 Cities	Tier 2 cities	Tier 3 and Rural areas
Tier wise population	(20%) = 110 M	(30%) = 165 M	(50%) = 275 M
Digital payment adoption rate	(90%) ≈ 100 M	(80%) = 132 M	(50%) ≈ 140 M
UPI adoption rate	(90%) = 90 M	(80%) ≈ 105 M	(60%) ≈ 85 M

		Average transaction value	Avg weekly transaction frequency	Total transaction Value
Tier 1	*P2P transactions	100	5	90 M*100*5 = ₹ 72B
Tier 1	*P2B transactions	300	10	90 M*300*10 = ₹ 216 B
Tier 2	P2P transactions	70	3	105 M* 100* 3 = ₹ 31.5 B
Tier 2	P2B transactions	200	7	105 M* 400*2 = ₹ 84 B
Tier 3	P2P transactions	50	2	85 M*5*2 = ₹ 0.85 B
Tier 3	P2B transactions	120	3	85 M*200*1 = ₹ 17 B

Total Transaction Value = 72 B +216 B+ 31.5 B + 0.85 B + 17 B ≈ ₹ 340 B

09 Estimate the monthly revenue of Dominos' Pizza in Delhi

Clarifying Questions

1. Are we referring to any specific outlet or all the outlets? **All Outlets**
2. Are party/bulk orders taken? **Yes**
3. Are we assuming that all the outlets have same production capacity? **Yes**

Assumptions

1. All stores operate between 11AM to 11PM i.e 12 hours.
2. It takes 15mins to make 1 pizza
3. Average order preparation time is 15 mins and 5 orders can be made together.
4. Peak selling hours 5pm-9pm (4 hours); non peak hours: rest 8 hours
5. Land Area of Delhi is 1500 km^2
6. There is 1 outlet at every 5 km^2
7. AOV of party/bulk order = Rs 4000

Revenue = Total orders * Average Order Value (AOV)

Total orders = No. of hours * Production capacity/hr * Capacity utilised* No. of days * No of outlets

Area of Delhi (1500 km^2)

(60%) = 900 km^2	(40%) = 200 km^2
This part is considered to be inhabitable with easy access to markets	This part is assumed to comprise of slum areas, water bodies, forests, areas under construction etc

No of Outlets (1 outlet at every 5 km^2)	900/5 = 180 outlets
Production capacity per hour per store	(60/15) * 5 = 20 orders per hour

Day wise division	Week day (20 days in a month)		Week end (10 days in a month)	
Hour wise division	Peak hours (4)	Non-Peak hours (8)	Peak hours (4)	Non-Peak hours (8)
Production capacity utilised	70%	30%	90%	50%
Total Orders	4*20*0.7 *20* 180 = 201600	8*20*0.3*20*180 = 172800	4*20*0.9 *10*180 = 129600	8*20*0.5 *10*180 = 144000

Total orders = 201600 + 172800 + 129600 + 144000 = 648000 ≈ 650,000

Dividing total no of orders into	600,000 (no. of individual orders)		50,000 (no. of bulk orders)		
Average order Value	₹ 400		₹ 4000		
Revenue	400 * 600000 = ₹ 240 M	+	4000* 50000 = ₹ 200 M	=	₹ 440 M

Estimate the number of tourists in Udaipur in a day

Clarifying Questions

1. Are we considering peak season or non- peak season? **Peak**
2. Are we estimating arrivals in a day, or the number of tourists present on an average day? **Tourists present**

Assumptions

1. Assuming people visiting Udaipur stay overnight.
2. Luxury Hotels: 30 hotels, average 90 rooms each
3. Mid-Range Hotels: 50 hotels, average 100 rooms each
4. Budget Hotels: 100 hotels, average 50 rooms each
5. Airbnb: 100, average occupancy =8

Types of rooms: Luxury Hotels | Mid-Range Hotels | Budget Hotels | AirBnB

Type	People per room	Rooms	Total	Subtotal
Luxury Hotels (30)	4 people per room	40 rooms	Total: 40*4=160 people	160+100 =260 30*260= **7,800**
	2 people per room	50 rooms	Total: 50*2=100 people	
Mid-Range Hotels (50)	4 people per room	40 rooms	Total: 40*4=160 people	160+120=280 50*280=**14,000**
	2 people per room	60 rooms	Total: 60*2=120 people	
Budget Hotels (100)	6 people per room	20 rooms	Total: 20*5=100 people	100+75+45=220 100*220=**22,000**
	5 people per room	15 rooms	Total: 15*5=75 people	
	3 people per room	15 rooms	Total: 15*3=45 people	
AirBnB	5 people per BnB	40 BnBs	Total: 40*5=200 people	480+200=**680**
	8 people per BnB	60 BnBs	Total: 60*8=480 people	

Total = 7,800 + 14,000 + 22,000 + 680 ≈ 44,500

11 Estimate the market size of maternity clothes in India

Clarifying Questions

1. Are we considering teen pregnancies too? **No**
2. Are we considering factors like cultural differences, adoption, or surrogacy, which might influence the market size? **No**

Assumptions

1. 50% of the population is women
2. Assuming 20% women don't get pregnant during their lifetime owing to infertility, being unmarried, not wanting to have kids, widow in early age etc
3. In 1st pregnancy,
   upper class spends Rs 2,000 per item, buys 15 items on average
   Middle class spends Rs 1,000 per item, buys 10 items on average
   Lower class spends Rs 600 per item, buys 5 items on average
4. Assuming many women who have got pregnant before will reuse their maternity clothes from the 1st maternity cycle.
5. In 2nd pregnancy, only some women from:
   upper class will spend Rs 2,000 per item and buy 10 items on average
   Middle class will spend Rs 1,000 per item, buys 6 items on average
   Lower class will spend Rs 600 per item, buy 2 items on average.

Women getting pregnant during their lifetime (80%) = 560 M

= 168 M ≈ 170 M

They don't invest in maternity clothes

Age 0-18 (30%)	Age 18-35 (40%)	Age 35-60 (20%)	Age 60+ (10%)
≈ 50 M	≈ 70 M	≈ 35 M	≈ 15 M

Assuming 20% get pregnant in a year ≈ 15 M + Assuming 5% get pregnant in a year = 2 M = 17 M

Income wise division (of 17 M)	Upper Class (20%) = 3 M	Middle Class (40%) = 7 M	lower Class (40%) = 7 M
1st pregnancy (60%) =	= 3 M*0.6 = 1.8 M	= 7 M*0.6 = 4.2 M	= 7 M*0.6 = 4.2 M
% of new purchase made	100%	70%	50%
People buying new clothes	100% of 1.8M = 1.8 M	70% of 4.2 M ≈ 3 M	= 50% of 4.2 M ≈ 2 M
Total Spending	2000*15*1.8 M = **₹ 54 B**	1000*10*3 M = **₹ 30 B**	500*5*2 M = **₹ 5 B**
2nd pregnancy (40%) =	= 3 M*0.4 = 1.2 M	= 7 M*0.4 = 2.8 M	= 7 M*0.4 = 2.8 M
% of new purchase made	80%	40%	10%
People buying new clothes	80% of 1.2 M ≈ 1 M	40% of 2.8 M ≈ 1.1 M	10% of 2.8 M ≈ 0.3 M
Total Spending	2000*10*1 M = **₹ 20 B**	1000*6*1.1 = **₹ 6.6 B**	500*2*0.3 M = **₹ 300 M**

Market size = 54 B + 30 B + 5 B + 20 B + 6.6 B + 0.3 B ≈ ₹ 116 B

Estimate the number of badminton courts in Delhi

Clarifying Questions

1. Are we considering all types of courts or only a specific categories? **Assuming all types: public, private clubs, schools/colleges, and residential societies.**
2. Type of courts? **only permanent indoor and marked outdoor courts.**
3. Only NCR? **Delhi's administrative boundaries only.**
4. Are we including multi-sport courts? **Assuming yes, as long as the court can be used for badminton**

Assumptions

1. We are considering both operational and non-operational courts.
2. Population of Delhi is 30M

Categories of courts

Public Sports Facilities

- Eliminating BPL segment (10% = 30M) = 27M
- Age 7- 22 (20%) =5.4M | Age 22 - 40 (25%) = 6.7M
- People playing badminton: (50%) = 2.7M | (20%) = 1.5 M
- Using public sports facilities (30%)
- 30%* (2.7M+ 1.5M) = 1.26 M
- Assuming 5,000 people per facility
- Assuming 3 courts per facility
- =1.26M/5000*4 = 1008 courts

Private clubs/gyms

- Assuming 200 chain gyms and high-end fitness centers
- 10% will have a court = 20
- Assuming 500 private clubs
- Each having 4 courts on average
- Total = 500*4 =2000

School/College

- Population = 30 M
- School going (age 5-18) (15%) = 4.5M
- Urban (80%) = 3.6 M
- Those who go to school (80%) = 2.9 M
- 1 school = 3000 children
- No of schools =2.9M/ 3000 = 970
- Assuming 10% will have a badminton court = 97

Residential Societies

- Population = 30 M
- Urban (80%) = 24 M
- Upper and middle class (60%) = 14.4 M
- Households (/4) = 3.6M
- In societies (20%) = 0.72M
- Societies with badminton courts (5%)= 36,000

Corporate Spaces

- Assume 500 large corporate buildings
- 50% offer recreational activities
- 30 % will have badminton courts
- Taking 1.5 courts as average
- =500*0.5*0.3*1.5 = 112

Total courts = 1008 + 2000 + 97 + 36,000 + 112 = 39,217

13 Estimate the total amount of home loans distributed in India annually

Clarifying Questions

1. Should we consider only individual loans, or also include corporate/business loans? O**nly individuals**
2. What is the average family size? **4**

Assumptions

1. Due to more disposable income, high class people will opt for an expensive home, thus making the loan amount higher
2. Assuming, only people living on rent would be requiring a home loan since they have a house getting built
3. Not considering that people will would be taking loans for getting their 2nd or 3rd home built, since the percentage would be very less.
4. People in lower segment generally have ownership of small, family homes and since the prices are soaring, it gets difficult to buy/ reconstruct or renovate home.
5. Home loan penetration in Rural India is less than 5% and hence is ignored in this case for simplicity.
6. Loan tenure is adjusted to refinancing and early payments in some cases

Population of India: 1,400,000,000

- Urban (30%): 420,000,000
- Rural (70%): Assumed, they don't take home loans

		High (20%)	Middle (50%)	Lower (30%)
		84,000,000	210,000,000	126,000,000
	Households (4 people)	(÷ 4) 21,000,000	(÷ 4) 52,500,000	(÷ 4) 31,500,000
	Families living on rent	(10%) 2,100,000	(40%) 21,000,000	(50%) 15,750,000
	Eligible for home loan	(90%) 1,890,000	(80%) 16,800,000	(40%) 6,300,000
A	% of families having home loan	(80%) 1,512,000	(80%) 13,440,000	(10%) 630,000
	Average Loan tenure	12 Years	20 years	25 years
B	Fresh Loans % (1/tenure)	1/12 = 8.3 %	1/20 = 5%	1/25 = 4%
	Fresh Loans (A*B)	≈ 125,500	= 672,000	= 25,200
	Avg amount of loan	₹20 M	₹5 M	₹1.5 M
	Total Amount	**₹2,510 B**	**₹3,360 B**	**₹37.8 B**

Total amount of home loans annually: ₹2,510 B + ₹3,360 B + ₹37.8 B = ₹6 T

Estimate the number of breads ordered via BlinkIt in one day

Clarifying Questions

1. Are we considering all types of bread? like brown, white, multi-grain, etc. **Yes**
2. Are we considering all the sizes or any specific ? **All sizes**
3. What geographical area are we considering? **Delhi**

Assumptions

1. Households have the incentive and time to go for grocery shopping.
2. Assuming prime users of Blinkit are students
3. Everyone who has Blinkit downloaded on their phone does not always use it.
4. Only 1 packet of bread is ordered while ordering.

Population of Delhi = 30 M

Urban (80%) = 24 M

Internet Penetration (90%) ≈ 22 M

Rural (20%) = 6 M

Assuming quick commerce is not present

People living alone (30% of 22 M) ≈ 7 M

Who can afford Q.C (50%) = 3.5 M

Quick commerce adoption rate (80%) = 2.8 M individuals

BlinkIt's Share (45%) = 1.3 M

Active users (80%) = 1 M

Prime Users (60%) = 0.6 M

Order frequency in a week = 5

Orders for bread = 60%

Total Bread orders

=0.6 M* 5*0.6 = 1.8 M

Non-prime users (40%) =0.4 M

Order frequency in a week = 2

Orders for bread = 50%

Total Bread orders

=0.4 M* 2*0.5 = 0.4 M

Family (70% of 22 M/4) ≈ 4 M

Who can afford Q.C (60%) ≈ 2.4 M

Quick commerce adoption rate (70%) = 1.7 M households

BlinkIt's Share (45%) = 0.8 M

Active users (80%) = 0.6 M

Prime Users (60%) ≈ 0.35 M

Order frequency in a week = 3

Orders for bread = 60%

Total Bread orders

=0.35 M* 3*0.5 = 0.6 M

Non-prime users (40%)≈0.24M

Order frequency in a week = 1

Orders for bread = 50%

Total Bread orders

=0.4 M* 2*0.4 = 0.12 M

Total weekly orders for bread = 1.8 M + 0.4 M + 0.6 M + 0.12 M ≈ 3 M

Total daily orders for bread ≈ 3 M/7 ≈ 430,000

15 Estimate the footfall at Rajiv Chowk Metro Station

Clarifying Questions

1. Are we calculating hourly visitors or daily? **Daily.**

Assumptions

1. It is a normal working day(no weekends or special holidays around)
2. *Coaches per metro = 8 and gate per coach = 4. Total gates per metro = 8*4= 32
3. Assuming differently for peak and non peak hours
4. No of metro lines – 2 (yellow and blue line)
5. People entering per gate in a coach = People leaving per gate in a coach
6. People when exit a metro coach, they either board another metro or exit the station. Assuming that of total people who are exiting a metro gate, 20% go to another metro i.e 20% of the new entrants in each metro are the people coming from another metro line itself and hence will not be counted under unique footfalls

	Total operational hours of metro station = 18			
	Peak hours (6)		Non Peak hours (12)	
Number of metro lines	2		2	
2 directions per metro line, hence number of platforms	2*2 = 4		2*2 = 4	
Time taken per metro	5 minutes		10 minutes	
Total metros in one hour at 1 platform	60/5 = 12		60/ 10 = 6	
Total metros (hours*platforms* metro per platform)	6*4*12 =288		12*4*6 =288	
*Gates per metro	8*4 =32		8*4 = 32	
People exiting per coach gate	5		3	
Total exits from metro	288*32*5 = **46,080**		288*32*3 = **27,648**	
	Exit the station	Enter new metro	Exit the station	Enter new metro
	(80%) 36,864	(20%) 9,216	(80%) 22,120	(20%) 5,528
Total entries in metros	288*32*5 = **46,080**		288*32*3 = **27,648**	
	New at station	From other metro	New at station	From other metro
	(80%) 36,864	(20%) **9,216**	(80%) 22120	(20%) **5,528**

Total unique footfalls = Total Exits from metros + total entries in metro – boarding from one metro to another

Total unique footfalls = 46,080 + 27,648 +46,080 +27,648 - 9,216 - 5,528 = 118,000

Estimate the daily electricity consumption of Delhi in month of May

Clarifying Questions

1. Should we include only residential or commercial and industrial segments as well? **Only residential**
2. Should we consider non-electrified areas separately? **No**

Assumptions

1. Electricity Penetration-Urban areas: 90% and rural area: 80%
2. Household Size-Urban: average of 4 members, Rural: average of 5 members
3. Income Segmentation-Urban households are divided into high (20%), middle (50%), and low (30%) income groups. Rural households are divided into middle (30%) and low (70%) income groups.
4. It is assumed that each appliance is used 8 hours each day. The appliances can be used alternatively or at breaks/pauses, but the total duration limits to 8 hours. Also some might be used for a little more time and some for a little less, so 8 hours is taken as an average number.

Population of Delhi = 30M

Urban	Rural
Urban (80%) = 24 M	Rural (20%) = 6 M
Electricity penetration (90%) ≈ 22 M	Electricity penetration (80%) ≈ 5 M
Households (Average size 4) = 5.5 M	Households (Average size 5) = 1 M

Avg daily consumption

High Power Appliances (HPA)	Low Power Appliances (LPA)
= 1kWh each hour	= 0.1kWh each hour
Used for 8 hours each day	Used for 8 hours each day

	Income Groups	HPA	Power consumed (1 hr)	LPA	Power consumed (1 hr)	Total Power consumed
URBAN	High (20%) ≈ 1 M	7	7*1kWh = 7kWh	25	25*0.1kWh = 2.5kWh	(7+2.5)*1M*8 ≈ 76 M kWh
URBAN	Middle (50%) ≈ 3 M	4	4*1kWh = 4kWh	15	15*0.1kwh = 1.5kWh	(4+1.5)*3M*8 = 132 M kWh
URBAN	Low (30%) ≈ 1.5 M	2	2*1kWh = 2kWh	5	5*0.1kwh = 0.5kWh	(2+0.5)*1.5M*8 = 30M kWh
RURAL	Middle (40%) = 0.4M	2	2*1kWh = 2kWh	7	7*0.1kwh = 0.7kWh	(2+0.7)*0.4M*6 ≈ 6.5M kWh
RURAL	Low (60%) =0.6M	1	1*1kWh = 1kWh	3	3*0.1kwh = 0.3kWh	(1+0.3)*0.6M*6 ≈ 5M kWh

Total = 76M + 132M + 30M + 6.5M + 5M ≈ 250 M kWh

The following cases have been curated and prepared by senior consultants at 180 Degrees Consulting, Gargi College (final-year students). These cases are not actual transcripts of interviews of selected candidates. However, the structure and style of the questions are aligned with those typically asked in top-tier consulting firms such as McKinsey & Company, Bain & Company, ZS Associates, BCG, Kearney and others ***and the transcripts have been meticulously checked by the people from such consulting firms working at various hierarchical levels across industries.*** *In the preparation of these cases, we have referred to and drawn insights from over 40-50 casebooks and resources from prestigious institutions, including: Insead, McCombs Texas, FMS Delhi, ISB, IIM Ahmedabad, IIM Calcutta and other leading global consulting prep materials.*

CRACKING THE CASES

CRUCIAL GUIDE FOR CASE INTERVIEWS

Case interviews simulate real-world business problems to test how you think, structure, and solve. You're expected to analyze a situation, derive insights, and give recommendations, all while thinking aloud.

DO's

- Prioritize value-driven issue and explain your logic.
- Think before you speak- be clear and structured.
- Ask clarifying questions
- Be transparent in reasoning and welcome discussion.
- Ensure it is a two-way discussion, share your thought process, and validate each step collaboratively.
- Explore creative ideas
- Calculate quickly and accurately, don't obsess over numbers.
- Draw conclusion from your analysis.
- Practice mock interviews to sharpen your skills.

DON'Ts

- Avoid rushing into analysis without fully grasping the problem.
- Do not rigidly follow a framework if it doesn't fit the case.
- Refrain from defending a solution blindly. Be open to alternative perspectives and interviewer's feedback/insights.
- Don't assume a familiar-sounding case requires the same approach as before. Tailor your strategy accordingly.
- Hide your thought process.
- Worry too much about the final answer. Approach matters!

HOW TO PRACTICE

1. **Master core frameworks** (PESTEL, BCG, Ansoff, 4Ps) and know when to apply them.
2. **Develop structured thinking** using MECE, 5 Whys, and issue trees.
3. **Start with basic cases** like profitability and market sizing before progressing to M&A and PE.
4. **Adapt frameworks to context**- don't apply them rigidly. Be flexible with their application and structure
5. **Understand key industries**- their value chains, revenue models, cost drivers, trends etc.
6. **Practice smart**- practice cases with a peers (generally group of 3 is preferred), tracking progress using "case preparation matrix", and evaluating performance using the evaluation sheet.
   Remember: Quality of cases > Quantity of cases

HOW TO GO ABOUT A CASE

Understand the case:

- Restate the problem to ensure clarity.
- Ask broad, clarifying questions first.
- Don't jump to conclusions too early.

Build a Structured Framework

- Outline your approach before analyzing.
- Each case is unique, hence avoid a one-size-fits-all framework.
- Use the **MECE** principle (Mutually Exclusive, Collectively Exhaustive) to stay organized.

Analyze: Qualitative & Quantitative

- Structure your analysis clearly.
- Ask targeted questions to extract data.
- Walk the interviewer through your logic and validate your calculations.

Conclude with Recommendations

- Summarize your takeaways before closing.
- Present feasible and well-reasoned recommendations.
- Highlight risks, next steps, and alignment with business goals.

Quick Ways To Structure

The BOTM Framework for Question Clarification

The framework helps clarify vague case prompts by systematically understanding the key dimensions of the problem

Business
What is the business model?
Products/services being sold?
How do you earn money?

Objective
What is your key objective?
What is your success metric
(e.g., revenue, profit, market share)

Timeline
Timeframe for implementation?
Are we looking at short-term or long-term solutions?

Market
What geography are we focusing on?
What market segment are we targeting?(e.g., luxury, mass market)

Example: How can a 27-store apparel and home goods retailer reverse a 3-year profit decline by improving in-store customer conversion rates to achieve 15% profit growth in the next 12 months.

Key Words	Clarifying Questions	Specific Answers
"Improve"	"What is your metric for success?"	"Increase profit by 15% within 12 months"
	"What is your specific objective?"	"Reverse 3-year consecutive profit decline"
"Business"	"What does your retail chain sell?"	"Mid-priced apparel and home goods"
	"How many locations do you have?"	"27 stores across 4 Northeastern states"
	"Which area needs most improvement?"	"In-store customer conversion rate"

The "So What?" Test for prioritisation of factors

The "So What?" test helps you prioritize your analysis by focusing on elements that directly impact your recommendation. For each component in your structure, ask: "So what does this mean for my recommendation?" If you can't answer clearly, reconsider its inclusion.

Before applying the "So What?" Test

Market size
Customer demographics
Competitor landscape
Regulatory considerations
Logistics feasibility
Marketing strategy
Financial projections

The "So What?" Test

After applying the "So What?" Test

Market profitability (Is there enough demand for sustainable growth?)
Competitive intensity (Can we differentiate from existing players?)
Logistics feasibility (Can we efficiently deliver within required timeframes?)
Cost structure (What will it take to break even and scale profitably?)

Quick Ways To Structure

Hypothesis Trees for factoring

It lets you map your thinking process, starting with a main hypothesis that branches into supporting hypotheses and the analyses needed to test them. This approach ensures a clear line of sight between your analysis and recommendation.

Case Statement	A beverage company wants to introduce a new product. Should they proceed?
Hypothesis 1	The new product has sufficient demand
Supporting Analyses	Market research data on customer preferences Sales performance of similar products Trends in consumer health consciousness
Hypothesis 2	The company has the capability to launch successfully
Supporting Analyses	Production scalability assessment Distribution network strength Marketing reach and budget
Hypothesis 3	The financials justify the investment
Supporting Analyses	Expected revenue vs. cost projections Break-even analysis Pricing strategy evaluation

The 5-Minute Structure Maximiser

This rapid technique ensures your structure is comprehensive and tailored to the specific case, rather than a generic framework. It involves brainstorming

Brain Dump (2 minutes)	Customer preferences, food costs, Rent increases, staff turnover, Online delivery services, New competitors, Menu complexity, Pricing strategy, Marketing effectiveness, Economic downturn, Operational inefficiency, Location performance differences, Quality consistency, and Supplier relationships.
Group into categories (1 minute)	1)**Revenue drivers:** Pricing, customer volume, product mix 2)**Cost structure:** Food costs, labor, rent, other fixed costs 3)**Operational efficiency:** Service speed, quality consistency, staff productivity 4)**External market factors:** Competition, economic conditions, consumer trends
MECE check (1 minute)	1)Ensure "revenue drivers" do not overlap with "external market factors" 2) Add "brand positioning" category to address marketing considerations
Prioritization (1 minute)	1)**Cost structure** – Highest impact on immediate profitability 2) **Revenue drivers** – Critical for long-term sustainability 3) **Operational efficiency** – Multiplier effect on other categories 4) **External market factors** – Important context but less control 5) **Brand positioning** – Longer-term consideration

Final Structure:

The fitness chain should focus on improving customer retention strategies, adapting to digital fitness trends, and optimizing operational efficiency to reverse membership declines.

CASE PREPARATION MATRIX

This tracker helps you monitor your exposure across case types and industries by noting whether you've attempted, observed, read, or been asked a particular case. Use it to identify gaps in your preparation, diversify your practice, and ensure balanced readiness across formats like profitability, market entry, M&A, and more.

Industries/Case Type	Profitability (Reducing costs/ Increasing Sales)	New market entry	Growth Strategy	Pricing Strategy	Industry Analysis	M&A	New product development	Unconventional
Automotive								
Biopharmaceuticals								
Consumer Products								
Education								
E-Commerce/Quick Commerce								
Energy & Environment								
Engineered Products & Infrastructure								
Financial Institutions								
Health Care Payers & Providers								
Insurance								
Media & Entertainment								
Medical Devices & Technology								
Metals & Mining								
Principal Investors & Private Equity								
Process Industries & Building Materials								
Public Sector								
Retail								
Social Impact								
Technology Industries								
Telecommunications								
Transportation, Travel & Tourism								

Type/No.	3 or more	2	1
Attempted			
Asked			
Observed			
Read			

Source: Shared by Kashish Malhotra.
Check here.

INTERVIEW PERFORMANCE EVALUATION

Candidate ____________________

Interviewer ____________________

Interview Date ____________________

Interview Round 1st ☐ 2nd ☐

Probing
Identifies relevant questions, frames the questions well ☐

Structuring
MECE, Relevant, Logical sequence, Actionable goals ☐

Analytical Thinking
Identifies key issues, prioritizes, Identifies data requirements, Identifies implications, demonstrates creativity ☐

Math
Formulates efficient equations, does error -free calculations, reads charts effectively ☐

Communication
Top-down, crisp, demonstrates active listening, comfortable in thinking out loud, delivering strategic recommendations ☐

Attitude
Positive, demonstrates confidence, showcases problem leadership ☐

Source: Being Consultant

PROFITABILITY CASES

PROFITABILITY FRAMEWORK (1/3)

In a profitability case, the problem given by the interviewer usually requires the interviewee to diagnose and address issues related to a company's profits. For example- **“The profits of XYZ company have dropped by N%. Analyze the reasons for the same and recommend solutions.”**

Preliminary Questions

Company
- Part of the value chain
- Magnitude of drop
- Time frame of decline
- Geography of operations
- Business Model (B2B vs B2C)
- If profits are declining or profitability

Competitors
- How many
- Relative market share
- Industry-wide vs firm-specific
- New entrants
- Substitutes

Customers
- Any specific segment (age/income/gender)
- Point of sale (online/offline)

Product
- Product portfolio
- Business model
- Revenue streams
- Differentiation from competition
- Product lifecycle stage

Basics

- **Profit** = Revenue – Cost
- **Revenue** = Units sold * Price per unit
- **Revenue** = Market size * Market Share * Product Price
- **Total Cost** = Fixed Cost + Variable Cost
- **Fixed Cost per Unit** = Total Fixed Costs / Units Produced (Decreases as production increases, as FC is constant.)
- **Variable Cost per Unit** = Total Variable Costs / Units Produced (Proportional to units produced.)
- **Profits** declining, or **profitability** affected are two different things. Profit implies a difference in Revenues and Costs, while Profitability is a measure of profit margin.
- **Gross Profit:** (Direct profit after subtracting production costs)
  Gross Profit = Revenue − COGS
- **Gross Profit Margin** = (Gross Profit / Revenue) × 100

Cost

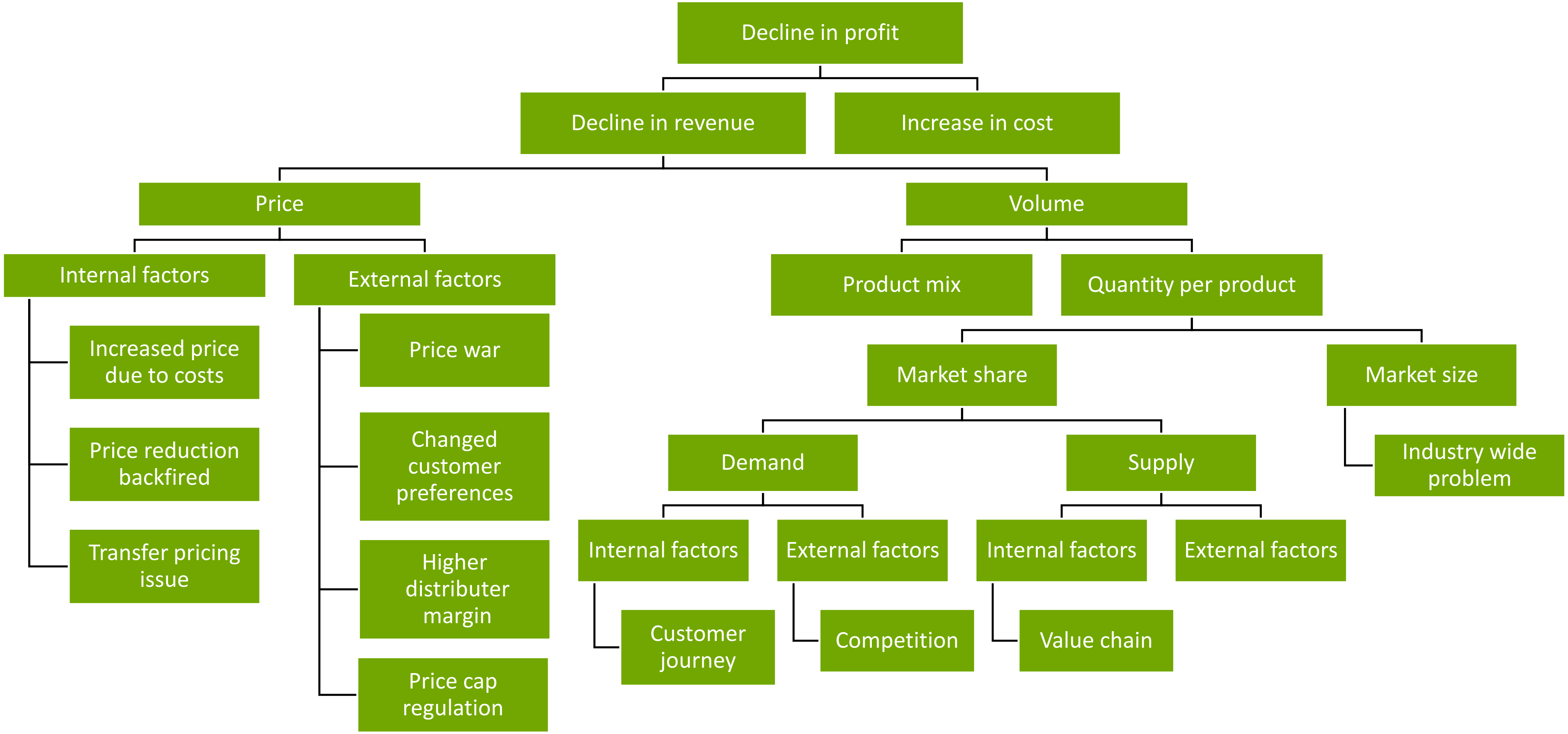
If as per income statement, division of fixed and variable costs, or at any step in value chain, one particular head has the highest % say 50% or more then you can ask the interviewer that you would want to look at this head to start with.

Many a times there might not be one major head and there could be two heads with 30%-30% split. In these cases, you’ll need to explore both heads and also see that the profitability decline could be partly because of one and partly because of another.

Tips

- Try to break down the problem using **formulas** wherever possible.
- You’re free to make **assumptions** but make sure to state them clearly.
- Wherever relevant, use the **industry value chain**. Prior knowledge about the industry will certainly get you **brownie points**.

PROFITABILITY FRAMEWORK (2/3)



NOTE : Revenue equals price × volume. A decline may occur due to:

1. **Falling Prices:** e.g., price drops from ₹50 to ₹45 while volume remains constant.
2. **Falling Volume:** e.g. volume decreases from 100 units to 90 while price remains ₹50.
3. **Both Declining:** e.g. price falls from ₹50 to ₹45 and volume drops from 100 to 90.
4. **One Rising, One Falling (Proportional Impact):** e.g. price rises from ₹50 to ₹55, but volume falls from 100 to 80, causing an overall decline.

PROFILABILITY FRAMEWORK (3/3)

- Increase in cost
  - No of units
  - Type of costs
    - Fixed costs
      - Land
      - Building
      - Salary
      - Equipment
      - Furniture
      - Machinery
      - Warehouses
      - Fixed charges
    - Variable costs
      - Raw material
      - Transportation
      - Processing
      - Packaging
      - Storage
      - Distribution
      - Marketing
      - After sales

In case of an industry wide problem

1. **Task environment factors** refer to the external elements of a business's environment that directly affect its day-to-day operations and performance. These are more immediate and specific than the broader external environment.

2. For any type of business environment analysis, PESTEL analysis can be done. For in-depth understanding.

- Industry wide problem
  - Task environment
    - Competitive dynamics
    - Suppliers
    - Substitutes
    - New entities
    - Customers
    - Contemporary
  - Macro environment

Where Did Our Patients Go?

Your client is an established hospital chain in India that has been experiencing a decline in profits. You have been hired to assess the issue and provide recommendations

I would like to begin by asking a few clarifying questions to better understand the root cause of the decline in profits. Could you please specify the locations where the client operates in India?

The client has hospitals across India.

Is this issue affecting all hospitals in the network, or is it concentrated in a particular region?

The decline in profits is specifically observed at the hospital in Delhi.

Have other hospitals in Delhi faced similar challenges, or is this issue unique to our client? In other words, is this an industry-wide trend or a company-specific problem?

Other hospitals in Delhi have not experienced a similar decline in profits. This appears to be a company specific issue.

Understood. Could you provide further details regarding the magnitude of the decline and the duration for which this trend has been observed?

The hospital has experienced a 5-10% decline in profits over the past two months.

Thank you for the clarification. I will now proceed with my analysis. A decline in profits can be attributed to either a reduction in revenue or an increase in costs. Would you like me to focus on a particular aspect?

Revenue has remained stable. The issue primarily stems from a sudden increase in costs.

Noted. Costs can generally be categorized into fixed and variable costs.

- Fixed costs include expenses such as rent, machinery, software, furniture, and infrastructure.
- Variable costs depend on the size of output, for example medical supplies, patient facilities etc.

Could you indicate which specific category has deviated from its usual levels?

The increase has been observed in fixed costs.

Fixed costs can be further classified into expenses related to land, buildings, salaries, equipment, furniture, machinery, warehouses, and other infrastructure. Which of these components has been most affected?

That is a well-structured breakdown. The primary issue lies in increased equipment costs.

Equipment costs can be further divided into hardware and software expenditures. Has the increase been driven by one of these specifically?

Yes, software-related costs have increased significantly.

Understood. Since software costs have increased, there are two possible explanations:
1. The hospital is utilizing the software for a longer duration than before.
2. The volume of work performed by the software has increased.

Given that revenue has remained stable, it would be reasonable to infer that the increase in costs is due to prolonged software usage. Would you agree with this approach?

Where Did Our Patients Go?

That is a valid assessment. Please proceed.

Could you clarify the hospital's payment structure for software usage? Is the cost determined by the duration of use or the number of tasks performed?

The hospital is charged based on the duration for which the software is in use.

If costs have increased due to extended software usage, this could be a result of:
1. A decline in the efficiency of the software itself.
2. A reduction in staff efficiency, potentially due to skill gaps or operational inefficiencies.

Has there been any recent change in staff, or has there been a shift in workload distribution?

No, the staff composition and their skill levels have remained consistent. They continue to operate the software as they did previously.

Given this information, we can conclude that the primary case of increased costs is reduced efficiency and prolonged processing time within the software itself

That is correct. What recommendations would you propose to address this issue?

Based on my analysis, I would suggest the following strategies:
1. Renegotiate the software contract: Transition from a time-based pricing model to a task-based model.
2. 2. Explore alternative software providers: Identify vendors offering more efficient technology that optimizes processing time while maintaining cost-effectiveness.

These are great recommendations. We can conclude the case here, thank you.

From Runway to Riches

Our client Violet Airline has seen an unusual increase in profitability. We need to determine the reasons behind this change.

I would like to begin by asking some preliminary questions to better understand the situation.

Sure, please go ahead.

Has this increase in profitability been observed across the entire industry or is it specific to our client?

The increase is specific to our client.

Understood. Since profitability is derived from profit divided by revenue, this increase could be attributed to a change in either profits or revenue, or both. Where would you like me to focus?

Please examine the revenue streams to identify the root cause.

Certainly. I propose segmenting the client's revenue into the following categories: ticket revenue, cargo services, in-flight catering, advertisement, and in-flight entertainment. Does this approach seem reasonable to you?

Yes, that includes all relevant revenue streams. Please proceed.

To begin, I would like to analyze ticket revenue. Ticket revenue can be expressed as:
Ticket Revenue = Price per ticket × Number of flights × Number of seats × Occupancy rate.
Do we have information on any of these factors?

The ticket revenue has remained constant. Please explore other revenue streams.

Understood. Let us examine cargo services next. Has the client made any changes in terms of business diversification, such as increasing the number of planes or expanding coverage areas?

No, cargo services remain unchanged.

Noted. How about revenue from advertisements? Has there been any change in this category?

In fact, there has been a reduction in advertisement revenue

What changes have been made to the advertisement services?

Previously, advertisements were displayed on the back of airplane seats by a third-party company. They have now been replaced by advertisements for the client's own in-flight app.

Interesting. Could you elaborate on the services offered through the in-flight app?

The app provides a wide range of services, including taxi and hotel bookings, renting movies, ordering food in-flight, shopping, and offering assistance such as wheelchair bookings and airport services.

That is an excellent initiative. To assess the increase in revenue, has there been a notable rise in the usage of the in-flight app services? May I consider this app as part of the in-flight entertainment category?

From Runway to Riches

Yes, you may include the app as part of in-flight entertainment. There has been a significant increase in revenue from app-based services and bookings.

Understood. Could you share the revenue distribution among the various in-flight app services?

The revenue split is as follows:

- **Taxi bookings: 10%**
- **Hotel bookings: 15%**
- **Renting movies: 5%**
- **Ordering food: 30%**
- **In-flight shopping: 40%**

It is evident that the majority of revenue comes from in-flight shopping. When was this feature introduced?

It was launched alongside the new advertising campaign I mentioned earlier.

That aligns perfectly with the timeline. Based on this information, we can conclude that the unusual increase in profitability is primarily driven by revenue from in-flight shopping through the newly introduced app.

That is correct. What recommendations would you suggest to sustain this revenue growth and maintain profitability?

I would recommend the following:

1. Enhance user engagement with the app by introducing attractive offers and promotions.
2. Collaborate with additional brands to expand the variety of services offered through the app.
3. Regularly update the app to ensure it remains user-friendly and incorporates the latest features.
4. To offset the reduced advertisement revenue, consider offering ad space on the app to external companies.

Great suggestions. Thank you for your analysis. We can now conclude the case.

More Watts, Less Power

Your client is an electronics business in India. Their revenue has been increasing, but their profit margin is declining. How would you approach this problem?

Before breaking down the problem statement, I would like to ask some clarifying questions.

Sure.

Where does the company lie in the value chain? And what are its key product

They do not manufacture but source from suppliers, and primarily sell consumer electronics- smartphones, laptops, accessories etc.

Alright. What is the magnitude of the decline in profit margin and over what period.

Over the last quarter, total revenue and profits have increased, but profit margin has shrunk by 5 percentage points.

Okay. Is this trend specific to our company or prevalent across the whole industry i.e., in case of any external factors affecting profitability, such as regulatory changes or economic shifts?

The trend is specific to our company.

And is the trend limited to a specific geography or a specific mode of sales i.e online/offline?

Seen across both online & offline sales, pan India.

Got it. Before diving into the reasons for profitability decline, I'd like to assess the reasons for growth in revenue. It could be due to increase in the volume of sales or increase in price per unit.

Revenue growth is from higher sales volume, prices are unchanged and remain competitive.

Is the sales volume increase attributed to a specific product line or the entire product mix?

The company has been selling more budget smartphones and accessories than before whereas sales in other products have remained stagnant

Do we have any insights into the contribution of these products to overall profit?

The budget smartphones and accessories contribute to 70% of the sales volume, but only account for 40% of the profit.

Ok. Based on that, can we infer that one or more of these reasons have led to the overall declining profit margin?
1. Have the costs associated with these products increased while their prices have remained constant, thereby reducing per-unit margins?
Or
2. Are these smartphones and accessories inherently low margin products? Since the company is selling more of these, the average profit margin of the entire product portfolio will drop.

Good analysis. The profit decline is due to low margins on these products. But the company has also seen a rise in costs during this period.

More Watts, Less Power

Alright. We can break down the company's cost structure across key functions which would be-
supplier costs, logistics, marketing, and post sales expenses. Has any of these seen a change?

Yes, so the company ramped up its advertising recently to target price-sensitive consumers leading to higher marketing costs. While this boosted sales of budget smartphones and accessories, it brought down the overall profit margin as these are low margin products. Can you offer some recommendations?

Sure. The company could renegotiate contracts with suppliers for budget products to lower unit costs, which would help improve margins. And to reduce marketing costs, more cost-effective advertising channels could be preferred.

Thank you. We can close the case here.

The Stream is Drying Up

Our client is an OTT player and they have recently been facing a decline in profits. You have to identify the reason for the same

Can you walk me through the client's business model? How does it compare to industry giants like Netflix and Amazon Prime? And do they produce original content?

Yes, their model is quite similar to Netflix, and they do offer original content.

Got it. So, when did they start experiencing a decline in profits?

The decline has been happening over the past quarter.

Is this an industry wide trend, or is our client the only one facing this challenge?

Actually, our client's competitors are seeing an increase in profits.

That's interesting. To better understand the decline, we can break down the profit formula:
Profit = Revenue - Costs.
Which area should we focus on?

Let's focus on the revenue part. Costs have been pretty much the same.

Ok. Revenue can be further broken down into average subscription fee per user and the number of users. Have any of these changed for our client or the competitors in the last three months?

Our client's user base has decreased, while their competitors' user bases have grown.

Okay, let's dive deeper into the Number of Users component. It can be broken into demand and supply related factors. Which area should we look into?

Explore the demand side factors.

I would like to break down demand into to need, awareness, affordability, accessibility, and quality of content. Need comes from people's interest in entertainment and online streaming.
Given that the competitors have seen increasing profits, I suppose need should not be a cause of the problem. Further, awareness is about how well people know the platform, which can depend on marketing i.e., if competitors are spending more, they could get more attention.
Affordability includes pricing, discounts, and offers that make the platform more or less attractive. Accessibility is about how easy the app or website is to use and whether it works smoothly. Lastly, content quality will affect the overall user experience because better shows, movies, and exclusive content help keep users engaged. Have there been any changes here?

So, for the last month, one of the competitors launched a promotion, offering 50% off to users aged 18-24, which is the main target market.

That's a key demographic. But you mentioned that this promotion only started last month while our client's decline began three months ago, there must be other factors at play. Would you like me to explore further?

Good observation. I would like you to explore the accessibility part further.

The Stream is Drying Up

Ok. Let's walk through the customer journey for that. First, the user downloads our app or visits our website. There could be problems like the app being too big to download or the website loading too slowly. Next, they sign up or log in, and if we ask for too many details, it might feel annoying. After that, they check our discounts and free trials, so things like the trial length, features, and perks matter. Finally, they browse content, but issues like buffering or bad recommendations can be frustrating. Have our competitors changed any policies,

We've received user feedback about slow app performance, especially during peak hours. Competitors, on the other hand, have recently improved their streaming technology, reducing load times and buffering.

That's crucial. In the OTT space, smooth streaming is a major factor in retaining users. Do we have insights into why our app is struggling? Some of the them can be:
server capacity issues, outdated technology, or an increase in traffic that we weren't prepared for?

Yes, our streaming servers haven't been upgraded in a while, and as user activity grew, the system couldn't handle peak-time demand.

That makes sense. If users face repeated buffering, they might not return, especially with other platforms offering a seamless experience. So I believe this is a major cause behind the decline in revenues. Do you want me to explore other aspects as well?

No, that's a good stopping point. We can close the case. Thank you.

P5 Beyond Shelf Life

Your Client is a chemical manufacturer company which produces chemicals used in food preservation. The client has been observing decline in profits since the past 3 years. How can you help them identify the root cause & recommend next steps?

I would begin by analyzing the overall industry. How many competitors are there? What is the client's market share? Is the decline in profit specific to our client, or is it an industry-wide issue?

The client's market share has increased from 30% to 40% over the past two years. At the same time, the number of competitors has declined, indicating that profit related challenges are affecting the entire industry.

Since profit is the difference between revenue and cost, should I start by examining revenue?

Go ahead.

Revenue can be broken down into average revenue per order and total order volume. Do we have any data on how these metrics have changed?

The average revenue per order has decreased, but the total order volume has increased. The overall market, including the client's business, is experiencing a decline due to shifting consumer preferences.

So, while the market is shrinking, our client is declining at a slower rate than competitors, which explains the increase in market share.

That's correct.

Now, I'd like to understand the cost structure. Have there been any significant changes in the client's costs?

No, costs have remained stable.

Since costs haven't changed, let's revisit revenue. You mentioned that the industry-wide decline is driven by changing consumer behavior. Could this be due to increasing awareness of healthier alternatives, leading consumers to move away from foods that require preservatives? Given this market decline, how have food manufacturers been impacted? Have they also experienced a revenue drop? If so, have they reduced prices as a result?

Yes, food manufacturers are also facing declining revenue. However, due to their strong negotiating power, they have managed to secure new contracts at lower prices for raw materials.

I see. So, as a result of these renegotiations, our client's revenue per order has decreased, while costs have remained unchanged, leading to a decline in profits.

That's correct. What steps would you recommend?

First, the client should explore cost optimization opportunities to improve profitability. If reducing costs is not feasible, they should consider collaborating with other industry players to renegotiate contract terms and adjust pricing. Additionally, diversifying the product portfolio beyond food preservatives could reduce dependence on a declining market.
Exploring other industries that require similar chemical products could present new growth opportunities.

Thank you. We can close the case here.

Brewing the Truth

There are two beer breweries: Beer A, which is commonly available at affordable prices, and Beer B, which markets itself as premium, brewed with mountain water. Both have stable revenue growth. However, Beer A consistently shows moderate profit growth, while Beer B's profits have been declining. You are required to analyze why this is happening.

I would like to ask some preliminary questions. How long have the profits for Beer B been declining and by what margin?

Beer B's profits have been declining over the last 2-3 months by close to 10%, while Beer A continues to maintain stable profits.

And are both these breweries operating in the same geography or different areas?

Both breweries have manufacturing units distributed nationally. For sales they focus on Tier 1 cities.

Got it. What is the market share of Beer B? And does it have multiple product lines, or is it focused on a single product?

Beer B offers a single premium product. Let's say its only prominent competitor in the market is Beer A.

Ok, and we know that the decline in profits is specific to Beer B and not the whole industry. Is that correct?

That's correct.

So, since Beer B's revenue growth is stable, may I proceed with investigating its costs to identify the root cause of declining profits?

Yes, you can proceed with costs.

I'd like to divide costs into fixed and variable components. Fixed costs for Beer B would include rent, equipment, warehousing, R&D, and fixed salaries. Variable costs would cover raw material procurement, processing, packaging, distribution, logistics, marketing and after-sales expenses. Do any of the aforementioned categories show increased costs?

Yes, inbound logistics have become more expensive

Inbound logistics would involve sourcing and transporting raw materials to the manufacturing units. Should I delve deeper into the procurement process?

Go ahead.

As far as I know, the primary raw material for beer production is water, alongside malt, yeast and other ingredients. For Beer B, can I assume that these are outsourced rather than produced in-house? If yes, keeping in mind the brand's positioning, it would also make sense to assume that these raw materials are sourced at premium quality. Does that sound reasonable?

Those are fair assumptions. Beer B's key raw material is premium mountain water, sourced externally. Focus on that.

Understood. With respect to mountain water, has the per-unit cost of procurement from suppliers increased? Or is the company sourcing higher quantities than before for the same level of output?

Brewing the Truth

The per-unit cost has increased.

Given that it is a company specific problem, it would make sense to assume that competitors are relying on local water and thus not facing similar cost hikes. For Beer B, the rise in costs could be due to change in its suppliers, or geographical limitations associated with mountainous regions, such as any recent natural disruptions hindering the sourcing process, or seasonal difficulties in transportation.

Good analysis. Seasonal dry periods over the last 2-3 months have made sourcing complex for the suppliers and subsequently the procurement has become expensive for the company. Can you suggest possible solutions?

Sure. In the short term, the company can look into partnerships with nearby suppliers who can provide similar quality water during dry seasons to reduce immediate cost spikes. In the long term, it can invest in water storage infrastructure and use demand forecasts to stock mountain water during periods of high availability

Great. We'll close the case here. Thank you.

P7 Threading the Needle

Your client is an apparel company in West Asia with a trade mindset. They want to reduce their prices and are looking to cut costs to achieve this. How should they proceed?

So, our client is an apparel company operating in the Middle East and wants us to develop a cost-reduction strategy. Could you clarify what exactly is meant by a trade mindset?

The client procures finished goods from manufacturing hubs and supplies them to retail stores in West Asia, primarily UAE.

Okay, so they specify their requirements to manufacturers and then sell the finished products to retail stores. In that case, I'd like to understand the types of products they sell and their sourcing locations.

That's correct. They sell cotton apparel and source from manufacturing hubs in India and Bangladesh.

Before analyzing their operations, I'd like to understand their motivation for reducing prices. Why do they want to cut costs to achieve this? Also, is there a specific timeline for these cost reductions?

Demand in these countries has declined due to an economic slowdown and shifts in consumer spending. The client believes reducing prices will improve sales. However, they don't want to significantly reduce profit margins, which is why they are focusing on cutting costs. They prefer quick reductions but are open to both short- and long-term strategies.

I'm mapping out the company's value chain and cost components. As I see it, the process includes procurement from manufacturers (inbound logistics), transportation to the West of Asia, storage, distribution, and retailing. Additional costs could include marketing and administrative expenses. Should I analyze cost-saving opportunities across all these areas?

That approach makes sense. However, let's focus on procurement, inbound logistics, and distribution. Assume that marketing and administrative costs are already optimized.

Understood. Procurement costs can be influenced by three factors: raw materials, design complexity, and manufacturer selection. Design complexity impacts labor and machinery costs, while manufacturer choice affects margins, operational efficiency, labor costs, and rent based on location.

How can the client reduce these costs?

A major cost component is raw materials. If they currently use high-quality cotton, switching to a lower GSM fabric would significantly cut costs. This shift is unlikely to affect demand much, as the economic crisis has altered consumer preferences, shoppers may now be more willing to accept lower-quality apparel. Further, reducing design complexity will lower labor and machinery costs. The company could also explore sourcing from manufacturers with lower margins or those located in regions with lower operational expenses. Even if this results in a slight drop in quality, changing preferences suggest that customers would still accept the products.

Threading the Needle

These suggestions align well with consumer behavior. You were also correct about raw materials- they account for 60% of the client's procurement costs. Are there other areas where costs could be reduced?

Yes, we should also look at inbound logistics. Assuming procurement volume remains unchanged, logistics costs depend on shipment distance and mode of transportation. One way to cut costs could be by sourcing from locations nearby. This would reduce transportation expenses and lower storage costs since shorter lead times would mean less inventory needs to be maintained. However, two things to keep in mind here- raw materials in these regions would be costlier than in India and Bangladesh, & in the long run as sales increase, economies of scale could lead to natural cost reductions in procurement and logistics within India and Bangladesh. So, for this, the trade-off would need to be evaluated thoroughly through a cost-benefit analysis.

That's a good point. Let's assume that, even after factoring in potential future savings from economies of scale, sourcing from nearby locations still results in a net cost reduction. Can you summarize your final recommendations?

Sure. In the short term, the client should shift to lower-cost raw materials, such as lower GSM cotton. In the long term, they should consider sourcing from manufacturing hubs nearby or investing in developing local production capabilities if financially viable. This would help reduce both transportation and warehousing costs.

Alright. We can end here. Thank you

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Banking on Solutions

Your client is a commercial bank that has seen a 10% decline in revenues over the last few months. How would you approach this?

I'd like to ask some clarifying questions before proceeding. Where is the bank located?

The bank is based in Delhi.

Is this decline happening across all branches in Delhi or only specific ones?

The problem exists in all major city branches of the bank.

Have other commercial banks been facing a similar decline, or is this specific to our client?

It's been a trend in several commercial banks in the region, not just this one.

So that means it's an industry wide problem likely due to changes in the macro environment?

That's right.

Since a bank earns money from multiple sources, do we know which one has been affected the most? Some key revenue streams for a commercial bank would be- Interest on loans, service fees & penalties like charges on late payments, fee from locker rentals, and revenue from other services like wealth management, insurance sales, etc.

Good breakdown. The decline has been in interest earned on loans.

Alright, so interest on loans can be further broken into-
Interest on loans = Amount of Loans Given × Interest Rate × Percentage of interest collected
Do we know whether the issue lies in fewer loans being issued by banks or changes in the interest rate?

Let's explore amount of loans and the interest rate.

Ok. Amount of loans given depends upon deposits held by the bank and interest rate is dependent on external factors. Since this is an industry wide issue, should we explore economic & regulatory factors to further dissect both of them?

Go ahead.

We can look into monetary policy changes by the RBI, fiscal policy changes, or any recent market trends such as global recession.

Let's focus on monetary policy changes.

Monetary policy changes include adjustments to the repo rate, reverse repo rate, cash reserve ratio (CRR), and statutory liquidity ratio (SLR), all of which impact a bank's lending capacity and deposit inflows. Do we know if any of these monetary policy levers have changed recently?

Yes, the RBI has increased the repo rate multiple times over this period. What could be the reasons necessitating this step?

Banking on Solutions

The RBI typically increases the repo rate as a measure to control inflation, which aligns with the current scenario.
When the repo rate increases, banks raise lending rates, making borrowing more expensive. This discourages individuals from taking loans and thus reduces interest income for banks. Further in an inflationary environment, household disposable income shrinks which reduces people's ability to save. So, the repo rate hikes would lead to a double impact- loan demand has fallen due to higher borrowing costs, and deposit growth has slowed due to inflation. This would ultimately result in lesser revenue for the banks.

Spot on. Do you think economic factors alone would lead to a 10% decline in revenues? Are there other factors to consider?

We can further look at changes in customer spending habits, if any, that could reduce their deposits or reduce their demand for loans.

Customers are depositing less. Let's explore reasons other than economic changes.

Alright. So,
Deposits = Income Earned × Savings Rate
Do we have any insights into which customer segment has been depositing less? We can analyze based on factors like age, income levels, occupation, etc.

Yes, the biggest decline has been among people aged 20 to 35.

As far as my knowledge goes, employment rates and salary trends have remained relatively stable, especially in sectors like IT, finance, and startups where young professionals dominate so would it be fair to assume that people are choosing to save less of their income?

That's correct. People in this age group are saving less than before.

I can think of a few reasons for this-

- Younger individuals today are more financially aware and prefer high-return investments like mutual funds and SIPs over traditional savings accounts.
- Increased spending by the youth has led to higher expenses and lifestyle inflation, leaving less money for savings.
- Another factor could be that many companies have salary accounts tied to competitor banks.

Great. People are investing in mutual funds and SIPs instead of keeping their money in savings accounts. Can you suggest some solutions?

That's a key shift in consumer behavior. To address this shift, the bank could introduce its own mutual fund and SIP investment platform for customers of this age group and it can look at targeting people of other age groups. Diversifying investment options, such as gold-backed savings plans can also attract deposits.

Good work! We can wrap the case. Thank you.

PRICING CASES

PRICING FRAMEWORK (1/4)

In a pricing case, the objective is to develop a **methodology for pricing a product**, considering the **company's objective, product features**, and **market environment.** This involves identifying the pricing problem, conducting market sizing if required, and applying a relevant pricing method.

Preliminary Questions

Industry & Company Objective:
- Which industry
- What is the company's goal

Customers:
- Who is the customer in the supply chain
- Target demographics

Product:
- Features: Single product or product line
- Luxury or necessity
- Patented or easily imitated
- Substitute products available
- Unique value proposition

Competition:
- Who are the competitors
- How are competitors pricing
- How is the product different
- Is the firm aiming for a price war

Market Dynamics:
- Market demand and trends
- Pricing flexibility or constraints
- Who are the key suppliers of our product in the supply chain
- Does the firm want to grow the market share or top line or bottom line

General Tips

- Value-based pricing can be tricky. It is up to your creativity to calculate how much value a product or service adds to the customer's life.
- Many pricing problems are masked 'market size' estimation problems. When the conversation goes in that direction, ensure you specify that you'd calculate the market size before pricing the product.
- There's no single price – always offer a price range.
- Mention about sensitivity metrics in calculations for brownie points.
- Think about competitive reaction in the market.
- Topics like bundling and other innovative prices (discount scheme etc.) will fetch brownie points.

Framework To Follow

Understand the Problem → **Analyse Factors** → **Develop a Pricing Strategy** → **Deliver the Recommendation**

Understand the Problem

Bidding, Auction, Straightforward pricing, Market entry with pricing

Analyse Factors

Product, Company, Costs(Internal factors) Competitors, Substitutes, Customer, Environment (external factors)

Develop a Pricing Strategy

Establish Price Floor, Establish Price Ceiling, Determine Optimal Price

Deliver the Recommendation

Clear, actionable pricing strategy aligned with business objectives

PRICING FRAMEWORK (2/4)

Pricing Strategies/ Models

Internal Looking

Cost-Based Pricing (Penetration pricing)

Identify all types of costs

Fixed- R&D, Setup costs, Rent

Variable- Raw material, Labour, Overheads

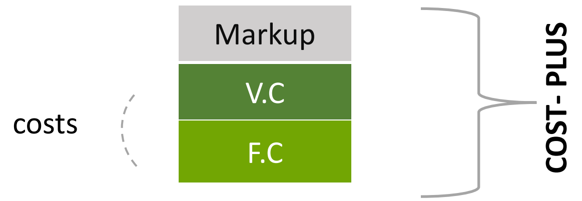
Set the Minimum Price

$$= \textbf{VC /unit} + \frac{\textbf{Total F.C.}}{\textbf{Units to recover the F.C.}}$$

Any price below this would imply costs to be greater than revenues leading to losses.

Determine the Selling price

Minimum Price + Desired profit Margin(%)



External Looking

Value Based Pricing (Price Skimming)

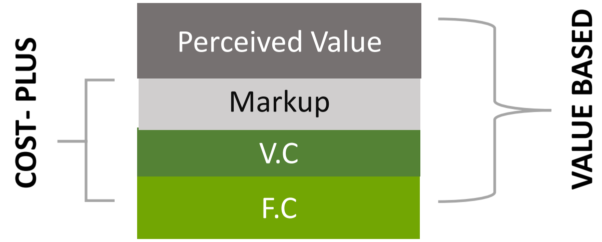
Evaluate Opportunity Costs w.r.t

- Substitutes
- Competitors

Determine Willingness to Pay (WTP)

Sets the Maximum Price at which the consumer would we ready to buy the goods/ services.

$$\textbf{WTP} = \frac{\textbf{Max price customer ready to pay}}{\textbf{Price of Product}}$$



Competitive Pricing (Parity Pricing)

- This method can be used only if competitors exist.
- Compare the price charged by competitors.
- This will give you a range of the price that you can change, since the aim is to be competitive.

Demand- Supply Based Pricing (Price Elasticity)

- This is an uncommon method, and can be used only if prior information regarding demand and supply points is available.
- The goal is to choose the price point that maximizes either revenues or profits.

PRICING FRAMEWORK (3/4)

Identify The Situation

	Radical Invention (New Product)	Modification In An Existing Product
Type Of Product	• Assess the demand and willingness to pay • Research competition and set introduction price	Competition exists- • Benchmark Competitors • Justify price with new features No Competition- • Charge premium for USP • Adopt Value based Pricing
	Similar Existing Product	**Pricing w.r.t Another Product**
How To Price	• Adjust for demand, costs, lifestyle • Monitor market trends	• Bundle pricing for complementary products • Differentiate substitutes

Attaining the optimal price

- Has the competitor cut price?
  - No → Hold current price; continue to monitor competitor's prices
  - Yes → Will lower price negatively affect our market share and profits?
    - No → Hold current price; continue to monitor competitor's prices
    - Yes → Can/should effective action be taken?
      - No → Hold current price; continue to monitor competitor's prices
      - Yes →
        - Reduce price
        - Receive perceived value
        - Improve quality and increase price
        - Launch low-price "fighter brand"

Other Pricing strategies

Loss Leader Pricing
- Selling at a loss to attract customers.
- Suitable for increasing foot traffic or sales of other products.

Psychological Pricing
- Pricing to influence customer perception.
- Suitable for retail, aiming to encourage purchasing behaviour.

Freemium Pricing
- Offering basic services for free, charging for premium.
- Suitable for digital products and software

Bundle Pricing
- Offering discounts on grouped products.
- Suitable for increasing sales volume and clearing inventor

PRICING FRAMEWORK – 2x2 MATRIX (4/4)

2x2 Matrix simplifies complex decisions by categorizing options based on two key variables (e.g., cost vs. value, willingness to pay vs. competition). It helps prioritize pricing strategies by visually segmenting choices into four quadrants, quickly identifying high-value or high-risk options. Additionally, it facilitates comparative analysis by mapping market trends, competitive positioning, and customer preferences, enabling data-driven pricing recommendations.

Market Competitiveness (vertical axis) / **Product Differentiation** (horizontal axis)

	Low Differentiation (Product is a commodity)	High Differentiation (Product is unique)
High Competitiveness (Many aggressive competitors in the market)	Prices are generally low and, in order to be competitive, are identical or similar to competitors. **Example: Basic Smartphone Chargers-** Inexpensive, no-name chargers sold on platforms like Amazon, competing purely on price.	Prices can be slightly higher than those of competitors in the market. **Example: Apple iPhone-** Highly competitive smartphone market, but the iPhone's brand, ecosystem, and features enable premium pricing.
Low Competitiveness (Consolidates market with a few consolidated players)	Prices are generally high and aligned to those of competitors **Example: Milk-** Brands like Vethaa, Mother Dairy, Nandini, with minimal branding and low prices.	Prices can be set considerably higher than those of competitors **Example: Tesla Model S (Early Days):-** A niche market with limited competition, offering a unique, high-end electric car.

Application

- This matrix can assess whether a product should follow a premium or budget pricing strategy by mapping perceived value against price sensitivity.
- It helps compare a company's pricing with competitors by plotting market share against price to determine whether to lead, match, or undercut competition.
- The matrix can differentiate customer groups based on willingness to pay and price elasticity, helping tailor pricing strategies for different segments.

Fairway to Fortune

Our client possess a huge field. They want to set up a golf course there, and they've hired you to help them come up with a price that they should keep for their customers to come and play golf.

Alright, so I will just start by clarifying a few aspects and the objective, and then we could go into how we can arrive at the right price point. Is that fine?

Yes. that sounds good

Firstly, I will want to know if we have any prior experience in setting up this kind of a complex or golf-course?

No, this is the first time we're thinking of setting up such an entertainment/sports facility.

Okay, so are there any competitors we have in this space?

Yes this field is in Hyderabad, and as you may be knowing since you've worked there, there is a Golf Course nearby on the Golf Course road, owned by DLF

Yes, right, I know about that. So, what is our aim i.e. what do we plan to achieve with the price?
Profitability first or Market Share first?

The DLF Golf Course that is our competitor, charges a very high membership fee to its customers around Rs 10000 per year. This doesn't allow a huge group of golf-lovers to come and enrol themselves. So, our aim is to capture that share of people and increase our market share.

Do we also want to keep an annual membership-fee based structure?

We do not have any fixed fee system and are open to all options for pricing.

Alright. When we talk about pricing strategy we can come up with three kinds of methods to arrive at a fair price. They are Cost Based, Competitor Based, and Value Based Pricing

Okay, seems fair

If we look at competitor-based pricing, we have the price of the DLF Course at hand, hence, we would be similarly priced or lower to tap into the economy segment.
We can come back to this later, but first, I would want to know the costs involved in this effort so that I can achieve a minimum price using the cost-based approach that we can charge.

Since we own the land ourselves, there is no cost involved there, Although there are maintenance and upkeep fee along with the expenditure the initial construction of the facility.

Do we have numbers/data regarding these costs?

Currently, no. We need not go in depth analysis of cost structure.

Alright, in that case I think we should go by considering what our value proposition is.

Fairway to Fortune

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Okay, tell me more about what you're thinking

Since we're trying to reach to affordable price, to tap into the mid-income golf-lovers market, we should consider what are proxies for such an activity be, i.e. Those activities that they undertake in place of playing golf as currently, it is too expensive

Okay, that sounds interesting, carry on.

As an example we can consider that currently, to indulge in a two/three-hour recreation, they can plan to go for a movie or % some sightseeing.

Right.

There they spend about Rs. 500 on an average for a three-hour long engagement. So, here, if we amount for a 2/3hr play, given that there's an option of no annual membership fee and they can consider that they want to come and play golf instead, they would be willing to pay at least that pay on-demand instead, whenever they wish to come and play.

Yes, that seems right.

Now, since this option provides a whole new elite experience altogether because of the kind of sport golf is, we can attach premium to it.
Additionally, we can appeal to the people based on the fact that they are now able to indulge in their favourite activity at an affordable price, contrary to the prior scenario when they couldn't afford due to the high fixed-fee subscription.

Okay, that is great. How much premium do you intend to charge?

I believe we can ramp up the fee to be about 40-50% greater than the movie ticket prices, giving us a total of around Rs 700-750 for every 2 or 3 hrs spent.
Also, since there's flexibility now around choosing your frequency of visit and paying on site, people would not be hesitant in spending this amount of money.

Great, that sounds like a perfect price. We too arrived at a range of around Rs.700-800 far the fee without a subscription mode. I think we can then close it here. Thank you.

The Heart of the Matter

Our client, Heart Corp, is a global medical device manufacturer specializing in cardiology devices called stents. The company has developed a new, innovative device, referred to as Device X, which offers significant improvements over traditional stents. Heart Corp plans to launch Device X in India first, followed by the USA one year later. Management is unsure about the pricing strategy for Device X in India. How would you approach the problem?

Thank you for the case. Before diving into pricing, I'd like to clarify a few details about the client, the product, and the market. This will help me structure my approach better.

Of course, go ahead.

Could you tell me more about Device X? What makes it different from traditional stents?

Device X significantly reduces the risk of restenosis, or re-narrowing of arteries, after a procedure. It also has a longer lifespan compared to existing options.

That's helpful. Secondly, who are the key stakeholders in purchasing decisions?

Your customers are private hospitals, not patients directly.

Got it. Lastly, Are we looking at a premium pricing strategy given the breakthrough nature of Device X?

Yes, Heart Corp wants to pursue a premium pricing strategy but needs to justify it with financial and clinical benefits.

Before determining pricing, I'll first analyze the cost impact of switching from traditional stents to Device X. Before I proceed with assumptions, could you provide key cost figures related to hospitalization, stent pricing, and complication probabilities?

Great question. Here's the data:
Hospitalization Cost: ₹1,70,000 per surgery
Stent Cost: ₹32,000 per unit (2 units per surgery)
Probability of Success (No Issues): Stents: 20%, Device X: 95%
Probability of Follow-Up Surgery: Stents: 50%, Device X: 0%
Probability of Open-Heart Surgery: Stents: 30%, Device X: 5%
Follow-Up Surgery Cost: ₹1,70,000
Open-Heart Surgery Cost: ₹9,50,000

Thank you for the relevant information. Now that I have the data, I'll compute the expected cost per patient for both traditional stents and Device X
Step 1- For traditional stents, the expected cost per patient:
Total Cost= Base Hospitalization Cost+ 2×(Cost per Stent)+ (Follow-Up Probability ×Follow-Up Cost)+ (Open-Heart Probability× Open-Heart Surgery Cost)
=1,70,000+2(32,000)+[0.5×(1,70,000+2(32,000)]+ (0.3×9,50,000)
=1,70,000 + 64,000 + 1,17,000 + 2,85,000
=1,70,000 + 64,000 + 1,17,000 + 2,85,000
=₹6,36,000
Step 2- For Device X, assuming X costs ₹P per unit, the expected cost per patient:
Total Cost= Base Hospitalization Cost+ 2×Rs.P+ (Success Probability×0)+ (Open-Heart Probability ×Open-Heart Surgery Cost)
=1,70,000+ 2P+ (0.95×0)+(0.05×9,50,000)
=1,70,000 + 2P + 47,500
= 2,17,500 +2P

The Heart of the Matter

Step 3- Finding the Breakeven Price
To find the maximum price at which Device X is cost-effective by equating the costs from step 1 and 2:
6,36,000 = 2,17,500+2P
P=₹2,09,250
Thus, the maximum price per unit of Device X that maintains cost parity with stents is ₹2,09,250

Alright ,Now that we have a breakeven price, what would you recommend as the pricing strategy?

Pricing strategy selection depends on multiple factors, such as cost structure, customer willingness to pay, competitive positioning, and value differentiation. I'll analyze the three most common approaches:
Under Cost plus pricing:
Price = Cost + Desired Margin
Assuming a 30% margin, the cost-plus price would be:
P=Breakeven Price+(30%×Breakeven Price)
=2,09,250+(0.30×2,09,250)
=2,09,250+62775
=₹2,72,000 approx.
Under Competitive Pricing:
To stay competitive while maintaining profitability, we could price Device X around ₹2,40,000 - ₹2,60,000 per unit
Under Value based pricing:
It means pricing Device X based on the economic and clinical value it provides to hospitals rather than just production costs. One critical factor in this is the willingness to pay (WTP) of hospitals—how much they would be willing to pay based on the benefits received. Let me explain this. Since Device X reduces the probability of open-heart surgery from 30% to 5%, hospitals save costs by avoiding high-risk surgeries.

Avoided Cost=(Reduction in Surgery Probability)×(Open-Heart Surgery Cost)
=(30%−5%)×₹10,00,000
=25%×₹10,00,000
=₹2,50,000
Hospitals' willingness to pay is influenced by risk avoidance. If they are willing to pay 80% of these avoided costs for a safer, more predictable outcome, then:
P=80%×₹2,50,000
P=₹2,00,000

Based on these factors, I recommend pricing Device X at ₹2,09,000 - ₹2,10,000 per unit using a value-based pricing strategy that accounts for hospitals' WTP and cost savings expectations.

Makes sense. Now, let's consider that Private Hospitals perform 75 procedures annually and have a budget of ₹6.36crore. How would that impact your pricing?

Okay, let's factor that in.
Total spending with traditional stents: 75×₹6,36,000
=₹4.77 crore
Now, let's ensure that the total cost using Device X stays within budget:
75×(₹2,17,500+2P) ≤ ₹4.77 crore
75× ₹2,17,500+ 150P ≤₹4.77crore
₹1.63 crore+150P ≤ ₹4.77 crore
150P ≤ 3.14 crore
P ≤ 2,09,333
Thus, a reasonable price range is around ₹2,09,000 - ₹2,10,000 per unit

The Heart of the Matter

That's a well-reasoned approach. Now, if Heart Corp. plans to incorporate bulk pricing discounts, as follows:

- **First 10 devices: ₹3,35,000 per unit**
- **Next 40 devices: ₹3,00,000 per unit**
- **Next 100 devices: ₹2,75,000 per unit**
- **Loyalty discount: If hospitals spend over 50% of their budget on Device X, they get a 10% discount on the total bill.**

Given that the average hospital buys 150 devices per year, what could be the effective price per device?

I'll first Calculate Total Cost Before Discount
=(10×3,35,000) + (40×3,00,000) +(100 ×2,75,000)
= 33,50,000 + 1,20,00,000 + 2,75,00,000
=₹4,28,50,000
Then we can Check for Loyalty Discount Eligibility
The hospital's budget is ₹6.36 crore
50% of this is ₹3.18 crore
Since ₹4.28 crore exceeds ₹3.18 crore, the loyalty discount applies

So Total Cost after applying loyalty discount would be:
= 4,28,50,000−(0.10×4,28,50,000)
= ₹4,28,50,000−₹42,85,000
=₹3,85,65,000

And finally if we were to calculate Effective Price Per Device, after bulk pricing and loyalty discount, it would be:
=₹3,85,65,000/ 150
=₹2,57,100

That was well done. One final question, How would you price Device X if government hospitals, rather than private hospitals, were the primary buyers?

Since Government hospitals have limited budgets and strict procurement regulations, Pricing strategies could involve:
Tiered Pricing – A lower base price but with bulk purchase requirements.
Public-Private Partnerships (PPP) – Selling at cost or lower price in exchange for long-term contracts.
Performance-Based Pricing – Hospitals pay based on patient outcomes (e.g., reduced re-surgeries)

Alright. Seems like can now wrap this up.

More Muscle for Your Money

Our client is launching a high-protein bar with 50% more protein than competitors. Competitors' price is ₹50. What price should the client set?

Okay, so I'll start by clarifying a few aspects and the objective, and then we could get into how we can arrive at the right price point. Is that fine?

Yes, go ahead.

Great. First, could you please clarify the objective? Is the client aiming for maximum market share, profitability, or a balance of the two? And is the client already established or is it a new brand?

Currently we would want to focus on establishing a strong presence in the market, and then focus on profitability afterwards. The client is a well-established brand.

Okay, Are we launching in specific regions or nationwide?

The launch will initially target metro cities and expand based on performance.

Understood. Who is the target audience for this bar? Are we catering specifically to health-conscious individuals, gym-goers, or a broader group?

The target market is health-conscious individuals and gym-goers, particularly in the 18–35 age group.

Okay, do we have any information about the cost structure?

Yes, the production cost for each unit is ₹20.

Got it. One more thing—how price-sensitive is this market? Are customers willing to pay a premium for higher protein content?

Customers are moderately price-sensitive. Market research indicates they value higher protein content and are willing to pay a 20–30% premium over competitors' prices.

Noted, just to confirm, competitors are priced at ₹50, and they focus more on taste and branding with standard protein levels, right?

Correct.

Okay, Here's how I'd approach the pricing: Pricing can be done in 3 ways:
1) Cost-based Pricing;
2) Competitor- based Pricing and
3) Value-based Pricing.

Since customers are willing to pay the premium, cost-based pricing can be ruled out. Using the value-based pricing method, the client should set the price based on the additional value their product delivers compared to competitors. With 50% more protein, the snack offers ₹25 of extra value. Hence the perceived value of the client's snack is ₹75. Given our aim is to capture market share, we could set the price in the range of ₹65–₹75, reflecting the additional value while maintaining competitiveness.

Okay. Sounds good. Go ahead.

More Muscle for Your Money

And as per the competitor-based pricing method, the client should set the price by benchmarking against the competitor's price of ₹50 while factoring in the additional value of 50% more protein. I am assuming, 100 g bar contains 15g of protein and can be priced at ₹50, while a 200 g bar contains 20 g of protein and is priced at ₹60. Analyzing the cost per gram of protein, the 100 g variant offers protein at ₹3.33 per gram (50/15), whereas the 200 g variant provides it at ₹3 per gram (60/20). This indicates that the larger variant is more cost-effective in terms of protein content.

However, if consumer preference leans toward affordability and smaller portions, the 100 g bar might see higher sales.
Again, given the goal is to capture the market share, price can be set at ₹50 or slightly above. A balanced strategy would likely set the price at ₹55–₹65, offering differentiation while staying
competitive.

From a psychological perspective, customers tend to prefer prices that end in 99 because it gives the feeling of a better deal. So, I'd suggest setting the price between ₹69 and ₹79, as it would likely appeal more to customers.

Great job, we can end the case now.

The Longevity Ledger

Your client BétonDur is a French coatings company planning to introduce a high-durability paint in India. The paint offers enhanced resistance and long-lasting protection. The management wants an optimal pricing strategy to attract large-scale contractors while justifying the premium features. How would you determine the pricing strategy for the paint?

I would like to start with a few questions. I would like to know more about the client. What is the main business of the client? What are its products?

The client is focused on providing high-quality paints for large-scale projects, such as infrastructure, residential, and commercial buildings. They are particularly aiming to introduce their product in India.

Okay. Is there any particular customer segment in India that they are targeting?

They would target real estate developers, particularly those involved in large-scale residential and commercial projects. These developers prioritize long lasting and high-quality materials that ensure long-term performance and reduce maintenance costs.

Understood. So, there are three ways we can approach the pricing – based on costs, a competitor driven pricing model, and a values-based pricing model. I would like to start with cost-based pricing as it will act as a benchmark.

Sure. Sounds good. Please start with cost-based pricing.

I expect there were R&D costs in development. Do we have any data for the same?

I would like you to consider R&D costs to be sunk costs for the time being.

Alright. Do we know if we are going to be manufacturing locally in India, or will it be imported?
Additionally, what would be the estimated cost of producing the paint? Also, what will be the marketing costs?

We will be manufacturing the paint locally in India. The production cost for 1 litre of the paint is estimated to be ₹500. Assume a profit margin of 15% after reaching the break-even point. You can take the marketing cost as 20 per unit.

Sure. So, at 15% margin over the break-even, the price of the produce would be Rs. 575. I will also add 20 to cover the marketing cost, so the price would be 595. Now to check if this price is feasible, I would like to know more about our competitors. Do we have any data on the competitors in this market – their products and price points?

Competitors' products sell for an average price between Rs 600/litre to Rs 700/litre. However, I want you to look at the value that the client's product creates. We also have an ISO certification for our paint.

Okay. How much area will 1 litre of the paint cover?

1 litre of the paint is expected to cover an area of 10 square meters.

Okay. I am assuming the paint improves the lifespan of a structure by 5 years, compared to standard paint. Hence the maintenance costs associated with the structure would be comparatively lower over its lifetime.

The Longevity Ledger

For instance, if the typical cost for a site using standard paint is ₹3,00,00,000 over 20 years, using BétonDur’s paint would reduce this cost to ₹3,00,00,000 over 25 years. This results in a saving of ₹3,00,000 per structure (1 yr = 15L vs 1 yr = 12l).
If 500 square meters of infrastructure are covered with BétonDur’s paint, the savings of ₹3,00,000 are spread across the entire 500 square meters. Therefore, the savings per square meter are ₹600 per square meter over the structure's lifespan. Also, given as our units of paint produced increases, we will reach economies of scale and our per unit cost will decrease in the future.

Sounds good. So, what will be your final recommendation for the price?

So my recommendation for the price would be between Rs. 700 to Rs. 800. This takes into account the premium quality of our product and extra value that it is creating. We could also offer discounts up to certain liters of bulk purchases to penetrate the market and gain some market share initially.

Great. We can close the case here.

PC 5 A Light For Life

The client, a lighting solutions company, has developed a revolutionary tube light that lasts a lifetime. They have hired you to determine an appropriate price for this product.

Okay could you provide more details about the product?

Certainly. The tube light appears like any other standard LED tube light in terms of design and usage. However, its key differentiator is that once installed, it never needs to be replaced. It provides consistent brightness throughout its lifespan without a decline in efficiency.

That sounds like a major breakthrough! Could you share the manufacturing cost for this tube light?

The company has invested ₹40 crores in research and development. The cost of manufacturing each unit currently stands at ₹500 per tube light.

Understood. Does the company intend to distribute the product across specific regions, or will it be a global launch?

Initially, the company plans to sell it to the government sector and then once established, in metropolitan and tier-1 Indian cities through electrical retail stores, online platforms, and large appliance stores. In the future, they will explore B2B sales for commercial spaces, offices, and industrial facilities.

Are there any similar products in the market, or is this an entirely new category?

This is an entirely unique product. While energy-efficient LEDs exist, no brand currently offers a tube light that never needs replacement.

Noted. Does the company aim to recover its R&D costs through the pricing strategy.

No, the R&D cost is considered a sunk cost, so pricing should focus purely on manufacturing, distribution, and value perception.

That makes sense. Let's start with a cost-based pricing approach. Is there a target margin the client is aiming for?

Yes, the company seeks a 30% margin on revenue.

Given that the manufacturing cost is ₹500, applying a 30% margin means the tube light should be priced at ₹650. However, considering the unique value proposition, this will undervalue the product. Hence, I would like to focus more on value- based pricing. Do we have any information regarding how much energy is saved by the light?

Yes, the new tube light is 20% more energy-efficient.

A typical LED tube light lasts around 7 years and costs ₹1,000 per unit. Over a 50-year period, a household would replace their tube lights 7 times, leading to a total expense of ₹7,000 per tube light. Additionally, since the new tube light is 20% more energy-efficient, it can save an additional ₹3,000–₹5,000 in electricity costs over its lifetime. Factoring in the convenience of never needing replacements and installation costs, the perceived value could be ₹12,000 – ₹15,000.

Okay. What factors could influence this final pricing decision?

A Light For Life

I would categorize them into price-increasing and price-reducing factors.

- Factors increasing price:
  - Long-term savings: No need for replacements.
  - Energy efficiency: Reduces electricity bills.
  - One-time purchase convenience: No hassle of reinstallation.
  - Sustainability benefits: Eco-conscious customers may pay more.

- Factors reducing price:
  - Customer hesitation: People are used to buying tube lights frequently; they might not believe a lifetime product is necessary.
  - Fear of damage/loss: Customers may worry about breakage, theft, or technology failure.
  - Boredom factor: Some customers prefer to upgrade lighting aesthetics over time.

Good. Given this, what price range would you recommend?

I would propose a price in the range of ₹7,500 – ₹8,000.

Great, what do you think can be the possible challenges faced by the client?

Since this is a new concept, there will be potential psychological and behavioral barriers to adoption. The client will have to come up with a strategic implementation of the launch of the product. Hence, it will be beneficial to tap into the government sector first, and then once it is covered to its potential, then aim for subsidies and launch in the private market.

Do you have any suggestions for the same?

Yes, since this is a first-of-its-kind innovation, the client should establish trust and credibility.
A high price can signal premium quality but must be backed by strong marketing and consumer education. To further attract buyers, the company can offer a 3-year replacement warranty and a 5-year no-cost repair policy. Enhancing the product with smart lighting features like dimming, motion sensors, and Wi-Fi connectivity can add value and justify the pricing.

Since retailers may hesitate to stock a product that eliminates repeat sales, offering higher margins, incentives, or volume-based bonuses can encourage them. Additionally, a strong direct-to-consumer online sales strategy can help bypass retailer resistance.

As the product is energy-efficient and environmentally friendly, the company can explore government subsidies or tax incentives to improve affordability and market adoption.

Great, we can close the case now.

Beyond The Cartridge

A company that manufactures printing cartridges has developed a new ink cartridge that lasts three times longer than conventional ones. The company wants to determine whether to enter the market and, if so, how to price the product.
Let's discuss the pricing strategy for this new ink cartridge. How would you like to approach the problem?

I'd like to start by understanding the company's objective for this product. Are we prioritizing market penetration, profitability, or brand positioning?

The primary goal is maximizing profits while ensuring sustainable market growth.

Understood. Before pricing the product, I'd like to gather information about:
- The target market – who are our potential customers?
- The competitive landscape – are there any direct or indirect competitors?
- Production and distribution costs – what are the cost structures?
- Customer willingness to pay – how price-sensitive is our audience?

Good approach. Let's dive into these areas.

Is this a completely new product, or has something similar been introduced before?

We had a similar product, but this version has significant improvements. It is designed for domestic use only, and we have a patent pending.

Are there any known disadvantages? For example, does the new ink formula affect print quality or work with all printers?

No major disadvantages, but compatibility with older printers might be an issue.

That could be a barrier to adoption. Have we tested customer reactions to the product?

Not yet, but we expect customers to be interested in the cost savings.

Since we have a patent pending, competition is limited. However, are there substitutes like ink subscription services or refillable cartridges?

Yes, some customers refill ink manually, and corporate offices have bulk purchase contracts with printer manufacturers.
What strategies would you propose to counter these substitutes?

A few options:
1. Subscription Model – Offer customers a discounted price if they subscribe to our cartridges.
2. Corporate Partnerships – Bundle cartridges with office supply vendors.
3. Loyalty Incentives – Offer cashback or bulk purchase discounts.

Sounds reasonable. Now, let's look at pricing strategies.

Can you share cost details for both the new and existing ink cartridges?

R&D Costs: ₹120 crore
- Existing Cartridge:
- Manufacturing Cost: ₹540
- **Distributor Price: ₹700**
- **Retail Price: ₹1,000**

Beyond The Cartridge

- New Cartridge:
- Manufacturing Cost: ₹1,100

If the cost is almost twice as high, a simple markup suggests a selling price of ₹1,800 (double the manufacturing cost). But since it lasts 3x longer, we need to explore value-based pricing.
A typical household replaces ink every 2 months, meaning 6 cartridges per year.
With our product, they'll need only 2 cartridges per year instead of 6.
Given this shift, how would you price it?

If customers currently spend ₹6,000 per year (₹1,000 × 6 cartridges), we could price our product at ₹2,500 per cartridge (₹5,000 per year) to highlight savings.

What if customers resist this higher price point?

Some solutions:
1. Installment Plans – Spread payments over 6 months.
2. Bundled Offers – Include a free trial or printer cleaning services.
3. Price Anchoring – Show cost savings over 2 years compared to conventional cartridges.

Let's estimate the market potential:
- India's Population: 1,200M
- Urban (30%): 360M | Rural (70%): 840M
- Households (Urban: 4 per home, Rural: 5 per home)
- Target Market (Upper & Middle Class)
- Urban: 9M high-income, 36M middle-income homes
- Rural: 8.4M high-income homes

Printer Ownership:
- Urban Upper Class: 0.4 printers per home
- Urban Middle Class: 0.2 printers per home
- Rural Upper Class: 0.3 printers per home
- Total Printers: ~13.32M

Annual Demand (6 cartridges per printer):
- 13.32M printers × 6 cartridges = 79.92M cartridges/year
- If we capture 40% market share → 31.97M cartridges/year
- Revenue at ₹2,500 per unit → ₹7,992 crore per year

What if we only capture 20% of the market instead?

That would reduce revenue to ₹3,996 crore per year, impacting our breakeven timeline.

What if a major printer manufacturer launches a similar product next year?

We should:
1. Secure Exclusive Partnerships – Lock in major distributors.
2. Accelerate Patent Approval – Gain legal protection.
3. Invest in Brand Loyalty – Focus on quality and reliability over price.

One final question. What if raw material costs increase by 20%?

That would raise the manufacturing cost to ₹1,320 per unit. To maintain margins, we might:
- Adjust retail price slightly upward.
- Negotiate bulk discounts with suppliers.
- Offset costs with premium versions or subscription models.

Based on: Cost Analysis (₹1,100 per unit), Value Proposition (₹2,500 per unit), Market Sensitivity.
I recommend pricing at ₹2,500 per cartridge with promotional discounts for bulk buyers.

That's a well-structured approach. Thank you!

MARKET-ENTRY CASES

MARKET ENTRY FRAMEWORK (1/4)

Market entry cases are business strategy problems that evaluate if and how a company should expand into a new market. They focus on factors like market size, competition, client strengths, entry modes, and expected profitability to guide decision-making.

Preliminary Questions

3C1P
- Product/Service
- Part of value chain
- Current geography/customers
- Constraints - Time/Money
- USP

Motive
- Why specifically this market
- Why this industry
- Why this geography
- Any specific segment

Constraints
- Timeline, capital, manpower etc.
- Parameters for market entry
- Past new mkt entry experience
- Degree of saturation in the market

Objectives/Goals

Economic Goals
- Revenue growth
- Profit maximization
- Increased market share
- Risk diversification

Strategic Goals
- Competitive differentiation
- First mover advantage
- Supply chain optimization
- Market leadership

Buckets of Market Entry Cases

Geographical Expansion
(eg: Uber entering Indian markets)

Product Expansion
(eg: Canon launching a smartphone)

Customer Segment Expansion
(eg: Byju's launching "early learn" for younger children)

Steps for Market Entry

Analysing if to enter or not

↓

If yes, deciding the mode of entry

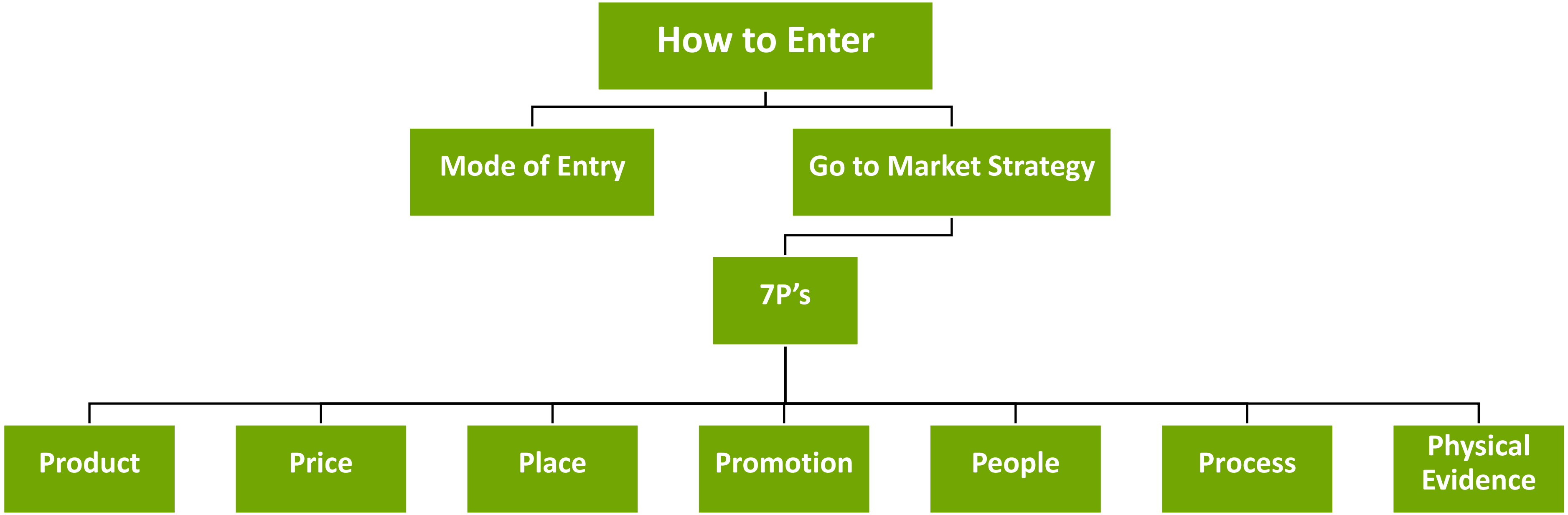
↓

Preparing GTM

MARKET ENTRY FRAMEWORK (2/4)

- **If to enter or not**
  - Industry attractiveness
    - Economic
      - Profitability
        = Market size*market share*contribution per unit- fixed cost
      - Growth prospects
        = Analysing the stage in plc (growth rate in market)
    - Environment
      - Competitive intensity
        - Swot
        - Porter's 5 forces
        - Perfect market, oligopoly, monopoly, monopolistic market structure
      - Business environment
        - Pestel
  - Operational feasibility
    - Synergy with existing business operations
    - Barriers to entry
      - Economies of scale
      - Regulatory framework
      - Financial constraints
      - Customer acceptability
      - Patents
    - Value chain
  - Evaluating risks
    - Financial
    - Executory
    - Political
    - Macro economic factors
  - Financial viability
    - Upfront investment
    - Roi/irr/pay back period
    - Net present value (npv)
    - Opportunity cost of investment
    - Economic value added (eva)
    - Cash flow

MARKET ENTRY FRAMEWORK (3/4)



Tips

• Not every aspect of the framework mentioned will be applicable to all cases. But try to cover as much as you can, so that you get a good idea of the industry and the client current status. It is very important to identify where the client would stand in the industry compared to the existing competitors and what measures should be taken to mitigate competitive edge of incumbent.

Observations

• Most of the times interviewer will be satisfied if you analyse and suggest, whether to enter or not. But it is always good to take an extra mile by giving a high level plan on how to enter and capture the market

MARKET ENTRY FRAMEWORK (4/4)

Modes of entry

Modes of Entry	Definition	Advantages	Disadvantages	Preferred industry
Exporting	Selling goods and services produced in the home country to foreign markets.	Low investment, minimal risk, quick entry, scalability.	Limited control, dependence on local distributors, trade barriers (tariffs, quotas).	Consumer goods, Pharmaceutical, Electronics.
Joint Venture	A partnership with a local or foreign company to share ownership, risks, and profits.	Access to local expertise, reduced market entry barriers, shared financial burden.	Potential conflicts between partners, shared decision-making, profit sharing.	Automotive, Healthcare, Energy.
Franchising	Allowing a foreign partner to use the company's business model, brand, and processes in exchange for a fee.	Low investment, faster expansion, access to local knowledge.	Limited control over operations, risk of IP theft, quality concerns.	Hospitality, Fast food industry, Retail.
Mergers and Acquisitions	Acquiring or merging with a local business to establish a presence in the target market.	Quick market entry, access to established customer base.	High costs, integration challenges, regulatory approvals.	Pharmaceuticals, Technology, Energy.
Outsourcing/ Third Party Vendors	Delegating business processes or production to local firms in the target market.	Cost reduction, access to local expertise, flexibility.	Limited control, quality assurance concerns.	IT, Consumer support Service or manufacturing-based industries.
Partnership	A partnership where companies collaborate on specific objectives without creating a new entity.	Resource sharing, reduced costs, flexibility.	Loose agreements, potential conflicts over objectives.	Airlines, Pharmaceutical, Technology.

From Road To Runway

The client is a car parking company owner who visited the airport and observed that competitors are providing parking services near the airport. They are now interested in entering this market. Have you understood the situation?

Certainly. The client is a car parking company seeking to expand into the airport parking market. To proceed effectively, may I confirm the geographical location of the airport? Additionally, is the client operating as a private entity or under government affiliation?

The airport is located in India, and the client is a private company. The airport is managed privately, and parking spaces have been transitioned from public to private ownership.
Some parking infrastructure exists, but significant additional setup is required.

Thank you for clarifying. I would structure my approach into four areas: market analysis, operational feasibility, regulatory requirements, and strategic recommendations. To begin with the market analysis. Could you share quantitative figures to analyse the Airport Traffic?
Also, does the airport have any military operations as that would require additional security clearances?

The airport serves approximately 15 million passengers annually and approximately 30% of passengers use parking. No, the airport does not have any military operations.

Alright, The airport serves 15 million passengers annually, and approximately 30% use parking services. This could translate to around 4.5 million potential customers annually.

We will then take into consideration the availability of alternative transport options like metro connectivity, ride-sharing, and drop-offs. We can also divide the customer segments into travellers who park for short-term, long-term, and premium valet services. Also, we can keep different charges for commercial and non-commercial vehicles.

Metro connectivity is under development but currently limited.

Understood. For operational feasibility, I would like to request the following details. Could you provide the annual lease cost for land near the airport? What is the estimated cost for establishing a mid-sized parking facility, including EV charging stations? Could you share details on recurring expenses such as staffing, maintenance, and utilities?

Certainly. The annual lease for land near the airport is about $5 million. Setting up a mid-sized parking facility would cost around $1.5 million, and annual operating expenses, including staffing and maintenance, are roughly $500,000.

Thank you for sharing the figures. Based on this information, the financial feasibility indicates a significant upfront investment of $7 million annually, which includes $5 million for land lease, $1.5 million for setup, and $500,000 for operating expenses. To offset these costs and achieve profitability, I recommend offering tiered services, such as basic parking, premium valet, and EV parking, with dynamic pricing during peak and off-peak hours.
Collaborating with airlines, ride-sharing platforms, and local businesses to increase visibility.
We can further enhance convenience by offering a mobile app for real-time space availability, online reservations, and contactless payments and this will differentiate us from other competitors in the market.

From Road To Runway

That's a valid strategy. What other considerations should we address?

Several critical factors would need to be considered. Regulatory approvals from the Airport Authority of India (AAI) and local municipalities are essential. Proximity to terminals is vital to ensure customer convenience, and options like shuttle services or escalated pathways can enhance accessibility.
The rising adoption of EVs presents an opportunity to allocate spaces with charging infrastructure, which can serve as a key differentiator to remain competitive.

That is very comprehensive. What challenges do you foresee?

Challenges include:

1. High initial investment and long payback periods.
2. Navigating regulatory approvals and potential bureaucratic delays.
3. Seasonal fluctuations impacting demand.

Competition from established players with economies of scale.

Based on this, what would be your recommendation?

I recommend entering the market with a phased approach. Begin with a mid-sized facility catering to short-term and premium customers, ensuring close proximity to terminals.
Integrate EV spaces and technology-driven solutions, such as contactless payments and real-time availability updates.
Focus on partnerships with airlines and ride-sharing apps to enhance visibility.
Over time, scale operations based on feedback and metro connectivity developments. This strategy balances risk and opportunity.

Excellent analysis. Thank you!

Bean To Brand

The client is a freshly brewed coffee brand that is looking to enter the Indian market. They are aware that India is a competitive market for coffee, with multiple players already operating. The client wants to assess whether entering this market is feasible and how they can position themselves effectively.
Have you understood the situation?

Yes, I understand. The client is a freshly brewed coffee brand considering entering India, which already has established competitors. Our goal is to determine the feasibility of this entry, define a clear target market, and develop strategies to establish a premium brand while addressing key differentiators like health-conscious offerings. Is that correct?

Yes, that's correct. How would you approach this case?

I would structure my approach into five areas: clarifying and defining the target audience, estimating market demand through a guesstimate to establish quantitative insights, conducting a feasibility study by analysing operational costs, pricing, and revenue potential, developing a differentiation strategy, and finally outlining a marketing and go-to-market strategy tailored to our target audience and competitive landscape.

Based on the premium positioning, the target audience would likely include young urban professionals aged 25–40 who work in corporate hubs and value high-quality coffee, health-conscious consumers who are seeking beverages with natural, high-quality
ingredients that align with their lifestyle, and college students or early professionals who frequent cafés for socializing or studying. Could you confirm if these align with the client's goals, and do you have any insights into the percentage of these segments in urban India?

Yes, these segments align. Urban professionals form about 40% of the urban population, with college students contributing another 20%.

Perfect. Now, I'd like to estimate the market demand for freshly brewed coffee to quantify our hypothesis. Let's assume the following for Tier 1 cities in India: the urban population is around 100 million.
The target market, comprising 40% professionals and 20%
students, would be 60% of this population, which is about 60 million. Among these, I estimate that around 20% consume premium coffee regularly, giving us a target audience of 12 million.
Assuming an average consumption frequency of 3 cups per week, this translates to 12 cups per month.
Assuming an average price per cup of ₹200, the estimated market size would be 12 million × 12 cups/month × ₹200, which equals ₹28.8 billion monthly and 345.6 billion annually.
Would you say this estimate aligns with industry benchmarks?

Yes, that's reasonable. What would you do next?

Next, I'd analyse feasibility and costs to assess profitability. Could you share details on cafe setup and operational costs?

Setting up a medium-sized cafe in a Tier 1 city costs ₹30–50 lakh for real estate and interiors. Operating costs, including staffing, utilities, and raw materials, are around ₹10 lakh per month.

Bean To Brand

Thank you. These figures indicate high initial investments, so cost management will be crucial. I'd suggest starting with smaller cafe formats in high-footfall areas like malls, corporate hubs, and airports. The client could also explore partnerships with corporates for in-office kiosks to minimize setup costs and ensure steady footfall. Could you also share insights on competitors' offerings?

Competitors offer premium coffee, quick-service formats, and takeaway options. Price points range from ₹100–₹300 per cup.

This shows the need for a strong differentiation strategy. I'd recommend the client focus on health-conscious branding by highlighting high-quality, natural ingredients, such as organic coffee beans and sugar-free options, offering customizable beverages to cater to individual dietary preferences, like keto-friendly or vegan lattes, and introducing innovative brewing methods to enhance the freshness and flavor profile. Additionally, we should factor in costs for sourcing premium ingredients, which might increase the price per cup by ₹20–₹50.

Agreed. How would you position the brand to capture market share?

For a premium positioning, I'd recommend focusing on health-centric campaigns that emphasize the benefits of freshly brewed, natural coffee for energy and wellness, leveraging social media and influencer marketing to build brand awareness among young, health-conscious consumers, and launching an app for seamless ordering, loyalty rewards, and personalization options. The go-to-market strategy should begin with flagship cafés in Tier 1 cities like Bengaluru, Mumbai, and Delhi to establish a premium presence. The client can also partner with corporates for in-office kiosks or delivery tie-ups. Initial promotional campaigns, such as free customizations or discounts for app users, could attract early adopters. Assuming an average café serves 300 cups/day at ₹200 per cup, the daily revenue would be ₹60,000, and the monthly revenue would be ₹18 lakh.

That aligns well. What challenges do you foresee?

The key challenges include high real estate costs and operational expenses, building brand awareness in a competitive market, ensuring a consistent supply of premium ingredients, and managing seasonal demand fluctuations. These can be mitigated by starting small, leveraging partnerships, and maintaining tight cost controls.

Excellent. Could you summarize your recommendations?

Certainly. The target audience includes young urban professionals, health-conscious consumers, and college students in Tier 1 cities. Differentiation should focus on health-conscious branding with natural ingredients, innovative brewing methods, and customizable beverages. Market entry should begin with flagship cafes in high-footfall areas, complemented by corporate kiosks and delivery partnerships. Marketing strategies should include health-centric campaigns, loyalty programs, and app-based convenience. Lastly, scalability can be guided by feedback and performance in Tier 1 cities before expanding into Tier 2 cities or new formats.

Great analysis and strategy. Thank you!

The Great Wall Makeover

Your client is a well-established residential home painting company operating in London. They primarily offer interior painting services and have built a strong reputation in the market. The company is now considering expanding into the US market to increase its profits. Your task is to evaluate whether this move makes strategic and financial sense for them.

Just to confirm my understanding, the client is a top-performing interior home painting company in London, and they now want to expand into the US market with the primary objective of increasing profitability. Is that correct?

Yes, that's correct. How would you approach this case?

To structure my analysis, I would like to assess three main areas: the attractiveness of the US home painting market, the operational feasibility of expansion, and potential risks associated with entering this new market. Additionally, I would like to explore pricing strategies and differentiation factors that could help the company succeed. Before diving in, I have a couple of clarifying questions. First, does the company have any unique features in its painting services that could serve as a competitive advantage? Second, do they have any financial targets or expected timelines for expansion? Third, are we positioning our brand as a premium service or a budget-friendly one, as this will impact our market assessment?.

The company does not have any unique features in its paint or services. However, they are one of the top players in the London market.
Regarding pricing, they are currently positioned as a competitively priced service but are open to adjustments based on market conditions. As for financial targets, they are primarily focused on ensuring a profitable expansion but have not specified any revenue benchmarks.

Understood. Before assessing market attractiveness, I'd like to estimate the size of the US home interior painting market. Given that there are approximately 140 million households in the US, and assuming that around 30% of these households repaint their interiors annually, that gives us about 42 million households requiring interior painting each year. If each home requires an average of 10 liters of paint for a full interior repaint, the total market size in terms of volume would be around 420 million liters annually.
Considering an average painting job costs around $3,000 per household, this results in a total addressable market of approximately $126 billion. Does this estimation seem reasonable?

Yes, that's a fair assumption. How would you assess market growth and competition?

To determine growth, I would look at industry data on the interior painting market, home renovation trends, and real estate development. If industry data is unavailable, macroeconomic indicators such as housing market trends, disposable income levels, and home improvement spending can be useful proxies. Additionally, I would analyze the growth rates of competitors. Do we have data on major competitors in the US market?

There are no dominant players in the market, but there are a few strong competitors. We expect to be a significant player if we enter.

That's helpful. Given the fragmented nature of the market, differentiation will be crucial. I would recommend analyzing the pricing strategies of top competitors to determine whether we should position ourselves as a premium service or compete on affordability. If we aim for a premium market, we must justify our pricing with high-quality services, eco-friendly paints, or faster turnaround times. If we aim for a budget-friendly model, we need to focus on cost efficiencies and competitive pricing.

The Great Wall Makeover

That makes sense. Now, let's discuss operational feasibility.

Since the company already has sufficient funds and resources, operational feasibility considerations include logistics, workforce availability, and regulatory compliance. Establishing a local supply chain for materials, hiring skilled painters, and understanding licensing requirements across states will be critical. Another key aspect is the manufacturing plan—will we import paint from existing suppliers in London, set up manufacturing in the US, or partner with local suppliers? Each option has cost implications. Setting up a manufacturing facility in the US would involve significant capital investment but could reduce long-term logistics costs. Partnering with a local manufacturer may be a lower-risk approach to start with.

Good point. What risks do you foresee with this expansion?

The main risks include competition, customer adoption, and pricing pressure. Since interior painting is not a revolutionary service, the company must find ways to differentiate itself—perhaps by offering odor-free, long-lasting paint or AI-driven color selection tools for personalized recommendations. Operational challenges such as managing a dispersed workforce and maintaining consistent service quality across locations could also be concerns. Additionally, economic downturns affecting home improvement spending could impact demand. Finally, pricing
sensitivity must be addressed, ensuring that our cost structure allows for competitive yet profitable pricing.

Those are good points. Now that we've covered market attractiveness and feasibility, let's talk about pricing. How would you determine the right pricing strategy for our client?

I would analyze competitor pricing strategies. One approach is to take the average market price charged by the top five competitors and adjust based on our cost structure and differentiation factors. Another approach is to examine the pricing strategies of competitors in their early years and adjust for inflation to see how they evolved. Additionally, pricing must account for production costs, labor, marketing expenses, and potential franchise or licensing fees if we adopt a franchising model for rapid expansion.

That makes sense. If you had to summarize, would you recommend entering the US market?

Based on my analysis, the US market presents a significant opportunity due to its large size and steady demand for home improvement services. However, the lack of a unique differentiator and the presence of competitors pose challenges. I would recommend a phased approach—starting with pilot operations in select high-demand cities, testing different marketing and pricing strategies, and refining the service model before a full-scale expansion. Differentiation through service quality, eco-friendly paints, or faster turnaround times could be key to standing out. Additionally, deciding on a local manufacturing or sourcing strategy will be critical for managing costs effectively. With the right approach, the expansion can be profitable.

Sounds great, we can now delve into the inorganic strategies.

Solar Bulbs, Brighter Future

The client is a Swedish renewable energy company that wants to enter the Indian market with their solar-powered bulbs and lighting solutions. Their primary target is rural areas with limited access to electricity. They want to understand the feasibility of this market entry and how they can position themselves effectively. Do you understand the problem statement?

Yes, I understand the overall context. Before diving into the case, I'd like to ask a few clarifying questions to better understand the product, the client's goals, and their market entry approach. First, could you provide more details about the product? For example, is it a basic solar bulb, or does it have additional features like portability, smart functionality, or backup batteries?

It's primarily a basic solar-powered bulb designed for both indoor and outdoor use. However, it includes features like a rechargeable battery that provides backup during non-sunny days and portability for easy usage.

Thank you. That's helpful to know. My next question is about the client's plans for market entry. Do they intend to launch across India, or are they starting in specific regions?

The client plans to begin with a focused launch in states with lower electrification rates, such as Bihar, Uttar Pradesh, and Odisha, for rural markets.

Got it. Lastly, what is the client's primary objective for entering the Indian market? Is it purely revenue-driven, or are they aiming to establish themselves as a leader in renewable energy solutions? Or contribute to social impact?

Their objectives are twofold: to generate revenue by addressing the unmet need for reliable lighting in rural households and to establish themselves as a socially responsible brand.

That clarifies a lot. Let me summarize: the client is launching solar-powered bulbs with backup batteries and portability, targeting less-electrified states in rural India. Their objectives include revenue generation and enhancing their brand's social impact. Based on this, I'd structure my approach into three parts: estimating the rural market size, assessing operational feasibility, and developing a differentiation and market entry strategy. Does this address the client's concerns?

Yes, it does. Let's start with market analysis. How would you identify the target audience?

To estimate the rural market for the solar bulb, I'd approach it step by step. India's population is approximately 1.4 billion, with rural areas accounting for 70% of the population, which gives us about 980 million people. Assuming an average household size of 5 people in rural areas, the number of rural households would be 980 million divided by 5, resulting in 196 million households. Out of these, let's assume 70% of households are connected to electricity, and 30% are not. This means there are approximately 58.8 million households without electricity and 137.2 million households with electricity. For households with electricity, the need for a solar bulb arises when there are more than 2 hours of daily power cuts. If we assume that 1/3 of these households face such power cuts, this would result in approximately 45.7 million households with unreliable electricity. Adding the 58.8 million households without electricity and the 45.7 million households with unreliable electricity, the total potential market would be 104.5 million rural households. Does this approach seem reasonable?

Yes, this aligns well with the client's focus on rural households. What would you analyze next?

Solar Bulbs, Brighter Future

After estimating the potential rural households, the next step would be to analyze the market size of the product by considering its price. May I ask what the price of the solar bulb is?

The price of the solar bulb is ₹5,000.

Thank you. Now, I'd analyze the income segments of the resultant households to determine affordability. Rural households can be divided into high, middle, and low-income groups. Typically, affordability would depend on disposable income and spending priorities. Would you agree that analyzing income segments helps us better understand our addressable market?

Yes, we've already done some estimations. About 60% of the 104.5 million households we identified earlier can afford the product.

That's great to know. This means that around 62.7 million households would fall within our target market in terms of affordability. Given this, the next aspect to consider is the availability of substitutes or alternative solutions. Households with higher incomes might already own inverters or battery-operated solutions to manage power cuts. On the other hand, households at the lower end of the income spectrum may rely on more primitive and inexpensive substitutes, like candles or kerosene lamps. Since our product is priced at ₹5,000, it has the potential to serve as an upgrade for middle-income households that might otherwise lack efficient lighting solutions. Additionally, the pricing could lead to a spin-off effect, as it offers a more sustainable and long-lasting option compared to recurring expenses on candles or kerosene.

That's a pretty good assessment of the cheaper and other substitutes available. Let's just assume a market share here.

Given the affordability and the substitute options available, the market share would depend on factors such as product differentiation, perceived value, and the effectiveness of our go-to-market strategy. To refine the estimate, would it be fair to assume that out of the 62.7 million households identified as potential customers, about 20% would be lost to substitutes such as inverters or primitive solutions like candles and kerosene lamps? This would leave us with approximately 80% of the addressable households, equating to 50.16 million households.

Yes, that seems like a fair assumption.

So, this would leave us with approximately 80% of the addressable households, equating to 50.16 million households. The next aspect I'd like to analyze is the profit we can expect on a per-unit basis. We know that the selling price of the product is ₹5,000. Could you provide an estimation of the cost price per unit?

Yes, we have a breakdown of the cost. Manufacturing accounts for 30%, logistics for 25%, distribution for 10%, and marketing and sales for 15%.

Based on this breakdown, the total costs amount to 80% of the selling price. This means 20% of the selling price would be profit.

Yes, that's reasonable.

Perfect. So, with a selling price of ₹5,000, 20% profit translates to ₹1,000 profit per unit. Moving forward, the next step would be figuring out the operating model and how we plan to enter the market. Are we going to participate in all parts of the value chain, or will we outsource certain operations?

Solar Bulbs, Brighter Future

Currently, we are only the manufacturers, and for distribution, we are considering third-party distribution channels.

Understood. Is it fair to assume that all distribution costs have already been factored into the product cost?

Yes, that's correct.

That simplifies things. Do we have any production constraints that could limit our ability to meet demand? And what is the lifespan of the product?

No, we have already analyzed our production capacity and determined that we can meet the projected demand.

Excellent. Since we have no production constraints, we can proceed with entering the market. Based on our earlier estimate of 50.16 million households as potential customers, I'd like to refine the calculation further by factoring in adoption rates and product lifespan over two years.
Let's assume that in the first year, only 20% of the total addressable households would be willing to purchase the product.
This gives us:
50.16 million × 20% = 10.032 million households.
Considering the selling price of ₹5,000 and a profit margin of ₹1,000 per unit, the profit for the first year would be:
10.032 million × ₹1,000 = ₹10.032 billion.

That's a well-thought-out analysis. Can you just give a synthesis of findings?

Sure , the analysis indicates a significant market opportunity for the client, with an addressable base of 50.16 million rural households and projected profits of ₹30.096 billion over two years. The product's features—portability, backup batteries, and sustainability—address the needs of households with unreliable or no electricity, particularly in less-electrified states like Bihar, Uttar Pradesh, and Odisha. With no production constraints and a clear path to profitability, entering the Indian market is a promising opportunity. The client should proceed, leveraging a strong go-to-market strategy and partnerships with third-party distributors to establish a competitive position and maximize social impact.

Thank you! I think we can close it here.

From Cosmetics To Cure

Your client is a well known Indian cosmetic brand that is considering expanding into the migraine treatment market. They have already initiated clinical trials, and the product is expected to receive approval from the Central Drugs Standard Control Organization (CDSCO) by the end of the year. You have been engaged to assess the viability of this market entry. How would you approach this assessment?

Before diving into the assessment, I would like to understand why a cosmetic company is considering entering the migraine treatment market. Would consumers trust a brand known for cosmetics to provide a medical treatment?

That's a great question. The company has been expanding into wellness and dermatological treatments in recent years. Since this injection also offers skincare benefits, the brand sees an opportunity to leverage its expertise and consumer trust.

To ensure a comprehensive evaluation, I would structure my analysis into three key areas:

1. Market Attractiveness – Understanding the size of the migraine treatment market in India, growth trends, and consumer demand.
2. Financial Feasibility – Evaluating revenue potential, pricing strategy, and cost structures.
3. Risks & Operational Challenges – Assessing regulatory hurdles, supply chain readiness, branding implications, and competitive positioning.

Would you like me to start with the market assessment?

Yes, that sounds like a logical starting point.

To estimate the total addressable market, I would begin by looking at India's population and segmenting it based on the prevalence of migraines. I would then assess what proportion of those patients seek medical treatment and would be potential users of this injectable therapy. Additionally, I would examine the availability and pricing of alternative treatments, including oral medications and existing injectable solutions.
Do we have any data on the number of migraine patients in India?

Yes, approximately 15% of India's population suffers from migraines, which equates to roughly 200 million individuals. Of these, about 30% experience chronic migraines that require medical intervention, amounting to around 60 million potential patients.

Also, how many injections does one patient require and what is the time span between different doses?

A single patient's treatment requires an injection every 2 months.

That is helpful. Since the treatment requires an injection every two months, a single patient would need six injections annually. I would next determine the pricing strategy. What are competitors currently charging for similar treatments in India?

The price per injection for existing treatments ranges between ₹4,000 and ₹7,000, depending on the brand and formulation.

Understood. Assuming an average price of ₹5,500 per injection, the total market size can be estimated as follows:

- 60 million patients requiring treatment
- Six injections per year per patient
- ₹5,500 per injection

From Cosmetics To Cure

This results in a total market size of approximately ₹1.98 trillion annually. Given that our client is a well-known brand with strong market recognition, what would be a reasonable estimate of their expected market share in the initial phase in the pharmaceutical industry?

A conservative estimate would be around 10% market penetration in the first few years.

That would translate to ₹198 billion in potential annual revenue. Moving on to the cost structure, I would like to understand the initial investment required, including R&D, clinical trials, and production setup. Could you provide insights on this?

The clinical trials and regulatory approval process are estimated to cost around ₹500 crore. Setting up manufacturing and distribution facilities would require an additional ₹1,500 crore. Recurring costs, including production, marketing, and distribution, are projected to be ₹1,000 crore annually.

Given these numbers, achieving profitability will depend on effective pricing, demand generation, and cost optimization. The break-even point should be analysed based on these costs versus expected revenue.

Thats a good approach for financial feasibility but I am more interested at the expected risks right now.

Alright, considering the risks, I see three primary concerns:

- Branding & Market Positioning – Since the client is known for cosmetics, entering the medical space may require careful branding to avoid consumer confusion.
- Regulatory Challenges – Approval from CDSCO is a key dependency, and potential delays could impact market entry timelines
- Consumer Adoption & Insurance Coverage – Injectable treatments may face resistance due to patient aversion to needles and affordability concerns if insurance coverage is limited.

Would you agree that these are the most critical risks, or are there additional concerns?

These are indeed important factors. Additionally, we should consider potential supply chain constraints in manufacturing a pharmaceutical-grade injectable at scale.

That's a valid point. Ensuring a robust supply chain and partnerships with pharmaceutical distributors will be crucial to scaling operations efficiently.

Given all these considerations, the CEO wants a concise recommendation. What would you say?

Based on the analysis, I recommend moving forward with the migraine treatment product, given the large and stable market potential of ₹1.98 trillion annually and the client's ability to capture ₹198 billion in initial revenue. However, success will depend on:

- Effective branding to establish credibility in the medical space.
- Regulatory approvals to be secured without delays.
- Strategic partnerships with insurance providers and distributors to ensure accessibility.
- A phased market entry starting with metro cities where demand is highest.

If these factors are managed well, this could be a lucrative opportunity for the client.

Excellent analysis. Thank you!

GROWTH CASES

GROWTH FRAMEWORK (1/3)

Growth strategy cases usually have problem statements about how to increase the sales/profits/market share of a particular firm by X% in Y years.

Once identified, growth strategy cases usually fall under one of the below categories:
- Exploring growth opportunities in existing businesses i.e. growth opportunities in existing markets with existing products/services.
- Exploring growth opportunities in new businesses i.e. growth opportunities both in new and existing markets with same or different products/services respectively.

Preliminary Questions

Growth Objectives
- Growth target (e.g., revenue, market share)
- Timeline to achieve growth
- Key metrics/KPIs

Customer Segments
- Target demographics/behaviours
- Customer perception

Market Trends
- Regulatory impacts
- Economic trends

Internal Resources
- Capacity for demand increase
- Financial resources for growth

Partnerships
- Existing partnerships
- New alliance opportunities

Competition
- Key competitors/market shares
- Competitor strengths/weaknesses
- Emerging threats/substitutes

Marketing/Sales
- Current channels
- Sales strategy effectiveness
- Customer acquisition cost

Business Model
- Value chain position
- Primary/secondary revenue streams
- Plans for new channels/markets

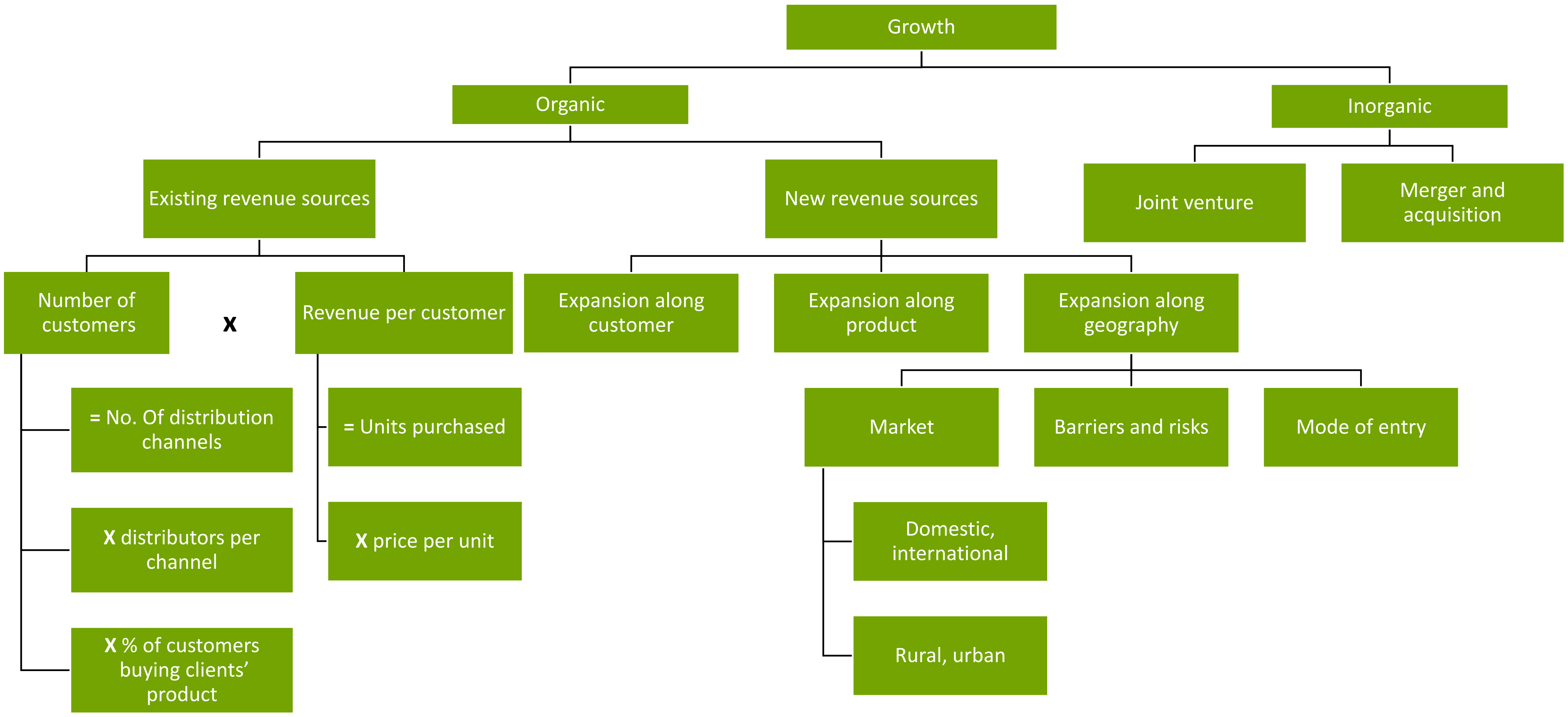
3 Major Steps Involved

1. Identify opportunity (organic, inorganic ways, existing or new revenue sources).

2. Check operational feasibility (by analyzing the business by performing porter 5 forces, pestle analysis.

3. Check financial viability (costs involved, ROI, Payback period, growth potential etc.).

GROWTH FRAMEWORK (2/3)



GROWTH FRAMEWORK – Merger and Acquisitions (3/3)

TYPES

Horizontal Integration	Vertical Integration	Conglomerate	Co- generic	Product Extension M&A	Reverse M&A

STEPS

Identifying Objectives

- Be clear with the reason for M&A
- Set a quantified goal
- Identify the type of deal

Identifying Target Company

- Based on objectives
- Synergies- operational, financial, cultural

Negotiations

- Fair price, Can we afford
- Payment structure
- Operational controls
- Employee retention plans
- Post merger integration strategies

Benefits To Business

- Fulfilment of objectives
- Cost synergies
- Diversification of revenue streams

Risks Involved

- Integration challenges
- Financial risks – debt burden, unexpected liabilities
- Regulatory legal hurdles

Recommendations

- Should the M&A be done?
- Yes - why (state with proper reasoning)
- No - why not (suggest some alternative options)

There is always an opportunity cost involved in making a merger or acquisition. That money could have been spent on something else

The Fresh Air Frontier

Come up with a growth strategy for a European firm manufactures micro air filters used in car engines.

Just to clarify, our client manufactures micro air filters for car engines and is looking for a growth strategy to expand its business. Is that correct?

Yes, that's right.

Before I proceed with my recommendations, I'd like to clarify a few points:
What is the client's current market position? Do they hold a significant share in the industry? Is the client looking for organic growth, inorganic growth, or a mix of both?

The client is among the top 5% of market players and is currently profitable. They are primarily interested in organic growth but are open to exploring inorganic opportunities.

That's helpful. Just to clarify, when you say the company is in the top 5%, do we have data on whether this is in terms of revenue, market share, or volume of sales?

Primarily in terms of revenue and market share. The company has a strong brand presence and premium product positioning.

Understood. Given the company has a strong market presence, have we analyzed how price-sensitive our customers are? A price elasticity study could help determine if a 5-10% price increase would impact demand negatively. Have we tested tiered pricing models before?

Not extensively, but the company is open to exploring pricing strategies.

In that case I would like to suggest the following:

- Conducting A/B testing to assess how a 5-10% price increase affects different customer segments.
- Introducing tiered pricing models based on filter performance, longevity, and compatibility with high-end car brands.
- Offering subscription-based pricing for fleet operators and service centers to ensure recurring revenue.

Sounds Good!

Have we previously explored expansion beyond Europe? If so, what were the major roadblocks?

The company has limited presence in Latin America and Asia, and regulatory hurdles were a concern in the past.

In that case, we can focus on Eastern Europe, Latin America, and parts of Asia where the automotive market is expanding, and emission standards are tightening, by using direct sales through distributors in high-demand areas, local partnerships with automotive service centers and OEMs (Original Equipment Manufacturers) and Online distribution via B2B e-commerce platforms.
We can also expand beyond OEMs to aftermarket retailers, repair shops, and fleet operators who frequently replace air filters and introduce specialized filters for commercial vehicles, agriculture machinery, and performance cars to broaden the customer base.

That makes sense, what else do you think we can do?

The Fresh Air Frontier

We can also consider product innovations by using filters with longer lifespans and higher pollutant capture rates to appeal to sustainability-conscious markets, targeting electric vehicles with dust, pollen, and fine-particle filtration, as electric cars are more sensitive to air quality inside the cabin and developing smart filters with sensors that notify users when they need replacement, reducing guesswork for customers.

Sounds great, we can now delve into the inorganic strategies.

Sure! If we were to consider acquisitions, would the company prefer acquiring a competitor for market share or a supplier for cost advantages?

Market share acquisitions would be ideal, but backward integration is also an option.

Then we can acquire smaller competitors in new geographic regions to gain immediate market access, and we can also acquire component manufacturers (e.g., filter membrane producers) for cost efficiency and supply chain control. We can partner with aftermarket service providers to increase distribution and brand presence.

That’s a solid approach. Are there any risks or challenges in this strategy?

Yes, a few challenges to consider:

- Pricing risks: Increasing prices must be balanced carefully to avoid losing market competitiveness.
- Market entry challenges: Expanding into new geographies involves regulatory approvals and distribution network setup.
- Investment risk in acquisitions: Inorganic growth requires significant capital and integration efforts, which must be justified with long-term ROI.

That’s a comprehensive plan. I like how you've considered multiple angles. Given these options, which strategy would you prioritize and why?

Based on our discussion, I’d prioritize:

- Short-term: Price optimization and new customer segments to leverage existing infrastructure.
- Medium-term: Geographic expansion with a mix of direct sales and partnerships.
- Long-term: Inorganic growth through acquisitions and backward integration to ensure cost efficiency.

Great insights! Thank you.

Next Big Gulp

Your client, a global beverage manufacturer, is seeking a growth strategy to guide its expansion and success over the next 3 to 5 years.

Okay, great. So let me just confirm the problem statement. The client is a global beverage manufacturer and you want me to help him in devising the growth strategy for that company?

Yes.

Okay, so since this is a global beverage manufacturer, can you tell me, is it operating across the globe in each and every country?

Yes, but the focus of our growth strategy is going to be in India.

Okay, great. And when we are talking about growth strategy, is there a particular period at which we are looking at?

Yes, so we are looking at the next five years.

Alright, so this is a 5-year growth strategy for India, for a global beverage manufacturer. So, can you tell me the kind of products that this beverage manufacturer has?

Yes, so we are engaged into 4 product lines. First is soft drinks, milkshakes, juices and bottled water.

Also, can you tell me whether this is a major player or is it amongst one of the market players?

Yes, it's one of the leading firms across the world.

Okay. Fine. So, is there any benchmark like what is the objective of growth strategy?

Yes. **So, we observed that the industry is growing at 8% CAGR. However, the firm has only been growing at 5%. Over the next 5 years, our objective is to reach at 10% CAGR.**

Okay, makes sense, so the company is experiencing a slowdown and it wants to come back into the game with a 10% growth rate over the next five years. I think I should dive deep into the different parameters that will be important for determining growth. So, the way I think about this problem is you have products and you have markets. In case you are facing stagnation, it will either be because some of the products are not working or some of the markets you are present in have become stagnant.

Sure.

So, do you want me to look at the product side or the market side?

Let's do both.

Okay. So, let me first focus on the products to see if there are any issues there. can I get a broad breakup of your products based on the following three metrics? The growth rates within each of these product lines, your market share within these products and the revenues that you are generating out of these products.

So, as far as cold drinks are concerned, the growth rate is 3-4%, market share that we hold is 50% and revenue is 1000 crores. For milkshakes, we have growth rate as 35%, it's a high growth market. Market share however is 5% and our revenues are 50 cr. Juices hold 15% growth rate, market share is 15% as well and revenues are 75 CR and for bottled water, we've got growth rate as 4%, Market share is 40% and our revenues is 400 Cr.

G2 Next Big Gulp

So, clearly soft drinks and bottled water are one of our major product lines. What I can see from your portfolio is your portfolio is majorly driven by soft drinks. It constitutes around say 70-80% of your revenue and that has slowed down. This is the prime diagnosis that I have made. However, there are two products which are emerging as very high growth products but their market share is lower.

Yes, you are correct.

So, some emerging ideas that I can get from this data is that we have very high growth products but we also have two very stable cash delivery products. So, what we can do is either we can focus on these two high growth products or we can focus on the other two products where the growth has become stagnant. Do you want me to prioritize?

Yes, you can prioritize.

Okay, so if I were to make judgments based on the information that you have provided, as per me, soft drinks and bottled water market has been there for a long time and based on the industry trends as well as the data that you are saying, it seems to be a mature market. On the other hand, milkshakes and juices, these have come a little later and they are in a growth stage.

Yes.

Now if you want to improve your growth rate of a say 1500 crore portfolio from 5% to 8%, what I believe is there are two products where you can actually pull that off. Assuming that soft drinks growth rates will increase from 3-4% to 5-6% in the coming years is not a rational assumption because a lot of substitutes are coming in and the market is getting more competitive. On the other hand, the other two products show a lot of potential. Do you think my reasoning is correct?

Yes, it is. You can go further.

Okay. So, let's prioritize milkshakes and juices. Let's look at milkshakes first. Can you tell me what are the products that you offer within milkshakes?

We have three flavors, chocolate, butterscotch and vanilla. And we offer them in a standard texture pack, 200 ml. And we look to price it at a premium over other juices for the health content and the brand value we enjoy in the market.

What are the markets that you are selling in? Is it metro cities?

Yes, it's mostly metro cities. Presence in tier 2 cities is not as much.

Okay, given the product is premiumly priced. So probably the customers you are looking at are from the high- income segment, maybe people working in high growth organizations.

Yes. These are the kind of target customers you are looking at.

Okay. So, any reason why you have not targeted the tier 2, tier 3 markets or the rural markets as well?

So historically, milkshakes is not one of the prioritized segments that we have. We've always focused on soft drinks and bottled water since they are higher revenue segments. At the other end, since it's for the brand value that we enjoy, milkshakes were launched to cater to other market segments of high income and middle-income customers as compared to just soft drinks which cater to all.

Have you done some kind of a market research which tells you the percentage of revenues that come out of milkshakes from metros versus non-metros?

Next Big Gulp

So we see that milkshakes cater to metros and get 10-20% of the revenue from there. And potentially the other revenue, 80% could come from other cities.

Okay, So what I understand is you have been focusing a lot on soft drinks and bottled water. As a result, you have not been able to venture the milkshakes into the tier 2 and tier 3 markets. Do you think we can look into expanding into these new markets?

Sure, certainly.

So there are two ways in which we can take the case forward. Either we can try to look at metros and see whether we can increase our customers as well as the revenue from customers there or we can directly venture into the tier 2 and 3 markets. Do you think we should move in that direction?

Okay, we can look into expanding in new cities.

So let's try to understand the kind of customers there and the kind of products and prices that they will be more elastic too. In tier 2, tier 3 or rural areas, there are a lot of indigenous Indian flavors, for example, badam milk or maybe some other regional flavors. If we want to enter into this market, we shall modify the flavour offerings of the product. We will also have to change the prices as well as the perception associated with our product. Then we can look at the distribution network, one would buy a cold drink from a paan shop which can also have a milkshake. These are common sets of products available across distributors. So we can easily exploit those pre-existing distribution channels.

Sure.

So, till now we have tried new flavors. We have looked at the kind of customers we are going to cater and how to edit the product based on those customers. We have leveraged our distribution as well. Now, the last thing will be how to mobilize the customers. In rural markets or in tier 2, tier 3 cities, you will have a lot of local substitutes. Let's say halwais, local street stores. These will be a major part in these markets. So the market won't be concentrated. In that case, how we are going to sell your product like the promotion that we do will be significantly different from the metro strategy. Do you want me to dive deep into this?

No, it's okay. I think we're done for the case now. If you could give me a quick summary of what we discussed, that would be enough.

Okay, so we tried to identify if the company is in a stagnation stage and then looked at the product portfolio to identify why that is happening and we identified that beverages and bottled water were the prime reasons. On the other hand there were two products which were high growth products. So we focused our attention on these two products as our future growth strategy like the five year term these products should become our winners. Then we just prioritized milkshakes over the other segment and within milkshakes we tried to look at the market entry strategy in tier 2 and tier 3 cities.

That brings us to the end of the case. Thank you very much.

Reviving the Flow of Success

Thank you for joining today. Let's dive into the case. Our client, LAVA, is a licensed distributor of Waterlogic water purifiers in Southeast Asia. They had strong initial growth, but sales have slowed over the past three years, putting them in a loss-making position. Management wants us to diagnose key issues and propose turnaround strategies. How would you approach this?

Thank you. To clarify, has there been any change in their product lineup over these four years?

No, they've been selling the same water purifier model.

Have we analyzed customer feedback? Are there requests for upgrades?

Customers have expressed interest in advanced filtration, smart monitoring, and eco-friendly options, but no significant upgrades have been made.

That's insightful. How does our competition compare?

Competitors like Coway and Pure Aqua offer innovative features. Coway provides a variety of models focusing on health and convenience, while Pure Aqua manufactures systems meeting World Health Organization standards, offering advanced reverse osmosis and filtration technologies.

This highlights a gap. To stay competitive, LAVA should explore product upgrades. Also, do we offer servicing packages alongside sales?

Yes, but uptake is low due to perceived high costs, lack of awareness, and a preference for one-time repairs rather than long-term commitments.

To improve adoption, we could bundle servicing for the first year, introduce tiered packages, and educate customers on long-term benefits. A key issue is that customers don't immediately see value in servicing plans, as purifiers function well in the initial years. To address this, we should offer a free first service to demonstrate the benefits, use targeted communication at the point of sale, and integrate reminders via email or SMS. Additionally, testing different price points and bundling options can help optimize conversion rates.

Do you think this strategy would work across the entire Southeast Asian region at once?

That depends on the company's approach. Would LAVA prefer to initiate in a specific region first before scaling?

Good question. Let's focus on Thailand for now.

Understood. I'd structure my approach around three key pillars: revenue growth, competitive positioning, and cost efficiency. Revenue growth will focus on increasing both customer acquisition and average revenue per customer. Competitive positioning will address differentiation through product and service improvements. Cost efficiency will ensure sustainable profitability.

Let's start with revenue.

Growth can come from expanding our customer base and increasing revenue per customer. First, we should enter the B2B market, targeting businesses needing multiple units. Second, we should improve servicing package sales.

That makes sense. Let's explore the B2B opportunity first. What kind of businesses do you think we should target?

Reviving the Flow of Success

I'd segment businesses into small, medium, and large based on their purifier needs. Small businesses may need a single unit, while larger ones could require multiple. Have we analyzed potential demand across these segments?

Interviewer: Yes, small businesses make up the largest segment, with about 50,000 potential buyers. Medium businesses total around 16,000, and large businesses number approximately 6,000.

That's a strong base. If small businesses purchase one unit each (50,000 x 1 = 50,000 units), medium businesses buy two (16,000 x 2 = 32,000 units), and large businesses purchase five (6,000 x 5 = 30,000 units), we could estimate total demand at 118,000 units. Do we have information on unit pricing and margins?

Interviewer: Each unit sells for $2,500 with a margin of $1,000.

Based on that, total potential unit sales amount to 118,000. At a margin of $1,000 per unit (118,000 x $1,000), this represents a gross margin opportunity of $118 million. This confirms the value in targeting the B2B segment.

Just to clarify, this figure is purely from purifier sales and excludes servicing revenue.

Got it. B2B expansion looks strong, and servicing sales can provide steady post-sale revenue. Are there any barriers preventing greater adoption of servicing plans?

One issue is the sales team's focus, since they receive largely fixed pay with minimal incentives, they aren't motivated to push servicing plans.

That's a challenge. A low-incentive structure can lead to disengagement. To drive servicing adoption, LAVA should introduce a tiered commission plan. A base commission of 2% on purifier sales ensures stability, while a higher 5-7% commission on servicing plans creates an incentive to prioritize recurring revenue. Additionally, offering a 3-5% bonus for bundled sales—combining purifiers with servicing packages—would encourage the sales team to prioritize long-term value.
To further boost motivation, LAVA can introduce quarterly performance contests with attractive rewards such as cash bonuses, trips, or vouchers. This would create healthy competition and drive higher sales performance.

Interviewer: That sounds practical. How would you structure the GTM strategy?

On the GTM strategy, we should focus on small and medium businesses first, as they represent the largest portion of potential demand. Partnering with SME associations would help LAVA gain credibility and access broader networks. For outreach, LinkedIn ads and targeted email campaigns can highlight the benefits of reliable water purification for employee health and sustainability. To build initial traction, LAVA can offer corporate discounts and free trials, allowing businesses to experience the product's value firsthand.

What about long-term objectives? Are there any sustainable strategies LAVA should consider?

For medium- to long-term sustainability, LAVA should focus on product innovation and differentiation. Developing models with UV-C filtration, IoT-based monitoring, and sustainable designs will enhance competitiveness. Establishing exclusive partnerships with eco-friendly tech providers will also help LAVA maintain a market edge.

Reviving the Flow of Success

Building customer loyalty programs is another sustainable move. LAVA can introduce subscription-based plans with regular maintenance and filter replacement, ensuring steady recurring revenue. Offering loyalty discounts for long-term service subscribers would strengthen customer retention.

On regional expansion, once the Thailand pilot proves successful, LAVA should replicate the B2B GTM strategy in other Southeast Asian markets. Gradual expansion into Indonesia, Vietnam, and the Philippines, leveraging localized partnerships, would maximize market coverage.

Lastly, using data-driven customer insights will optimize sales efficiency. Implementing a CRM system to personalize sales pitches, predict servicing needs, and enhance customer lifetime value would improve conversions. Introducing predictive maintenance alerts for corporate clients will further strengthen service retention by preventing downtime.

To ensure sales team stability and motivation, LAVA should maintain a balanced pay structure, offering a secure base salary while creating meaningful upside potential through commission-based earnings.

This is a strong, structured approach. You've addressed revenue and cost levers while considering competitive dynamics and risks like sales team motivation. Great job.

G4 Transforming Techking's Trajectory

The client, Techking, is a €5bn multi-national IT provider based in Germany. Its revenues have been next to stagnant for years and profit margins compared to competitors is low. Their CEO, has asked you to develop options to turnaround their business and improve profit margins. He's mentioned that this is his last chance to make significant changes before potentially losing his job. How would you approach this problem?

Thank you for the overview. Before diving into potential solutions, I'd like to understand more about Techking's situation. Could you tell me about their current services and market position?

Techking provides technology and related consulting services to clients across various industries. Their offerings include computing power through data centers, hardware for employees, and software development and consulting services.

Could you share more about their market presence? In how many countries do they operate?

They operate in over 50 countries, but their performance isn't significantly different across markets.

What's their current financial situation, particularly regarding profitability?

The company is aiming for at least 15% profitability in 3 years. Their competitors have profit margins between 15% and 25%. Revenues have been stagnant for years, and profit margins are comparatively low.

How do they differentiate themselves in the market?

Their main differentiator is being a German brand that people trust. However, they're not seen as particularly innovative and haven't managed to turnaround their business on their own.

Has management taken any measures to address these issues?

Yes, they've executed several smaller initiatives to cut costs, but the impact was minimal.

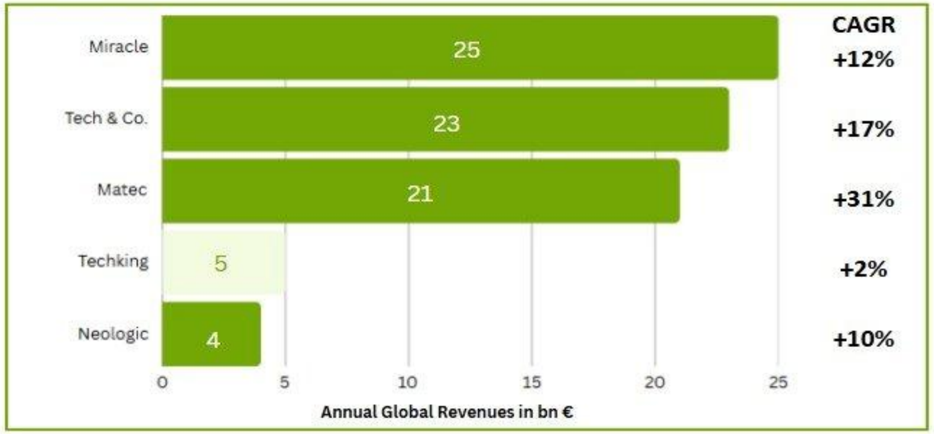
Are their competitors facing similar challenges?

No, the competitors are generally performing better, which is part of the problem.

I'd like to understand the competitive landscape. Who are their main competitors and how does Techking compare in terms of size and growth?

Let me share Exhibit 1,showing revenues and growth rates for the top 5 competitors.

Exhibit 1 - Annual Revenues and CAGR top 5 competitors (in bn €)

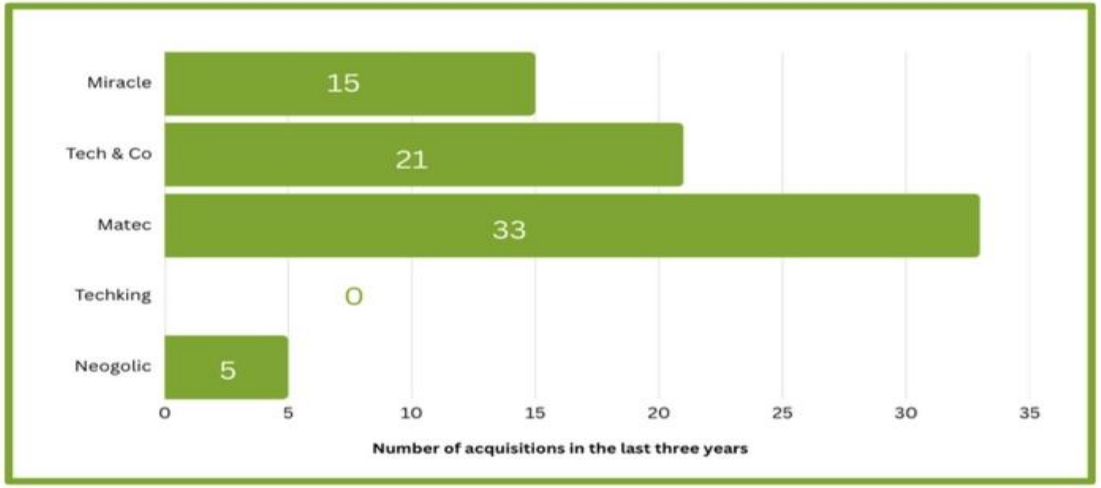


Transforming Techking's Trajectory

Thank you. I notice Techking is significantly smaller at €5bn revenue compared to the top three competitors who range from €21-25bn. More concerning is Techking's growth rate of only 2% versus competitors ranging from 10-31%. This suggests they're facing both scale and growth challenges. How has the industry been evolving? Have companies been growing organically or through acquisitions?

Here's Exhibit 2 showing M&A activities over the last three years.

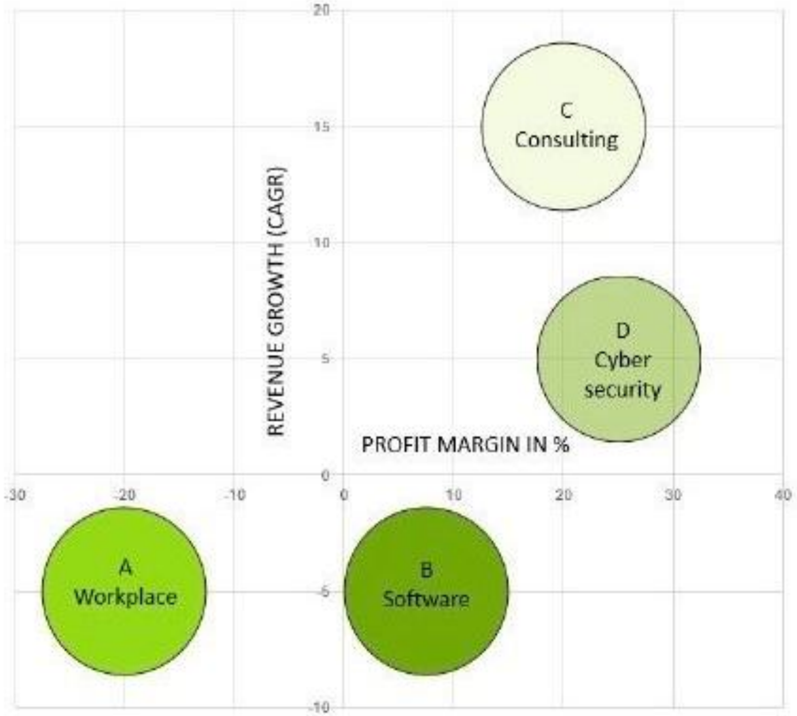
Exhibit 2 - M&A activities (acquisitions) in last three years



This is revealing. Techking has conducted zero acquisitions, while competitors have been very active - particularly Matec with 33 acquisitions. This suggests M&A is a key growth driver in this industry that Techking isn't leveraging. To better understand their internal business dynamics, could I see data on their product segments?

Certainly. Here's Exhibit 3 showing profitability, revenue growth, and revenue breakdown by product segment.

Exhibit 3: Profitability and revenue growth



Interesting. I can see Techking has four distinct segments:
(Calculated loss/gain by following: Total revenue (5bn)*product share*loss/profit %)
- Segment A (Workplace): 30% of revenue but -20% profit margin, losing €300m
- Segment B (Software): 30% of revenue with 5% profit margin, generating €75m
- Segment C (Consulting): 25% of revenue with 25% profit margin, generating €300m
- Segment D (Cybersecurity): 15% of revenue with 40% profit margin, generating €300m

The growth chart shows Segments A and B have negative growth,

Transforming Techking's Trajectory

while C and D are growing at approximately 15% and 5% respectively. Overall, they're achieving only 8% profit margin across all segments combined.

Good analysis. What would you recommend based on this data?

Before finalizing my recommendations, I'd like to understand one more thing. Were these products developed in-house? And is the company open to significant restructuring?

Yes, they have a broad portfolio of products developed in-house. And the CEO has indicated he's open to "big changes" to save his job, including potential divestitures and M&A activities.

Based on my analysis, I'll present multiple strategic options with clear pros and cons for each, and then make a recommendation.
Option 1: Divest underperforming segments
- Sell product segments A and potentially B
- This would immediately eliminate the €300m loss from Segment A
- If we sold only Segment A and kept the others unchanged, profit margin would improve from 8% to approximately 16%
- Pros: Immediate profitability improvement, focus on strengths
- Cons: Reduced scale, potential cultural resistance, painful process of selling significant part of company
Option 2: Double down on high profitability areas
- Acquire complementary businesses in Segments C and D
- Allocate more resources to these segments internally
- Pros: Builds on existing strengths, follows industry M&A trend
- Cons: Execution risk given no M&A experience, integration challenges
Option 3: Bold cost-cutting across all segments
- Implement aggressive operational efficiency measures
- Restructure Segment A to stem losses
- Pros: Maintains current business scope, potentially less disruptive
- Cons: May not address fundamental growth issues, previous cost-cutting had minimal impact
After weighing these options, I recommend a combined approach of **Options 1 and 2:**
1. Divest Segment A completely
2. Use proceeds to fund acquisitions in high-margin Segments C and D
3. Evaluate Segment B for potential turnaround or divestiture depending on its strategic fit

Interesting approach. What implementation challenges do you foresee, and how would you address them?

I see several major implementation risks:
1. No M&A experience leading to potential cultural issues
- Mitigation: Create a dedicated M&A team with external expertise
- Carefully select targets with compatible cultures
- Implement structured integration processes
2. Selling a significant part of the company could be painful and disruptive
- Mitigation: Clear communication about strategic rationale
- Structured transition plan to minimize customer and employee

Transforming Techking's Trajectory

disruption
- Potentially phase the divestiture to manage change effectively
3. Competitors might use this transition period to poach clients
- Mitigation: Proactive client communication strategy
- Account protection teams for key clients during transition

Additionally, I'd outline a detailed implementation plan with three phases:

Phase 1 (0-6 months):
- Begin Segment A divestiture process
- Establish M&A capability
- Identify acquisition targets in Segments C and D

Phase 2 (6-18 months):
- Complete Segment A divestiture
- Execute first strategic acquisitions- Implement operational improvements in remaining segments

Phase 3 (18-36 months):
- Integrate acquisitions
- Optimize portfolio
- Achieve 15%+ profit margin target

Your implementation plan seems reasonable. What specific metrics would you track to ensure success?

I would track these key metrics:

1. Financial metrics:
- Overall profit margin (target: 15%+ within 3 years)
- Revenue growth rate (target: 10%+ to match industry)
- Segment-specific profit margins
- Return on invested capital for acquisitions

2. Operational metrics:
- Integration milestones for acquisitions
- Cost synergy realization
- Customer retention during transitions
- Employee satisfaction and retention

3. Strategic metrics:
- Market share in core segments
- Innovation metrics (new product development)
- Brand perception improvements

Would you like to briefly summarise it and conclude?

To summarize my recommendation I'm using the Strategy Diamond framework:

Economic Logic:
- Shift from low-margin to high-margin segments
- Eliminate loss-making activities (specifically Segment A)
- Achieve scale through acquisitions in profitable segments
- Target 15%+ profit margin within 3 years

Arenas:
- Focus on cybersecurity and specialized consulting services
- Exit workplace solutions
- Maintain presence in existing geographic markets
- Target enterprise clients where German brand trust is valued

Transforming Techking's Trajectory

Vehicles:
- Divestiture of Segment A
- Strategic acquisitions in Segments C and D
- Potential partnerships for capability enhancement
- Internal innovation focused on high-margin areas

Differentiators:
- Technical expertise in cybersecurity
- German brand reputation for trust
- Specialized consulting capabilities
- More focused, agile organization post-restructuring

Staging:
- Immediate: Begin Segment A divestiture process
- Short-term: First strategic acquisitions in high-margin segments
- Medium-term: Build M&A capabilities and integration expertise
- Long-term: Transform into a focused, high-margin IT services provider with 15%+ profitability

This approach addresses both immediate profitability concerns and long-term strategic positioning. It acknowledges the past strategy mistake of not pursuing M&A while competitors grew through acquisitions. Most importantly, it provides the bold moves required to save the CEO's job while setting the company on a sustainable growth path.

Thank you for your comprehensive analysis and clear recommendations. This concludes our case interview.

Transforming Techking's Trajectory (Exhibits)

Exhibit 1 - Annual Revenues and CAGR top 5 competitors (in bn €)

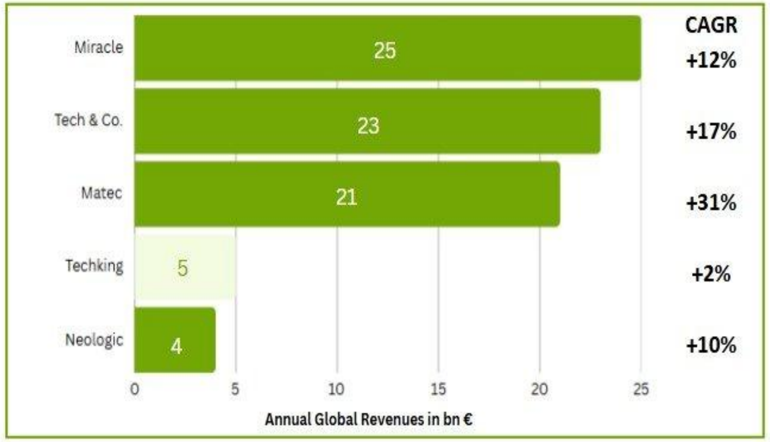


Exhibit 2 - M&A activities (acquisitions) in last three years

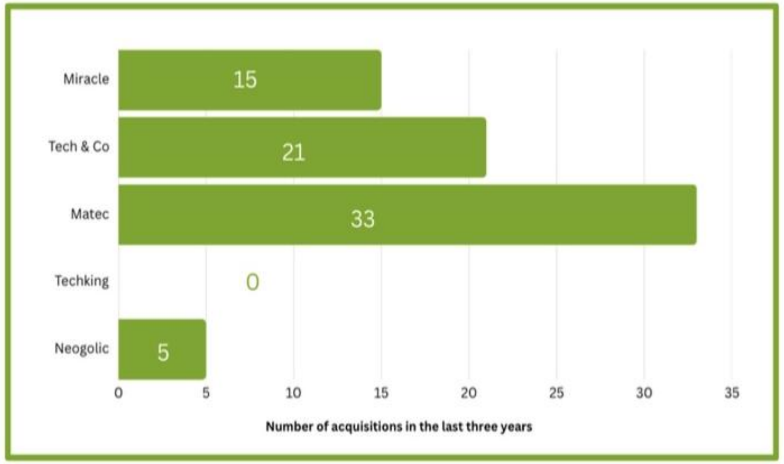
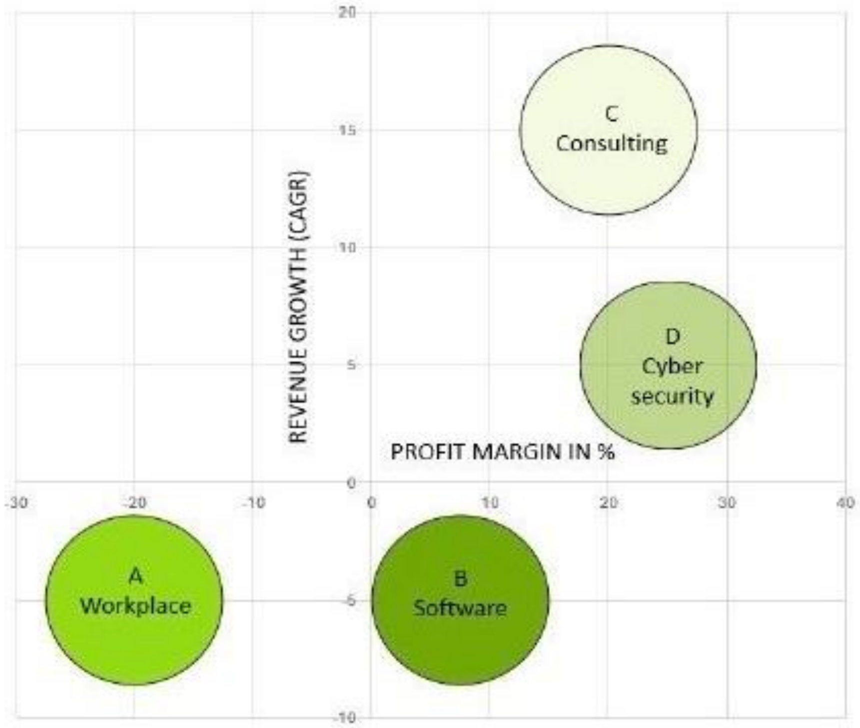


Exhibit 3: Profitability and revenue growth



G5 Amplifying Reach, One Town at a Time

Thank you for joining today. Let's dive into the case. Our client, a well-established guitar manufacturer, is struggling to expand into Tier 2 and Tier 3 cities in India. Sales remain strong in metro areas, but adoption in smaller towns is low. Management wants us to diagnose key issues and propose an effective expansion strategy. How would you approach this?

Thank you. To clarify, are there any constraints on budget, product range, or timelines?

Yes, the company wants to expand without significantly increasing production costs.

Understood. I'll structure my approach around three key areas: demand-side challenges, supply-side constraints, and marketing efforts. First, is brand awareness a significant issue in these cities?

Yes, the brand is well-known in Tier 1 cities but has a weaker presence in smaller towns.

That makes sense. Without strong brand recognition, potential customers may hesitate to invest in the product. Another factor is pricing. Does the company currently offer entry-level guitars, or are they primarily focused on premium models?

They mainly focus on high-end guitars, which may not align with the purchasing power of customers in these regions.

Given that, a key solution would be to introduce a mid-range product line priced between INR 3,500 and 10,000 to cater to budget-conscious buyers. Additionally, offering EMI options and student discounts could make guitars more accessible. Does limited access to music education also impact demand in these areas? Additionally, offering EMI options and student discounts could make guitars more accessible.

Does limited access to music education also impact demand in these areas?

Yes, music schools are fewer in number, which may limit the pool of aspiring musicians.

That's another critical factor. Now, looking at the supply side, are there distribution challenges, such as limited retail partnerships or logistics issues?

Yes, the company primarily sells through high-end music stores, which are concentrated in metro cities, and lacks a strong retail network in smaller towns.

Expanding physical stores would be costly and risky. Instead, prioritizing online sales through platforms like Amazon, Flipkart, and niche music e-commerce websites can help reach a wider audience without significant investment. Does the company currently focus on online sales?

Their online presence exists but isn't a priority. Their website caters mainly to urban customers, and digital marketing in regional markets is limited

Strengthening online sales should be a priority. Optimizing the website for regional language support, listing products on major e-commerce platforms with localized promotions, and leveraging vernacular content in ads would be effective. Lastly, on marketing, does the company focus only on metro cities?

Yes, their campaigns involve influencer collaborations, concerts, and partnerships in urban areas.

That's a common metro-centric approach. Have they explored partnerships with local music schools, influencers, or cultural events in smaller towns?

Amplifying Reach, One Town at a Time

Not yet.

In summary, the main challenges are low brand awareness, misaligned pricing, and limited access to music education on the demand side; weak distribution networks and an underutilized online presence on the supply side; and a metro-focused marketing strategy that lacks local partnerships.

Let's address all three for a comprehensive strategy.

To tackle these, first, the company should introduce a mid-range product line and offer EMI options to make guitars more affordable. Second, it should prioritize online distribution through e-commerce platforms and set up regional fulfilment centres to improve delivery times. Finally, marketing efforts should focus on targeted digital ads in regional languages, collaborations with local artists and influencers, free workshops, and partnerships with music schools and community centres.

If there's a limited marketing budget, what would you prioritize?

I'd focus on high-impact, low-cost strategies such as leveraging regional influencers, using vernacular content in social media campaigns, running targeted digital ads in smaller towns, and partnering with local music teachers and schools for free workshops. This approach balances cost efficiency with maximum impact.

Excellent! Thanks for your structured approach.

Thank you! It was a great learning experience.

Lathering Up for Growth

Our client is SoapCo. Soap Co is a market leader in the Decorative Bar segment of the soap market. SoapCo has grown profitably over the past several years. However, sales in the Decorative Bar' market have slowed over the last year. Their management aspires to be one of the largest soap manufacturers in the U.S. over the next 5 years Where should Soap Co focus to achieve its growth goals?

Thank you! To approach this, I would break down the analysis into four key areas:

1. Company Financials – Understanding revenue trends, distribution channels, and shifts in customer preferences.

2. Growth Vectors – Exploring market expansion, new products, and consumer segments.

3. Capabilities – Evaluating manufacturing capacity, marketing effectiveness, and regulatory challenges.

4. Competitive Landscape – Benchmarking against competitors to identify differentiation opportunities

Yes, let's start with Company Financials.

Here I have certain clarifying question w.r.t the overall soap market landscape and SoapCo's position in it. What has been its revenue trend and how has it evolved? Could you provide insights on SoapCo's current revenue trends?

Sure. Here's Exhibit A, which details the different soap market segments and SoapCo's positioning.

Thankyou. Looking at Exhibit A, I see that the total market size is $700M, with bar soaps accounting for $420M and liquid soaps for $280M. SoapCo is currently focused on the Decorative Bar Soap segment, which is just $50M—a relatively small market. Their market share appears significantly below the 10-15% segment leader benchmark, meaning there's room for growth. It can be deduced that SoapCo's revenue stagnation maybe driven by a decline in bar soap sales, with the company not capturing the liquid soap growth.

That's correct. What opportunities do you see?

A few key opportunities that can be followed would be:
Expanding beyond Decorative Bar Soap into larger bar soap segments like Body ($250M) and All-Natural ($75M).
Entering Liquid Soap—the Hand Soap segment ($125M) and Body Liquid Soap ($100M) are particularly attractive due to their size.
Exploring Premium Soaps, as they may offer higher margins, even though the market sizes are smaller

Lathering Up for Growth

Now that we've discussed the opportunities, which one would you recommend pursuing and why?

I'll try answering this by analysis of the Growth Vectors of SoapCo. Here I'll aim to understand the growth outlook by segment, identifying new products for diversification, analyzing consumer trends, and evaluating potential distribution channels. I've carried out an assessment of the soap product categories using the BCG Matrix to determine the best growth and diversification focus:

- **Stars (High Market Growth, High Share):**

  Liquid Soaps & Body Bars – These are in high-growth segments, likely fueled by consumer preferences shifting towards hygiene, sustainability, and convenience.

- **Cash Cows (Low Market Growth, High Share):**

  Traditional Bar Soaps – A mature market that generates steady revenue but has limited growth potential.

- **Question Marks (High Market Growth, Low Share):**

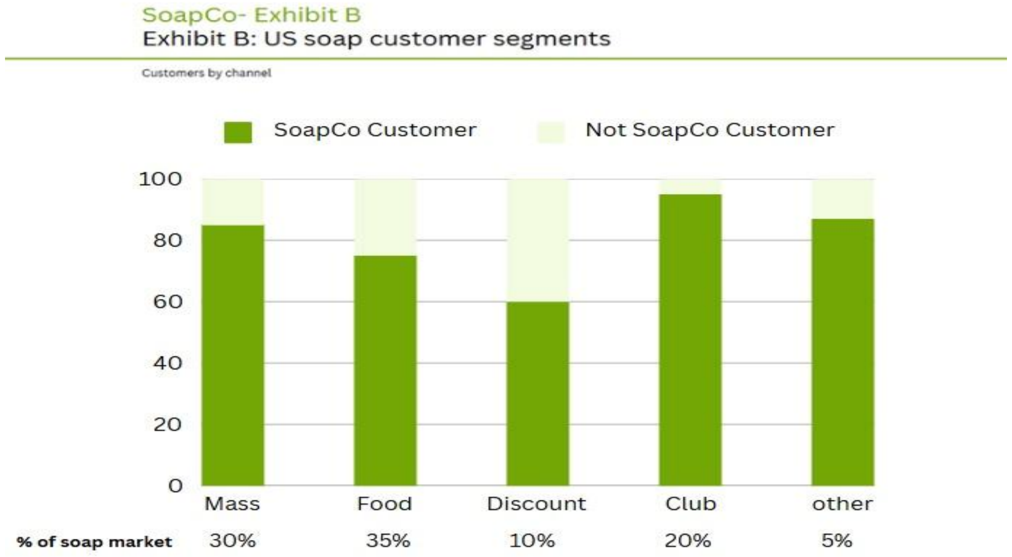
  Decorative Soaps – A niche market with potential but uncertain scalability.

- **Dogs (Low Market Growth, Low Share):**

  Premium Small Segments – Limited demand, making it a lower priority.

Given this, the best strategy would be to focus on entering into newer segments by expanding liquid soaps and body bars through stronger retail and online channels while exploring ways to differentiate the offerings within these segments.

Good rationale. Now I'll hand you another exhibit showing the SoapCo's distribution channels and customer segments. Based on it what insights can you gather?



From this exhibit, I sense that SoapCo has strong distribution across Mass, Food, and Club channels but is weak in the Discount segment. The Discount market makes up 10% of the total $700M soap market, implying a $70M segment. 40% of customers in this segment are not SoapCo buyers, meaning there is $28M in untapped market potential.

Okay. So would expanding distribution alone be sufficient, or should SoapCo consider product differentiation in the Discount segment?

Lathering Up for Growth

If we continue with the assumption that SoapCo aims for a 10-15% market share in the Discount segment, potential revenue would be:

- 10%- 15% of $70M = $7M-$10.5M

This highlights that even with strong execution, the Discount distribution segment alone won't significantly move the needle for overall growth.

So, what strategy would you think of moving forward with to sail towards growth?

Here we can understand the manufacturing Capabilities of SoapCo w.r.t expanding into new customer segments and increasing distribution.

That's a logical move. I have an Exhibit that may help you with assessing the feasibility of these strategies. Feel free to walk me through your observations.

SoapCo Capabilities

	Bar Soaps	Liquid Soaps
Body	✓	✓
All-Natural	✗	✗
Decorative	✓	✗
Premium	✓	✗
Hand	✗	✓

✓: Can manufacture ✗: Unable to manufacture

Thank you. This clearly shows that SoapCo has strong capabilities in **Bar Soap**, producing Body, Decorative, and Premium categories. But in **Liquid Soap**, it lacks capacity for **Premium, Decorative, and All-Natural** products, which could limit growth. So two situations can be thought of:

If demand for bar soaps stays strong, SoapCo should double down on its strengths:

1. **Optimize Production & Diversify** – Expand body bar variants beyond decorative soaps.
2. **Strengthen Distribution** – More retailer partnerships, better shelf presence, and stock availability.
3. **Boost E-Commerce** – Direct-to-consumer sales and regional warehousing for efficiency.

However, if demand is shifting to liquid soaps, SoapCo must expand production to compete. Her it could think of-

1. **Outsourcing (Short-Term Solution):** It can partner with third-party manufacturers to quickly enter the market without capital investment. This will allows market testing before committing to full-scale production
2. **Joint Ventures or Acquisitions:** It can collaborate with or acquire a company already manufacturing liquid soaps enabling faster market entry with existing expertise and infrastructure.
3. **Licensing or White-Labelling** : It can leverage another company's liquid soap formulations and production while branding it as SoapCo's product.

Lathering Up for Growth

Good deduction. Let's move to Exhibit D. Based on the data provided, can you calculate the potential revenue achievable for SoapCo in the categories they have the capability to enter?

Exhibit D: Comparison of soap segments

	Bar				Liquid			
	Body	All Natural	Decorative	Premium	Hand	Body	All Natural	Premium
1-yr-growth rate	2%	5%	3%	5%	3%	2%	5%	5%
5-yr-cumulative growth rate	10%	28%	16%	28%	16%	11%	29%	29%

	Bar				Liquid			
	Body	All Natural	Decorative	Premium	Hand	Body	All Natural	Premium
Gross Margin	15%	18%	19%	22%	17%	16%	19%	23%

Sure.

For **Body Bar:**

- Current Market Size = **$250M**
- 5-Year Growth Rate = **10%**
- **Future Market Size** = 250M×(1+0.10)= 275M
- Achievable Market Share = **10%**
- **Achievable Revenue** = 275M×0.10=**28M**

,

For **Liquid Hand:**

- Current Market Size = **$125M**
- 5-Year Growth Rate = **20%**
- **Future Market Size** = 125M×(1+0.20)=150M
- Achievable Market Share = **10%**
- **Achievable Revenue** = 150M×0.10=**15M**

Liquid Body:

- Current Market Size = **$100M**
- 5-Year Growth Rate = **10%**
- **Future Market Size** = 100M×(1+0.10)=110M
- Achievable Market Share = **10%**

Achievable Revenue = 110M×0.10=**11M**

(Formulas Used:

Future Market Size Calculation: Future Market Size = Current Market Size×(1+Growth Rate)

Achievable Revenue Calculation: Achievable Revenue = Future Market Size × Achievable Market Share)

G6 Lathering Up for Growth

	Bar				Liquid				
Header	Body	All Natural	Decorative	Premium	Hand	Body	All Natural	Premium	Total
Current segment size	$125M	$75M	$50M	$45M	$125M	$100M	$35M	$20M	$700M
5 yr cumulative growth rate rounded	x 10%	X 30%	x 20%	x 30%	x 20%	x 10%	x 30%	X 30%	
Size in 5 years	~$275M	~$100M	~$60M	~$60M	~$150M	~$110 M	~$45M	~$26M	~$826M
Achievable share	x 10%	x 0%	x 15%	x 10%	x 10%	x 10%	x 0%	x 0%	
Achievable revenue	~$28M	XX	~$9M	~$6M	~$15M	~$11M	XX	XX	
At current 10% share			~$6M						

Good. Now, based on this, what would be your final recommendation for SoapCo?

Given these calculations, SoapCo cannot triple its revenue by focusing solely on the Decorative Bar segment. Even if it expands its market share there, the revenue increase would be marginal ($3M). Instead, SoapCo should diversify into Body Bar, and plan to enter Liquid Hand, and Liquid Body segments, where it can achieve approximately $28M, $15M, and $11M in additional revenue, respectively.

That makes sense. What risks do you see in this strategy? And what about competition?

There can two key risks. First, Competitive Response – Other players in these segments may react aggressively, either through price cuts, promotions, or increased marketing and secondly, Consumer Behaviour Shifts – Customer preferences may change over time, with increasing concerns around sustainability, environmental impact, or shifting trends toward premium or natural soaps. Therefore a deep analysis of the Competitive Landscape must be carried out by SoapCo to anticipate pricing pressures and branding challenges. Additionally, conducting consumer research will help understand market trends and preferences to differentiate its offering effectively.

Great. That wraps up the case. Thanks for your analysis!

Thank You!

Lathering Up for Growth (Exhibits)

Exhibit A

Exhibit C

SoapCo Capabilities

	Bar Soaps	Liquid Soaps
Body	✓	✓
All-Natural	✗	✗
Decorative	✓	✗
Premium	✓	✗
Hand	✗	✓

✓: Can manufacture ✗: Unable to manufacture

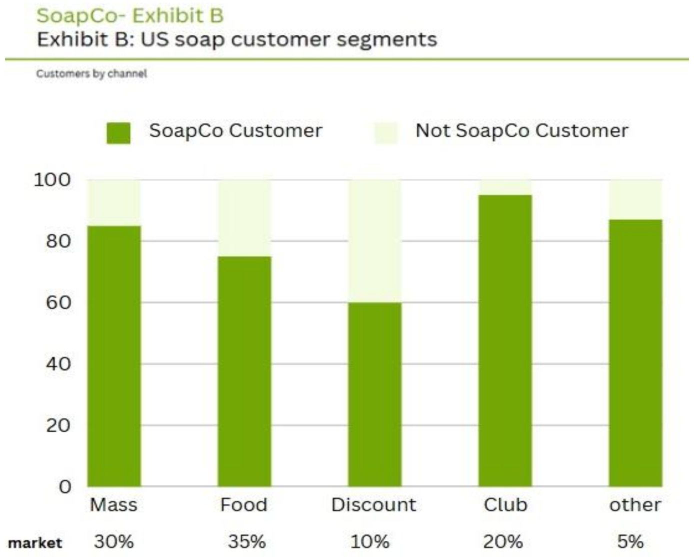


Exhibit D: Comparison of soap segments

	Bar				Liquid			
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1-yr-growth rate	2%	5%	3%	5%	3%	2%	5%	5%
5-yr-cumulative growth rate	10%	28%	16%	28%	16%	11%	29%	29%

	Bar				Liquid			
	Body	All Natural	Decorative	Premium	Hand	Body	All Natural	Premium
Gross Margin	15%	18%	19%	22%	17%	16%	19%	23%

Lathering Up for Growth (Exhibits)

Exhibit E

	Bar				Liquid				
Header	Body	All Natural	Decorative	Premium	Hand	Body	All Natural	Premium	Total
Current segment size	$125M	$75M	$50M	$45M	$125M	$100M	$35M	$20M	$700M
5 yr cumulative growth rate rounded	x 10%	X 30%	x 20%	x 30%	x 20%	x 10%	x 30%	X 30%	
Size in 5 years	~$275M	~$100M	~$60M	~$60M	~$150M	~$110 M	~$45M	~$26M	~$826M
Achievable share	x 10%	x 0%	x 15%	x 10%	x 10%	x 10%	x 0%	x 0%	
Achievable revenue	~$28M	XX	~$9M	~$6M	~$15M	~$11M	XX	XX	
At current 10% share			~$6M						

Accelerating the Fitness Curve

Imagine you are a strategy consultant for TechX, a leading consumer electronics company. Over the past few years, TechX has seen strong growth in its core product line (smartphones, laptops, and accessories), but its expansion into fitness wearables has been relatively slow.

The company has set an ambitious target: to double its revenue in the smart fitness segment over the next three years. However, its current product lineup lacks the advanced fitness capabilities that competitors offer, and building these capabilities from scratch could take significant time and resources.
TechX's leadership is exploring different strategic options to achieve this goal. How would you approach this problem?

Before diving into solutions, I'd like to take a structured approach by assessing TechX's current market position, profitability drivers, and growth potential. This will help determine the most effective growth strategy.
I'll begin by analyzing TechX's financial position using the Profitability Framework to break down revenue, costs, and competitive positioning. Would that be okay?

Yes, sure go ahead

I have certain preliminary questions regarding certain aspects to move forward with the revenue analysis-
Segment Contribution: What percentage of TechX's total revenue comes from fitness wearables today?
Revenue Growth: Is this segment growing faster or slower than the overall company?
Market Size: What portion of the addressable market has TechX captured?
Market Share Potential: Any projection which TechX wishes to achieve w.r.t the competitor's market size?

Sure, Here's some data on TechX's current position in the fitness wearables market and industry trends.

Metric	TechX (Current)	Market Leader (Competitor)	Industry Average
Market Share in Wearables	8%	35%	15%
YoY Growth in Wearables	12%	22%	18%
Projected Market Size (2030)	$50B	—	—
Revenue from Wearables (2024)	$500M	—	—

Based on this, what would you suggest as a growth strategy for TechX?

From this data, I see that TechX's fitness wearables business is currently a small player in a fast-growing market. It's growing, but at a slower rate than competitors, meaning TechX risks falling behind.

I would apply the BCG Growth Matrix to analyze where this segment stands and determine the best strategic approach.

Accelerating the Fitness Curve

Product Segment	Market Growth Rate	Market share	Category	Strategic Recommendation
Core Electronics	Low	High	Cash cow	Maintain & optimize
Wearables	High	Low	Question mark	Invest for growth

TechX's fitness wearables fall under the 'Question Mark' category, meaning it operates in a high-growth market but has a low market share. This means TechX needs to invest heavily in expansion or risk stagnation.
To move wearables into the 'Star' category, TechX has two options:
1. Organic Growth: Invest in R&D to build its own fitness tech.
2. Inorganic Growth: Acquire or partner with another company that already has the technology and brand presence.
Given the time-sensitive nature of market capture, I'd lean towards an inorganic approach. Does TechX have a preference here?

Good insights! TechX's leadership has indeed decided on an inorganic growth strategy and is considering a strategic partnership with an established fitness brand to accelerate expansion.
They are in advanced talks with FitStride, a leading athletic wear company, to co-develop a smart fitness ecosystem. Now, they need to finalize the business structure and execution strategy.
What factors should TechX and FitStride consider before entering this partnership?

A Joint Venture (JV) is the best inorganic approach in this case because it allows both companies to leverage their unique strengths while sharing risks and resources. Here's why it makes strategic sense
1. TechX's Strengths:
Tech Capabilities: Expertise in consumer electronics and software.
Distribution Network: Established presence in digital and retail markets.
2. FitStride's Strengths:
Brand & Customer Base: Deeply embedded in the fitness community.
Design & Market Positioning: Strong fashion and athletic credibility

But why a JV and not an acquisition?

Because of the following reasons
1. Faster Time-to-Market: An acquisition would require full integration, slowing execution.
2. Shared Risks & Investments: A JV allows both firms to co-invest rather than TechX taking on all financial risk.
3. Mutual Brand Strengthening: FitStride benefits from advanced tech, while TechX gains brand credibility in fitness.

Would it be possible to see any financial projections or estimated revenue impact from this JV?

Interviewer: Yes sure
Exhibit 2: Joint Venture Revenue Projections

Accelerating the Fitness Curve

Year	Projected Revenue from JV ($B)	Market Share Target	Key Milestone
2025	1.2	10%	Product Launch
2026	2.5	15%	Expansion to Global Markets
2027	4.0	20%	Smart Fitness Ecosystem

Based on these projections, how would you structure the go-to-market strategy for this joint venture?

To ensure sustained growth, I would apply the Ansoff Matrix, which provides a structured way to determine market expansion strategies. The initial focus should be on Product Development and Market Penetration, ensuring successful adoption before expanding into new markets or adjacent verticals

Growth Strategy	Application to TechX & FitStride JV
Market Penetration	Target existing customers through aggressive bundling (e.g., wearables with sports apparel) and partnerships with gyms.
Product Development	Develop exclusive AI-driven fitness tracking devices with integrated coaching and performance analysis.
Market Development	Expand globally with regional product adaptations, targeting emerging markets.
Diversification	Move beyond wearables into connected fitness platforms, including virtual personal training & nutrition tracking.

Great insights! One last question—what are the biggest risks in this joint venture, and how should TechX mitigate them?

Key risks include:
1. Technology Integration Issues: Establish dedicated tech teams from both companies.
2. Brand Misalignment: Ensure consistent messaging and positioning.
3. Competitive Response: File patents and create a unique ecosystem.
4. Execution Delays: Use milestone-based funding and agile product development.

By addressing these risks proactively, the JV can maximize its success.

Great, we can close the case now.

G7 Accelerating the Fitness Curve (Exhibits)

Exhibit A

Metric	TechX (Current)	Market Leader (Competitor)	Industry Average
Market Share in Wearables	8%	35%	15%
YoY Growth in Wearables	12%	22%	18%
Projected Market Size (2030)	$50B	—	—
Revenue from Wearables (2024)	$500M	—	—

Exhibit B

Year	Projected Revenue from JV ($B)	Market Share Target	Key Milestone
2025	1.2	10%	Product Launch
2026	2.5	15%	Expansion to Global Markets
2027	4.0	20%	Smart Fitness Ecosystem

PRIVATE EQUITY CASES

PE FRAMEWORK

Private Equity (PE) involves investing in private companies or taking public companies private to improve operations and sell them at a profit. PE case interviews typically assess how to boost a portfolio company's value through revenue growth, cost-cutting, or market expansion.

STEPS

Objectives of the investment

- **Why**: Strategic (expand portfolio, synergies) or Financial (high IRR, stable cash flows)
- **What**: Metrics of evaluation – Revenue growth, IRR, profit margins, NPV, valuation multiples
- **When**: Investment horizon and exit timeline (e.g., 3–7 years)

Understanding the PE firm

- Investment size capacity and risk appetite (early-stage vs. late-stage)
- Alignment with portfolio (avoid conflicting interests)
- Deal structure preference: control vs. minority stake
- Return expectations: IRR, MoIC, payback period

Industry attractiveness

- Market size, growth rate, profitability trends
- Competitive intensity (Porter's Five Forces)
- External factors (PESTEL – Political, Economic, Social, Tech, Environmental, Legal)
- Entry barriers and regulatory risk

Evaluating the Target company

- **Company**: Revenue model, cost structure, geography, scalability
- **Customer**: Segments served, loyalty, preferences, growth potential
- **Competition**: Market share, key differentiators
- **Product**: USP, pricing, margin profile, patent/IP ownership

Synergies and Fit evaluation

- Operational efficiencies
- Cross-selling or customer overlap
- Reputation and knowledge transfer
- Geographic expansion
- Financial and non financial synergies

Exit options

- Operational efficiencies
- Cross-selling or customer overlap
- Reputation and knowledge transfer
- Geographic expansion

KEY TERMS

1. **IRR (Internal Rate of Return)** – The annual return a PE firm expects to earn from an investment.
2. **MoIC (Multiple on Invested Capital)** – How many times the initial investment is returned by exit.
3. **Enterprise Value (EV)** – The total value of a company including debt, not just equity.
4. **Equity Value** – The value available to shareholders after paying off debt.
5. **Valuation Multiple** – A financial ratio used to compare companies.
6. **Leveraged Buyout (LBO)** – Buying a company mostly with borrowed money, using its future cash flows to repay the debt.
7. **Management Buyout (MBO or MLB)** – When a company's own managers team up with a PE firm to buy the business.
8. **Due Diligence** – The deep dive investigation into a company before investing.
9. **Term Sheet** – A document outlining the key terms of a proposed investment deal.
10. **Capital Structure** – The mix of debt and equity used to finance a company.
11. **Covenants** – Restrictions in loan agreements that limit risky behavior by borrowers.
12. **Exit Strategy** – The PE firm's planned way of selling its stake to earn returns.
13. **Public Exit** – Selling the company through an Initial Public Offering (IPO).
14. **Secondary Sale** – Selling the investment to another investor or PE fund.
15. **Strategic Buyer** – A company that buys another to gain business advantages or synergies.
16. **Add-On Acquisition** – A small company bought to grow an existing portfolio company.
17. **Control Premium** – The extra price paid to acquire majority ownership in a company.
18. **Synergies** – Cost savings or benefits created when two companies combine.
19. **RACC (Risk-Adjusted Cost of Capital)** – A discount rate adjusted for the riskiness of an investment.
20. **Investment Committee** – The internal group that approves or rejects deals in a PE firm.
21. **Sponsor** – The PE firm that leads the investment and manages the deal.
22. **Limited Partner (LP)** – Investors who provide money to PE funds but don't manage them.
23. **General Partner (GP)** – The PE firm that manages the fund and makes investment decisions.
24. **Fund Lifecycle** – The typical 10-year period during which a PE fund raises, invests, and exits.

FORMULAS

- **MoIC** = Total Value Realized / Initial Investment
- **Enterprise Value**
  = Equity Value + Total Debt – Cash
- **Equity Value**
  = Share Price × Number of Shares Outstanding
- **Valuation Multiple** = Enterprise Value / EBITDA
- **Leverage Ratio** = Total Debt / EBITDA
- **Exit Value** = EBITDA at Exit × Exit Multiple
- **Return on Investment (ROI)** = (Final Value – Initial Investment) / Initial Investment
- **Debt-to-Equity Ratio** = Total Debt / Total Equity
- **Interest Coverage Ratio**
  = EBITDA / Interest Expense
- **NPV (Net Present Value)** = ∑ [Cash Flow at time t / (1 + r)^t] – Initial Investment
- **Cash Conversion Cycle (CCC)**
  = DIO + DSO – DPO

  Where:
  DIO = Days Inventory Outstanding
  DSO = Days Sales Outstanding
  DPO = Days Payable Outstanding
- **Capital Employed**
  = Total Assets – Current Liabilities
- **Internal Rate of return**
  = ∑ {cash flows/ (1+IRR)^t} = 0

Blocks To Stocks

Your client is a Private Equity (PE) firm looking to acquire a Toy Manufacturing company in the U.S. What are the factors that should be considered?

Before proceeding, I would like to ask a few clarifying questions.

Sure, go ahead.

What is their expected growth rate and exit timeline?

The PE firm is looking for a 20-25% return on this investment with an expected exit in 5-7 years.

Alright. What is the objective behind investing in a toy manufacturing company? Are there any specific synergies the PE firm is looking for?

The PE firm sees potential in operational synergies, supply chain optimization, and international expansion. Additionally, the toy industry has been resilient and shows stable long-term growth.

Ok. I'd like to understand the target company better. What does the product mix look like, and how is it positioned in the market?

The target company has a strong brand presence in the U.S. and sells toys across multiple channels, including retail stores and e-commerce.

And how does it compare with competitors in terms of market share?

It holds 8% market share, competitors include small & fragmented players having small market shares except two major players each holding about 15% share in the market.

What differentiates these major competitors, allowing them to capture a higher market share in an otherwise fragmented market?

They benefit from strong brand loyalty, broader product portfolios, better economies of scale, exclusive retail partnerships, international presence, and optimized supply chains.

That makes sense and it allows them to lower unit costs, command stronger shelf presence, and deliver a more consistent customer experience, which in turn helps retain market share and discourage new entrants.
Before diving deeper, I'd like to start by assessing the overall industry attractiveness through potential growth drivers and inherent risks. After that, I'll move into market sizing and evaluate the financial feasibility of the investment to see if it meets the client's return expectations. Does that sound like a reasonable approach?

Yes, please go ahead.

From a growth perspective, the toy manufacturing industry offers several promising opportunities. Global expansion especially in emerging markets like Asia and Europe can drive revenue, supported by rising incomes and evolving consumer demand. The shift toward e-commerce also creates a scalable channel, while product innovation in educational, tech-enabled, and eco-friendly toys aligns well with current market trends. Operational efficiencies like supply chain optimization and direct-to-consumer models can further boost margins.

Blocks To Stocks

Alright. Let's look into the financial feasibility next.

Sure. To begin, I'll estimate the target company's revenue by sizing the U.S. toy market. The U.S. population is approximately 330 million, with around 20% being children aged 0–14, which gives us 66 million children. Assuming an average household has two kids, there are roughly 33 million households with children. If each household purchases five toys a year at an average price of $25, that results in an annual spend of $125 per household. Multiplying by 33 million households, the total market size is approximately $4.1 billion. Given the target company holds an 8% share, its estimated revenue would be around $328 million annually.

That makes sense. What will you do next?

To assess profitability, I'll apply the assumed net profit margin of 30%, which gives us a net profit of about $98 million. To calculate the ROI, I now need to estimate the firm's cost of investment.

How would you arrive at that?

I would apply an EBITDA multiple for valuation. Assuming an EBITDA margin of 40%, the company's EBITDA would be roughly $131 million. At a multiple of 5x, the estimated valuation and hence, the investment would be around $655 million. This gives us an ROI of approximately 15% ($98M ÷ $655M), which falls short of the PE firm's 20–25% target return.

Great, what are your final recommendations?

Given that the projected ROI falls short of the target and considering the competitive intensity and evolving consumer trends, I would advise against proceeding with the investment at this valuation. However, if the acquisition price can be negotiated downward or if additional synergies can be realized post-acquisition, the deal could be revisited. As it stands, the investment doesn't meet the PE firm's return threshold.

Thank you. We can conclude the case here.

A Billion-Dollar Ballgame

Our client, a private equity (PE) firm, is considering acquiring the Philadelphia Phillies for $1.1 billion. The firm is in the due diligence phase and needs our help determining whether this investment aligns with their financial and strategic objectives.

Got it. Before diving into the analysis, I'd like to clarify two key points:

1. Return Expectations: Does the firm have a target Internal Rate of Return (IRR) or a preferred investment horizon (e.g., 5-7 years)?
2. Comparable & Market Trends: Do we have recent MLB team transactions or industry valuation benchmarks to compare against?

No specific IRR benchmark, but the primary objective is to ensure this does not end in loss. Also, there are no recent sales data for similar teams available.

Understood. Given this context, I'd structure my approach around three key areas:

1. Financial Viability
    - Revenue Streams: Ticket sales, concessions, media rights, sponsorships, and merchandise.
    - Cost Structure: Player salaries, front-office expenses, stadium operations, and marketing.
    - Cash Flow Analysis: Evaluate whether the team's earnings justify the $1.1 billion valuation and how long it would take to recoup the investment.

2. Market & Competitive Positioning
    - MLB Growth Trends: Is baseball a growing or declining industry in terms of viewership and fan engagement?
    - Competitive Landscape: How do the Phillies' revenue and profitability compare to similar teams?
    - Macroeconomic & Regulatory Risks: Are there any external factors (e.g., broadcasting deals, labor agreements) that could impact the investment?

3. Value Creation Opportunities
    - Revenue Optimization: Are there opportunities to increase ticket sales, negotiate better media deals, or expand sponsorships?
    - Cost Efficiencies: Are there opportunities to streamline front-office operations or optimize player salary expenses?
    - Exit Strategy: What are the likely exit options—resale to another investor, IPO, or long-term holding?

Since the purchase price is a large upfront cost, I'd start by analyzing the team's financial performance—specifically, revenue, costs, and profitability.

That makes sense. Here are the revenue details:

- **Ticket Sales: The stadium has a capacity of 50,000 seats, 90% standard and 10% premium.**
- **Standard Seats: 55.56% fill rate at $25 per ticket.**
- **Premium Seats: 75% fill rate at $100 per ticket.**
- **80 games per season.**
- **Concessions: $500,000 per game.**
- **Merchandise: 1M units sold annually at $50 per unit, with a 20% royalty rate.**
- **Media Rights: $120M annually.**
- **Sponsorships: $50M annually.**

Let's summarize the revenue figures:

PE 2 A Billion-Dollar Ballgame

Revenue Stream	Annual Revenue ($M)
Ticket Sales	$80M
Concessions	$40M
Merchandise	$10M
Media Rights	$120M
Sponsorships	$50M
Total Revenue	$300M

Now, let's look at costs:

- **Player Salaries: $110M**
- **Front-Office Costs: $20M**
- **Advertising & Marketing: $50M**
- **Stadium & Facility Costs: $20M**

The total costs amount to $200M, leaving an annual profit of $100M. If we were to repay the $1.1B purchase price solely from profits, it would take 11 years. However, PE firms typically seek returns within 5-7 years, so we need to explore ways to increase profitability.

Can you value the team based on industry benchmarks?

Certainly. MLB teams are typically valued using a 10x profit multiple. At $100M annual profit, the current valuation is:

- $100M × 10 = $1.0B, aligning with typical MLB valuation multiples.
- Since the asking price is $1.1B, there is a $100M shortfall.

What would you suggest to improve this valuation?

We can explore two main strategies:

Revenue Growth Strategies:

- Dynamic Ticket Pricing: Adjust ticket prices to optimize revenue.
- Renegotiate Media & Sponsorship Deals: Secure better contract terms.
- Enhance Concessions & Merchandise: Expand offerings and increase profit margins.

Cost Reduction Strategies:

- Reduce Front-Office & Advertising Costs: Identify inefficiencies in overhead expenses.
- Optimize Stadium Operations: Cut non-essential expenditures.

How would these changes impact valuation?

If we can increase profit by 10-20%, the valuation improves as follows:

Scenario	Profit ($M)	Multiple	Valuation ($B)
Base Case	100	10x	1.0
+10% Growth	110	10x	1.1
+20% Growth	120	10x	1.2

A 10% increase in profit would justify the $1.1B price, while a 20% increase would create a margin of safety.

A Billion-Dollar Ballgame

What about the time value of money?

If we discount future cash flows using a 10% discount rate, the present value (PV) of profits over 11 years is $681M—far below $1.1B.
To approximate the IRR:

- Assuming a 7-year exit at a 10x multiple, IRR is around 6-7%, which is below the typical 15-25% PE target.

If we assume different exit multiples, how does the investment look?

Scenario	Exit Multiple	Exit Value ($B)
Best Case	12x	1.44
Base Case	10x	1.2
Worst Case	8x	0.96

A 12x exit multiple would make the deal highly profitable, while an 8x multiple could result in a $140M loss.

1. The current valuation ($1B) is lower than the asking price ($1.1B).
2. At a 10% discount rate, the deal is worth only $681M—far below $1.1B.
3. IRR is only ~6-7%, much lower than the usual 15-25% PE target.
4.To justify the deal, profit must rise by at least 10-20% through better ticket pricing, media deals, and cost-cutting.

Final recommendation
Exit options depend on multiples—a bad market can turn this into a loss.

Thanks for your analysis. Based on this, would you recommend the acquisition?

Given the valuation gap and risks involved, I'd advise the PE firm to proceed with caution. If operational efficiencies and revenue strategies are successfully implemented, the investment could become more viable.

Great, thank you.

UNCONVENTIONAL CASES

From Crops to Credit

Our client is a retail bank in India looking to build a credit scoring system for farmers. How would you approach this?

Before diving into solutions, I'd like to clarify a few key points to ensure alignment. First, could you share whether the bank currently uses any criteria to assess farmers for loans, or is this a completely new initiative?

That's a valid starting point. The bank currently relies on basic metrics like land ownership and self-reported income estimates. However, these methods are ineffective for small farmers, many of whom lack formal land titles or stable income streams. This system has led to high defaults and exclusion of creditworthy farmers.

Thank you, that context is helpful. My next question is about the bank's primary objectives. Are they focused solely on reducing defaults, or is there also a goal to expand access to underserved farmers who've been excluded from formal credit systems?

Both objectives are critical. The bank wants to minimize risk while increasing loan disbursements to small and marginal farmers, including those without traditional collateral. They recognize that financial inclusion is a strategic priority, but profitability cannot be overlooked.

Understood. To balance these goals, data will play a pivotal role. Could you elaborate on existing partnerships or data sources the bank can leverage? For instance, do they collaborate with government agriculture schemes like PM-KISAN, local cooperatives, or Agri-Tech platforms?

The bank has tentative partnerships with a few agritech firms that provide crop yield data, but this information isn't integrated into their credit assessment processes. They're open to deeper collaborations but need guidance on prioritizing partnerships.

Additionally, they must comply with RBI regulations on rural lending and India's data privacy laws.

Thank you, that's insightful. Compliance is certainly a key consideration. To summarize, the bank needs a new credit scoring system that uses alternative data for farmers without formal records, balances risk and inclusion, and adheres to regulatory frameworks. With this understanding, I'd structure my approach into four phases: data collection, model design, implementation strategy, and risk mitigation. Does this framework align with your expectations?

Absolutely. Let's begin with data collection. Farmers often lack financial histories—what non-traditional data sources would you prioritize, and how would you ensure reliability?

Given the scarcity of traditional data, we'd focus on four categories. First, agricultural data: crop types, historical yields, irrigation access, and land usage patterns. Satellite imagery or IoT sensors could validate self-reported data, such as crop acreage. Second, financial behavior: repayment history with local input suppliers, microlenders, or dairy cooperatives. Third, socioeconomic factors: household income diversification, education levels, and mobile banking usage. Fourth, external risks: monsoon trends, soil health reports, and local crop price fluctuations. Partnering with Agri-Tech startups like DeHaat for real-time farm data and government schemes like the Soil Health Card Initiative could enhance data accuracy.

That's comprehensive. However, self-reported data, such as a farmer's estimated yield, can be unreliable. How would you address this?

From Crops to Credit

We'd employ triangulation to validate data. For instance, satellite imagery can confirm crop health and land size, while procurement receipts from agencies like the Food Corporation of India (FCI) can verify yields. Agri-Tech partners might also provide sensor-based harvest data. Additionally, cross-referencing mandi transaction records with farmer-reported sales would reduce discrepancies.

Practical solutions. Now, how would you design the scoring model itself? Farmers are a heterogeneous group—how would you account for regional and crop-specific variations?

The model would combine static and dynamic factors. High weightage would go to repayment history (even with informal lenders), crop profitability, and access to irrigation. Medium weightage could include household income stability (e.g., non-farm income sources) and mobile transaction history. Dynamic factors like real-time monsoon alerts or pest outbreaks would adjust scores periodically. For example, a farmer in Maharashtra growing drought-prone crops might see a temporary score drop during a dry spell, prompting the bank to offer flexible repayment terms. Machine learning would identify patterns, but we'd simplify outputs for transparency.

Implementation in rural India presents infrastructural challenges. What hurdles do you anticipate, and how would you overcome them?.

Three key challenges come to mind. First, tech accessibility: Many farmers lack smartphones. We could deploy USSD-based services for score checks or partner with Common Service Centers (CSCs) for offline access. Second, data fragmentation: Agri-data is siloed across states. Collaborating with NABARD to create a centralized database would standardize information. Third, climate volatility: A single flood could render scores obsolete. Integrating IMD (India Meteorological Department) disaster alerts would allow temporary score adjustments or repayment pauses during crises.

How would you test the model before a nationwide rollout?

Through tiered products and strategic partnerships. High-score farmers could access low-interest loans with minimal collateral. Medium scores might qualify for group loans (joint liability groups) or loans bundled with crop insurance. For low scores, microloans paired with financial literacy programs or subsidized schemes like the Kisan Credit Card (KCC) could bridge gaps. To mitigate systemic risks, the bank could securitize loan portfolios or partner with insurers.

This is a well-rounded approach. You've addressed data gaps, regional diversity, and farmer trust—critical aspects for success in rural India.

Thank you. To recap, the system hinges on validated alternative data, transparent communication, and adaptive risk management. By integrating technology with grassroots engagement, the bank can achieve its dual objectives of risk reduction and financial inclusion.

Excellent work. Your solution aligns with the client's vision and India's agricultural realities. We'll discuss next steps internally.

Polishing a Tired Brand

Our client, well-established in the household and personal care segment, is experiencing stagnating sales but is unwilling to alter its advertising and branding strategies. How would you approach this problem?

Okay, I'd like to understand the products our clients produce, and is the stagnation in sales a problem in one particular product or all of them?

Our client produces a range of household and personal care products, including surface cleaners, dishwashing products, air care solutions, hair care, oral care, and skin care items. They are particularly facing problems with dishwashing products like dishwashing liquid, dishwasher detergents and bar soaps.

Noted. I would like to understand what are the products under the dishwashing category that are facing low sales? And do we know the reasons for the same?

The decline in sales is observed across all three dishwashing products - dishwashing liquid, dishwasher detergents, and bar soaps. Based on market research and customer feedback, there are a few factors that are contributing to this stagnation.
Firstly, there have been supply chain inefficiencies leading to inconsistent product availability in certain key markets, which is leading to 5% lost sales. Secondly, shifting consumer habits, such as a growing preference for dishwasher machines, have impacted the demand for traditional dishwashing bars. Thirdly, the retail shelf placement and distribution strategy may not be as aggressive as competitors, leading to reduced visibility and accessibility of the products in high-traffic retail locations. Lastly, changing consumer preferences indicate a growing for sustainable and skin-friendly products, while our client's current offerings have not strongly positioned themselves in this space.

Noted. Why are the competitors having the advantage in terms of shelf placement and distribution strategy?

Competitors have an edge as they invest heavily in retailer incentives, securing premium shelf space, and improving product visibility. Their distribution networks are strong, ensuring wider reach, faster stock replenishment, and consistent availability in high-traffic locations.

Noted. I would focus on key areas such as product innovation, distribution expansion, pricing optimization, customer engagement, supply chain efficiency, and after-sales service. Also, is it okay if I assume some figures while analysing? What is the revenue of the detergent category?

Sure, Go ahead. Take the revenue for the detergent category as ₹200 crore.

Since the client already has strong brand recognition, I believe the focus should be on enhancing value delivery, particularly by improving product availability. Supply chain inefficiencies are causing stockouts in key markets, leading to about 5% in lost sales, which comes to roughly ₹10 crore annually. In order to tackle this, I would explore the option and the feasibility of in-house warehouse expansion.

Sounds good, please walk me though this option.

Sure, let's assume the client sets up two mid-sized regional warehouses, which would cost around ₹3 crore annually in total, including operations and maintenance. With improved availability, we can reasonably expect to recover 60% of lost sales which would be ₹6 crore in revenue. Assuming a gross margin of 30%, that's ₹1.8 crore in gross profit. So in the first year, the net impact would still be a ₹1.2 crore loss. But the key point here is that this investment creates long-term strategic value more control over distribution, reduced stockouts, and the ability to scale efficiently in the future.

Polishing a Tired Brand

Sounds great, any other area of opportunity you would like to discuss?

I would now like to focus on the product enhancement and shift in consumer preferences. Given growing environmental awareness, introducing eco-friendly, biodegradable cleaners will attract environmentally conscious consumers. Offering refill packs aligns with sustainability trends and could drive repeat purchases. Also, as per the feedback that the client received, given the shift to dishwasher machines, the client could gradually decrease the production of the bars and use the resources to produce well performing products

Okay. What about distribution expansion to reach more customers?

Expanding distribution can significantly impact sales. The company should strengthen its presence in tier-2 and tier-3 cities by collaborating with local retailers and distributors. D2C sales through an optimized e-commerce platform would improve accessibility. Additionally, targeting bulk buyers such as hotels, hospitals, and office spaces will prove to be beneficial in driving sales.

That makes sense.

I would also like to discuss the pricing strategy based on demand fluctuations and competitor benchmarking. Offering bulk discounts and bundle deals could incentivize larger purchases. Implementing tiered pricing could cater to different consumer segments, ensuring affordability while maintaining premium product options for high-value customers should work well.

Go ahead!

Given we don't want to focus on advertising and branding, optimizing inventory management through real-time tracking systems would reduce stockouts

Additionally, demand forecasting models leveraging past data and market trends would align production with seasonal variations, ensuring optimal inventory levels. Also even though we don't want to alter the advertising and branding what strategies are they currently following?

They are currently following various strategies like social media engagement, using platforms to interact with customers, share product benefits. They also utilize promotions and discounts, offering sales and bundle deals to incentivize purchases and encourage customer trials. Additionally, the company relies on commercials to reach a wider audience through TV, online ads. Pamphlets are often distributed in-store or through direct mail. Furthermore, newspaper ads are used to target local audiences, increasing visibility and promoting discounts or new product launches.

Noted, I just wanted to add on it, without altering the current strategies. Our client could also employ strategies such as targeted campaigns. It could run seasonal or event-based campaigns. Influencer partnerships could be leveraged to reach a wider, more engaged audience, especially through content that showcases the product's effectiveness. Additionally, the company could create loyalty programs that reward repeat customers with discounts or exclusive offers. Referral programs could be implemented to encourage satisfied customers to spread the word, driving organic growth

Good. What key metrics would you track to measure the success of these strategies?

To measure the success of these strategies, I would track key performance indicators such as sales growth, which reflects revenue expansion, and market share expansion, indicating competitive positioning. Inventory turnover would be crucial in assessing supply chain efficiency and demand forecasting, while stock out and overstock rates would help optimize inventory management.

Polishing a Tired Brand

Additionally, monitoring supply chain efficiency would provide insights into operational efficiency, ensuring a streamlined process.

If budget constraints were a factor, how would you prioritize implementation?

In the short term, I would prioritize pricing optimization, and after-sales service since these require minimal investment but yield quick results. In the medium term, expanding distribution through strategic partnerships and bulk sales channels would be a priority. Long-term initiatives would focus on product innovation and supply chain enhancements to ensure sustainable growth.

Great, we can close the case now.

Redressing the Redressal

A government department is facing concerns with its grievance redressal mechanism. Your task is to diagnose the issue and recommend solutions. How would you approach this?

That's interesting! Before jumping in, I'd like to clarify a few things. When you say grievance redressal mechanism, what exactly are we referring to? Are we talking about a complaint registration process, a legal dispute system, or something else?

I will narrow it down. The case focuses on the 100-emergency helpline, where citizens call to report complaints. The key concern is high waiting time—people are struggling to get connected and register their complaints.

Got it. So the core issue is that people have to wait too long before their grievances are even registered. I'd like to take a structured approach here—first, understand how the system currently works, then identify bottlenecks, and finally, propose solutions. Would that work for you?

That's a good approach.

To tackle this problem effectively, I'd begin by understanding the current workload and capacity. Let's assume the helpline receives approximately 50,000 calls daily, managed by 1,000 operators, implying each operator handles about 50 calls per day. If the average call duration is 10 minutes, the system is operating at full capacity, which likely contributes to extended waiting times.

That's a reasonable estimation. How would you proceed with this information?

Alright, could you walk me through the step-by-step process of what happens when someone dials 100?

Sure. Here's how it works:
Caller dials 100 → Call rings.
Automated system answers → Plays a pre-recorded message.
Caller navigates IVR (Interactive Voice Response) → Presses keys to categorize the complaint.
Call is placed in a queue → User waits for the next available operator.
Operator answers → Takes details of the complaint.
Operator puts the user on hold → Reviews case, assigns a token number.
User receives a token verbally → Call ends.

Thank you! Now, I see multiple areas where delays could be occurring. Before breaking it down, could you give me a rough idea of where the longest wait times happen?

Good thinking. The major delays occur in:
1st case: Call is placed in the queue before reaching an operator.
2nd case: Operator hold time while reviewing the case.
3rd case: Time spent conveying the token number.

Okay, that makes sense. I'd like to analyze each of these and see where we can make improvements. Let's start with case 1—why is the queue time so long? Is it because there aren't enough operators, or is the IVR system inefficient?

Both, actually. The number of operators is limited, and the IVR system requires users to go through multiple steps before even entering the queue.

That gives us two potential solutions here:
Reducing unnecessary steps so users reach an operator faster and If we're understaffed, we should explore hiring more operators or using an AI-based system for common queries. Would you like me to estimate the impact of these solutions?

Redressing the Redressal

Let's keep that on hold for now. I'd like to hear your thoughts on Case 2—why are operators putting users on hold?

I can think of a few possibilities:
They need time to retrieve information about the complaint. And They lack clear SOPs (Standard Operating Procedures), so they take time deciding the next steps. Does that sound about right?

Yes, How would you address them?

I'd suggest the following:
Use AI or a database lookup so operators get relevant case details instantly and Train operators with standardized responses to minimize time spent making decisions.

Interesting. What about the final bottleneck—Case 3?

The issue here seems to be inefficiency in how tokens are conveyed. If people are waiting to hear their token number, that's an unnecessary delay. Instead of reading out numbers manually, we could send an SMS confirmation immediately after complaint registration and display token numbers on a dashboard at call centers for real-time tracking. We can also allow users to track their status via a mobile app instead of calling back. These would eliminate unnecessary waiting time.

That makes sense. Now, if you had to prioritize your recommendations based on impact vs. ease of implementation, how would you rank them?

To prioritize, I'd focus on changes that are easiest to implement while delivering the highest impact first. The quickest fix would be automating token generation via SMS instead of announcing it aloud. This removes a step, reduces confusion, and requires minimal technical effort. Next, optimizing the IVR system by reducing redundant steps can significantly cut down call times without requiring major infrastructural changes. A medium-effort improvement is implementing structured SOPs for operators as it can streamline complaint handling. Also, many complaints are routine and can be resolved through an AI-powered chatbot via a mobile app or WhatsApp, reducing load on human operators.
Users can receive automated responses for common queries and escalate complex issues to a live agent only when necessary. If waiting time is still a concern, we can increase operator capacity—a highly effective but resource-intensive solution that requires hiring and budget approvals.
Then we can focus on AI-based automation, which has long-term benefits but demands significant investment and system overhaul. I'd recommend implementing the first two immediately, as they provide quick relief. Also, since bureaucratic processes are often resistant to rapid change, a phased implementation—starting with SMS and IVR optimization before moving to chatbots—would be the best way forward.

Yes, that seems logical. Now, one last question—how would you measure whether your solutions are working?

We can track progress using three key metrics:
Average waiting time, Call abandonment rate that is If users hang up due to long wait times, we should see this drop and lastly the customer satisfaction score that can be measured via post-call surveys.

That's a structured approach. Overall, I liked how you broke down the problem step by step, identified bottlenecks, and proposed clear, actionable solutions.

Thank you!

From Burden to Breakthrough

The Government of India is considering disinvestment in XYZ Ltd., a public sector company. How would you go about it?

Sure, I would like to ask a few clarifying questions.

Sure, go ahead.

What is the primary motivation behind privatizing XYZ Ltd. - is it aimed at raising funds, improving operational efficiency, or reducing the government's fiscal burden? How much stake does the government intend to dilute?

The government wants to disinvest to reduce the fiscal burden by offloading loss-making assets and decrease recurring losses, to generate significant capital that can be reinvested in priority sectors. They also want to improve operational efficiency by transitioning it to market-driven, private-sector management. They are open to options in terms of diluting the stake.

Sure, are there any particular problems the government is facing with XYZ Ltd?

Yes. XYZ Ltd. the losses are increasing year on year, the company has high operating costs and inefficiencies have increased overall. Private competition has emerged and is outperforming us. The workforce also lacks motivation due to their fixed incomes, and their output has decreased over time. With all these inefficiencies, the government is looking for a strategic solution to disinvest.

Okay, why is the private sector outperforming us?

Private players achieve cost efficiency due to minimum administrative and operational expenses. Their ability to implement dynamic pricing strategies gives them a competitive edge over XYZ Ltd which has to follow government Controlled pricing. Moreover, private aviation companies differentiate themselves through superior service quality, offering enhanced in-flight experiences and personalized customer support to improve passenger satisfaction and loyalty. They also offer performance-based incentives to their workforce, which leads to higher motivation and efficiency, ultimately leading to increased productivity and better overall performance.

That makes sense. Is the government considering a complete exit or partial disinvestment? Are there any specific strategic investors who have shown interest in XYZ Ltd.?

The government is open to options, preliminary discussions indicate interest from 2 major domestic players.

Noted. As I see, the main issue is the operational efficiency and high recurring losses, I would like to evaluate the three main disinvestment options and determine the best course of action.

Sounds good. Go ahead!

The first option can be an Initial Public Offering (IPO); An IPO will allow the government to raise capital while retaining significant control. However, given the company's ongoing losses and high costs already, an IPO will be an expensive option. While this would provide immediate capital, the risk of post-listing underperformance due to financial instability will remain high.

Yes, so we can eliminate this option. Think about other options.

From Burden to Breakthrough

Next, I would evaluate Strategic Sale (Majority Disinvestment to Private Players); Selling a 51% stake could significantly reduce government liabilities. A strategic investor could bring operational efficiencies and expertise. However, concerns over financial instability and the company's loss-making status might deter potential buyers or lead to a lower-than-expected valuation.
Another option will be full privatization; A full sale would generate maximum capital inflow. It will eliminate the government's burden, ensure better management and increase efficiency via market-driven strategies. Private-sector ownership will drive innovation and improve quality, hence also compete with other players in the market. Hence, I will suggest to go ahead with full privatization as it seems to be the most optimal solution, given the circumstances
.

Okay, but don't you think a strategic sale will be more beneficial as the government will still have some ownership and hence can maintain a certain level of influence over the decisions?

I feel that given the current condition such as inefficiencies, high costs, and losing market share to private sector players amongst others, it will be best to go for full privatization. A majority disinvestment, might not be feasible as private investors will have less or no incentive to invest due to limited ownership even after investing their money and time. Private investors will be hesitant to invest if the government still has the power to override business decisions. Full privatization eliminates this issue and provides clear ownership and accountability.

Good. Based on this assessment, why is full privatization the most optimal choice?

That is due to the following reasons:

- **Revenue Maximization:** A complete sale of XYZ Ltd. would generate maximum funds for the government and the reason the government wants to disinvest is improving the fiscal deficit, thus directly aligning with the goal.
- **Reduction in Fiscal Burden:** Eliminating government ownership would relieve the state of recurring financial losses.
- **Operational Efficiency:** Private ownership would introduce market-driven decision-making, reduce inefficiencies, and drive profitability.
- **Improved Competitiveness**: Market-driven strategies lead to better service quality, cost efficiency, and stronger competitive positioning along with efficient use of resources.

Great! What key challenges do you foresee in this privatization process, and how can they be mitigated?

Key challenges would include market volatility, regulatory hurdles, operational inefficiencies, and high costs. To mitigate these, the sale should be structured in phases to optimize valuation, while ensuring strict compliance with SEBI, RBI, and DIPAM guidelines. Additionally, stakeholder engagement and transparency should prove to be beneficial and allowing strategic buyers to restructure will help drive efficiency and improve financial performance.

Okay. Why do you think it's not in the government's interest to stay in this line of business?

I feel the aviation sector is highly competitive, requires efficiency, innovation, and cost optimization; areas where private players excel. Bureaucratic inefficiencies, slow decision-making, and financial burdens make government ownership unsustainable in this sector.

Thank you. We can wrap it up here.

Mapping Bangkok's EV Tuk-Tuks

The Governor of Bangkok is keen on transforming the city into an electric vehicle-only zone, starting with replacing gasoline-run tuk-tuks with electric ones. To begin, we need to estimate how many tuk-tuk journeys are made in Bangkok each month. How would you approach this estimation?

I would begin by structuring my approach to estimation. We can frame this by doing a population-based estimation, but also consider tourists who are a significant part of tuk-tuk usage in the city. I'll calculate the total population of Bangkok, the percentage of people using tuk-tuks, the number of passengers per ride, and the average number of rides per month.

Sure, you can proceed.

Great, I'll outline my assumptions:

- Bangkok's estimated population is 10 million, but we must account for tourists, who contribute heavily to tuk-tuk usage. Bangkok sees around 1.67 million tourists per month, so adding this gives us a more accurate total.
- Commuter Population: Assuming 50% of the population is in the commuter age range (20-60 years old), this gives us 5 million people. With an 80% employment rate and 60% relying on tuk-tuks, we get 3 million commuters.
- Non-commuting Rides: Not all tuk-tuk rides are for commuting. Let's assume 25% of rides are for non-commuting purposes such as deliveries and leisure.
- Passengers per Ride: I will assume tuk-tuks carry on average 1.5 passengers per ride instead of just one.
- Ride Frequency: Commuters take two rides per day, 20 working days per month.

So now, for commuters, the calculation is:
3 million commuters × 2 rides/day × 20 days/month = 120 million rides per month.
For tourists, assuming 50% use tuk-tuks:
1.67 million tourists × 1.5 passengers/ride × 2 rides/day × 20 days/month = 100 million rides per month.

Adding a 25% adjustment for non-commuting rides, we get:
120 million (commuting rides) + 100 million (tourist rides) × 25% = 165 million total rides per month.

Sounds good.

Alternatively, we can estimate based on drivers: We can assume 30% of employed individuals work in services, and 10% of them are in transport. One-third of them operate tuk-tuks, which gives us around 50,000 tuk-tuk drivers. Assuming a 10-hour workday and 15-minute average ride duration, each driver completes 4 rides per hour.
Working 24 days per month, we can calculate:
50,000 drivers × (10 hours/day × 4 rides/hour) = 50 million rides per month.

Makes sense. Now, let's move on to the emissions estimate if we replace all tuk-tuks with electric vehicles. How much CO2 reduction can we expect per year?
We have the following data:

- **Fuel efficiency: 1 liter per 5 km.**
- **CO2 emissions: 10 kg per liter.**
- **Distance traveled per month per tuk-tuk: 500 km.**
- **Total tuk-tuks: 50,000.**

CO2 emissions can be calculated as follows:
50,000 tuk-tuks × (500 km ÷ 5 km/liter) × 10 kg/liter × 12 months = 0.6 million tons of CO2 per year.

Good. Don't you think there are additional emissions to consider in this transition?

Yes, some considerations include:

- Manufacturing emissions: The production of lithium batteries is energy-intensive.

Mapping Bangkok's EV Tuk-Tuks

- Electricity generation: Thailand's electricity supply is about 80% non-renewable, so that could still contribute to emissions.
- End-of-life recycling: The disposal of electric tuk-tuk parts could also lead to environmental consequences.

Emissions will result from constructing charging stations and maintaining the energy grid.
Would you like me to elaborate on any of these?

That's well-structured. Now, considering Thailand's total CO2 output and Bangkok's contribution, does replacing tuk-tuks make a significant impact?

We can calculate Bangkok's transport emissions:
(250M tons × 30%) × (10M/70M) = approximately 10.7 million tons.
Tuk-tuk share of vehicle emissions: 0.6M tons / 10.7M tons = approximately 6%.
So, this is a meaningful reduction, but it's still just 6% of the total transport emissions in Bangkok. Would you like me to explore the cost-benefit analysis further?

Good analysis. The Governor is considering a subsidy for tuk-tuk drivers. How would you determine the appropriate price point for the subsidy?

I would compare the total cost of ownership for gasoline vs. electric tuk-tuks, considering:

- Fixed Costs (purchase price, taxes)
- Ongoing Costs (fuel vs. electricity, maintenance, resale value)
- I would structure this equation: (Gasoline tuk-tuk purchase + operating costs) = (Electric tuk-tuk purchase + operating costs - subsidy).

I'd need further data to refine this, but this gives the basic structure.

Excellent. Besides subsidies, what other investments are necessary?

I would structure this in terms of:

- Production: Expanding supply chains for electric tuk-tuks.
- Infrastructure: Building charging stations and ensuring sufficient energy supply.
- Transition support: Training drivers on electric vehicles.
- Communication campaign: Educating drivers and consumers about the benefits of the transition.

That's well-structured. No need to prioritize. Finally, the Governor has arrived. How would you summarize our progress in 30 seconds?

Certainly. Converting tuk-tuks to electric vehicles could cut Bangkok's vehicle emissions by 6%, reducing approximately 0.6 million tons of CO2 annually. A well-calibrated subsidy can ensure drivers are not financially worse off during the switch. Success will also depend on investments in infrastructure, supply chains, and communication. However, we must also consider emissions from battery production and electricity generation. Would you like a deeper dive into any of these areas?

That was a strong summary. Thank you for your time.

Turning Attrition into Retention

Your client is an IT firm facing employee attrition. Devise a strategy to reduce this.

I would like to ask some clarifying questions before starting the case. Could you please tell me more about the company and its working?

Your client is an industry-wide, well-known IT solution provider; ERP support has been contracted to them. They are a well-known provider of externalized and offshore support.

Noted, since employee attrition is the excess of employees leaving over employees hired, an increase in the same can be caused by an increase in turnover or a decrease in hiring to replace them or both. Where has the firm seen a change?

There has been reduced hiring to replace the turnover. Both voluntary and involuntary leaving have been more or less constant.

Okay, and since when has this surge been noticed?

It has been particularly noticed since the past couple of years.

The factors causing a decrease in hiring can be classified into supply and demand sides. The factors originating through the company, like hiccups in the recruitment process, are supply and changes in the prospective employee pool being the demand. Which of these factors has been affected?

That was comprehensive, kindly focus on the demand side factors.

Before proceeding with the analysis, could you please tell me about an ideal candidate? Where do we hire from? What qualification makes them eligible? What about their pay scale, expectations from the applicants, and so on?

Well, we mainly target freshers from all the engineering colleges across India; however, we receive a plethora of off-campus applications as well. Their CTC is over and above 3.5 - 4 LPA. The job role states software engineering, so eligibility is drawn accordingly in the colleges based on the required skill sets.

Since this targeted employee pool has been affected, I would like to explore the customer journey of the candidates applying for the job, assuming that inter-department recruitments are minimal and can be ignored. Does that approach seem reasonable?

Sure, that is a reasonable approach, go ahead

Okay, so an engineer in his/her final year would most probably choose one of the three options that are quite usual; search for a job in different sectors depending on meeting requirements, head on for higher education, or go for his/her start-up/venture. I would further want to hear from you if there are any other alternatives I'm missing out on or even if there is a rapid decline observed in students who choose the option to search for jobs.

No, the client hasn't witnessed any such changes in the preferences of students. You may proceed with the analysis on your part.

Okay then, so now let's focus on some of the externalities that might have affected my client detrimentally. There may be competitors to my client offering more attractive salaries, better job roles or any additional benefits and perks. In addition to that, there may be several other companies visiting the campus for recruitment, offering similar or better job profiles or salaries, which possibly extended the options for the students to apply for them, hence, neglecting our firm.

Turning Attrition into Retention

Bingo, it may be possible since a lot of new ventures or start-ups have been witnessed recruiting students from the campuses, proving better exposure and work environment, in addition to promising salaries. This might be one of the reasons

I see. Is there any other reason why my client has been experiencing this over me?

Yes, actually there is another possible reason behind it. However, I would like you to continue with your analysis.

Okay, and since when has this surge been noticed?

It has been particularly noticed since the past couple of years.

I would like to move on to the application filing and processing part. Once they file their application, shortlisting is done based on different test rounds involving group discussions and personal interviews. Am I missing out on something, or have there been any changes?

Yeah, technically there is. We currently switched to the online recruitment process, mainly due to the hazardous and complicated offline process, however, you are right, we are experiencing problems with it. We're still looking at fixing it.

The company should improve its campus-corporate relationships by rolling out internships, organizing case competitions, offering Pre-Placement Offers (PPOs), conducting workshops, and hosting nationwide hackathons to attract top talent. Additionally, gathering feedback from placement teams and students will provide useful insights for enhancing the recruitment process. Increasing off-campus recruitment efforts through platforms like LinkedIn, Naukri.com, and other job portals will help reach a larger pool of quality candidates.

Alright, thank you. Let's end the case here.

Alright then, thank you

- INTRODUCTION TO CONSULTING
- THE HIRING PROCESS
- STRATEGY FRAMEWORKS
- CONSULTING MATHS
- GUESSTIMATES
- CRACKING THE CASES

INDUSTRY PRIMER

- FREQUENTLY ASKED QUESTIONS
- CASE COMPETITIONS

PHARMACEUTICAL INDUSTRY

180Degrees CONSULTING GARGI

Industry Overview

Industry which develops, produces and markets, drugs and medications.

CAGR
6.12% Global
12.30% India

Market Size
Global: $1.6 trillion
India: $54.6 billion

Key Players

LUPIN
torrent PHARMA
Cipla
Dr.Reddy's

Glossary/ Key Terms

- Good Manufacturing Practices **(GMP)**
- Active Pharmaceutical Ingredient **(API)**
- Pharmacokinetics
- Pharmacology
- Physician administered Drug
- Dosage form

Cost Drivers

- **Research** and Development
- Manufacturing and **Production**
- Sales, Marketing, and **Distribution**

Revenue Drivers

- Product **Innovation** & New Drug Approvals
- Market **Exclusivity** & Patent Protection
- Expanding **Market Access**

Growth Drivers

- New **Drug Launches**
- Aging Population and Chronic Disease Prevalence
- **Government** Initiatives & Healthcare Access Expansion

Key Trends

- India ranks **third** globally in volume and **fourteen** by value in pharmaceutical production. India produces **60%** of vaccines in the world and provides medicines to more than **200 countries** with productive policies.
- **Exports**- exports including generics and vaccines have grown by 138% since 2013-14, with major markets found in the **U.S., UK, South Africa, Russia, and Nigeria**. Exports remained resilient during the COVID-19 pandemic.
- **R&D Focus** - Indian pharma companies prioritize R&D in biosimilars, complex generics, and new chemical entities, **spending up to 13% of annual revenue** on research.
- **Medical Tourism** - India receives up to **2 million Patients** per year for medical tourism from **78 countries** at the quality price.
- **Sustainability** - aligned with providing **access**, affordable **high standard quality**, fair business and **ethical practices** of drug businesses and encouraging compliance through rewards and punishment through policies.

Key Performance Indicators

PRODUCTIVITY KPI-

- **Average prescription filled per day**

This KPI measures the average number of prescriptions filled per day.

- **Transaction frequency**

This refers to the number of times a particular patient purchases at the pharmacy.

COMPETENCY KPI-

- **Dispensary errors and near misses**

This KPI counts the number of mistakes made by the pharmacists.

- **Medication reconciliation**

This metric measures the number of patients who receive admission and discharge medication reconciliation by a pharmacist.

MANUFACTURING PERFORMANCE KPI-

- **Right first time rate**

This is a measure of the proportion of lots manufactured without the occurrence of a deviation.

- **Lot Release Cycle Time**

Lot release cycle time is a measure of the amount of time it takes for the lot disposition process.

Value Chain

R&D & Clinical Trials

- Involves the process of searching for new drug agents
- This level refers to the **efficacy and safety trial** of the new substances

Regulatory Approval

- It ensures that drugs meet **safety standards**
- Collating trial results for drugs and **submitting** them to FDA, EMA, NDA for evaluation

Manufacturing & Production

- Bulk **commercialization** & quality management
- API synthesis & formulation of **synthetic dosages**
- Manufacturing practices for safety & consistency

Distribution & Logistics

- Management of **supply chains** across pharmacies, clinics and hospitals
- Logistics to cold chain **transport** medications

Patient Support

- **Adherence programs** to help patients understand their medicines
- To **analyze** data and devising appropriate strategies

Marketing & Sales

- Digital marketing, print **advertising**, and in-person marketing strategies
- Sales force to **educate** physicians & health providers

IT INDUSTRY

Industry Overview

The IT sector includes all organizations that develop, maintain, or operate IT systems that are used to store, process, and transmit data for a variety of purposes.

CAGR
14.72% Global
5.58% India

Market Size
Global: US$1,512.00 Bn
India: US$ 100 Bn

Key Players

Mphasis – The Next Applied
Tech Mahindra
wipro
Capgemini
IBM
Infosys
cognizant
HCL
tcs TATA CONSULTANCY SERVICES

Glossary/ Key Terms

- Cloud
- Data Analysis
- Bandwidth
- Computer Network
- SaaS
- Cache
- Encryption
- Machine Learning
- Cyber security
- Artificial Intelligence

Cost Drivers

- Labor costs
- Hardware and software **licenses**
- Cloud computing usage
- Network **infrastructure maintenance**

Revenue Drivers

- Software development & services
- Cloud computing
- **Cybersecurity** solutions
- Artificial Intelligence (AI)
- Business Process Outsourcing

Growth Drivers

- Varied End-User Market and Skilled Manpower
- **Digital** Transformation
- Export Demand
- Breakthrough in AI and ML
- Favourable **Tax Policies** and Government Support

Key Trends

- **AI and ML Adoption:** Driving automation, innovation, and data-driven decisions
- **Cloud & Edge Computing:** Enabling scalability and real-time data processing
- **Cybersecurity Focus:** Enhancing digital trust and safeguarding data
- **Sustainable IT:** Promoting eco-friendly practices and energy-efficient solutions
- **5G Connectivity:** Powering IoT, smart systems, and faster communication

Key Performance Indicators

- **Network Uptime:** Measures the percentage of time the network is operational, reflecting infrastructure reliability.
- **Mean Time to Repair (MTTR):** Calculates the average time taken to resolve system failures, indicating maintenance efficiency.
- **First Call Resolution (FCR):** Assesses the percentage of support issues resolved during the initial contact, highlighting support effectiveness.
- **Customer Satisfaction (CSAT):** Evaluates user satisfaction with IT services, providing insights into service quality.
- **Project Success Rate:** Tracks the proportion of IT projects completed on time, within budget, and meeting specifications, reflecting project management effectiveness.

Opportunities

- **Generative AI:** Rapid adoption across industries for innovation
- **Metaverse Growth:** Expanding VR/AR and immersive experiences
- **Emerging Markets:** Digitizing economies with untapped potential
- **Sustainable IT:** Eco-friendly solutions and energy-efficient tech

Challenges

- **Budget Constraints:** Limited resources for strategic priorities
- **Resistance to Change:** Organizational pushback on new technologies
- **Talent Shortages:** Difficulty hiring skilled AI/ML professionals
- **Cybersecurity Threats:** Rising risks to data and system security
- **Technical Debt:** Increased costs from outdated systems & practices

Value Chain

Research & Development

- Innovating **technologies** in AI, cloud computing, and cybersecurity
- Developing **scalable** software and system architectures
- Conducting beta testing

Infrastructure Development

- Setting up data centres, **cloud storage**, and network systems
- Ensuring compliance with global standards
- Implementing **advanced tools** for seamless operations

Software Development

- Designing **customized software** solutions for various industries
- Integrating **IT systems** with existing client infrastructure
- Leveraging agile methodologies to optimize **development cycles**

Deployment & Support

- Managing smooth **implementation** of IT systems for clients
- Providing **technical support**, updates, and patches
- Ensuring minimal downtime

Marketing & Sales

- Targeting industries through **tailored solutions**
- **Partnering** with resellers and distributors for market reach
- Promoting products via digital channels and events

Maintenance & Upgrades

- **Monitoring** system performance and security
- Offering proactive maintenance and continuous upgrades
- Providing **subscription-based** services

FMCG INDUSTRY

Industry Overview

Industry delivers essential low margin consumer goods efficiently

CAGR
27.9% Global
4.56% India

Market Size
Global: $15,829.84 billion
India: $230.14 billion

Key Players

Unilever, Nestlé, P&G, पतंजलि (प्रकृति का आशीर्वाद), Britannia (Eat Healthy, Think Better), ITC Limited, Himalaya Herbals, Amul (The Taste of India)

Glossary/ Key Terms

- Stock Keeping Unit (SKU)
- On-Time In-Full (OTIF)
- Impulse Purchase
- Lead Time
- Planogram
- End Cap Display
- Penetration Rate
- Retail Shelf Space

Cost Drivers

- Warehousing and **maintenance** expenses
- Promotion costs
- Shipping and **logistics**
- **Wages** for manufacturing workers

Revenue Drivers

- Direct sales increase margins and loyalty.
- **Premium** products
- Emerging markets expansion
- Rising income and **growing middle class**

Growth Drivers

- Growth of E-Commerce and **digitization**
- Changing Lifestyle
- **AI-powered** personalized diets on the rise
- Asia and Africa driving FMCG growth
- Shifting **economic** power

Key Trends

- **E-commerce & FMCG Start-ups**: E-commerce drives over 10% of FMCG sales, with startups meeting millennial demand for convenience, especially post-COVID.
- **Aware Consumers**: Around 40% of Indian consumers now actively research brands and products before making a purchase, reflecting a shift toward informed buying decisions.
- **Competition in Retail Shelf Space**: Companies are broadening product ranges and refining stock levels to optimize retail space and align with consumer preferences.
- **Newer Categories**: Companies invest in health, men's wellness, and instant foods to meet evolving consumer needs.
- **Sustainability Focus**: Growing demand for eco-friendly products is pushing FMCG companies toward sustainable packaging and practices.

Key Performance Indicators

- **Average Time to Sell**: Measures how quickly products are sold, critical for managing perishable items.
- **Out-of-Stock Rate**:Tracks inventory depletion percentage to improve supply chain efficiency.
- **Reject Rate**: Assesses defective SKUs to ensure quality.
- **On-Shelf Availability:** Monitors in-store availability to boost sales.
- **Supply Chain Performance**: Delivery On Time & in Full measures the timely and accurate delivery of ordered goods to stores.

Challenges

- **Eco-friendly materials** raise costs, complicating affordability
- **Inflation** hikes production costs, risking customer loss to cheaper brands
- **Supply chain pressures** add costs and complexity with sustainability
- **Consumer shift** to cheaper brands challenges FMCG loyalty

Environmental Impact

- **Waste Generation:** PepsiCo: Committed to 100% recyclable, or biodegradable packaging . Nestlé: Aims for 100% recyclable or reusable packaging by 2025.
- **Deforestation:** Unilever: Zero deforestation by 2023, sustainable palm oil.
- **Carbon Emissions:** Procter & Gamble: Targets net-zero emissions by 2040, investing in renewable energy.

Value Chain

Inbound Logistics

- Consumer **insights** and analytics
- Suppliers
- **Source** materials & components

Production

- Warehouse Storage
- **Manufacturing**
- Packaging
- **Quality standards**

Outbound Logistics

- Production planning
- **Scheduling**
- Delivery
- **Distribution** networks
- Delivery Invoicing

Marketing & Sales

- Consumer Demand
- **Promotion** & branding
- Sales relationship
- Market **research**

Consumer

- **Retail** outlets
- E-Commerce
- Cash and carry
- **Supermarkets**

After Sales Services

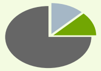
- **Customer** satisfaction
- Returns and queries
- **Feedback**

PETROCHEMICAL INDUSTRY

Industry Overview

The petrochemical industry is a global sector focused on producing and trading petrochemicals, which are derived from oil and gas.

CAGR
7.3% Global
6.7% India



Market Size
Global: $623.83 billion
India: $190 billion

Key Players

Integrated Oil & Gas	ExxonMobil	Shell
Petrochemical Producers	ONGC	LyondellBasell
Refining & Marketing	Valero	Marathon
Commodity Chemicals	LG Chem	Sinopec

Glossary/ Key Terms

- Enhanced Oil Recovery(EOR)
- Hydrocarbons
- Liquefied Natural Gas
- Naphtha
- Sour Crude
- Tertiary Recovery
- Volatile Organic Compounds
- Refining Yield

Cost Drivers

- **Input** Costs
- Electricity, Steam and Fuel
- Costs arising out of **Environmental Regulation**

Revenue Drivers

- Petrochemical **Feedstocks**
- Export Opportunities
- **Integration** with the Refining Functional Area

Growth Drivers

- Raise the share of high-performance **specialty chemicals**
- Growth in the developing corner of the world
- Ecological and **circular economy** activities

Key Trends

- India remains the **6th** largest petrochemical producer globally.
- **Energy Transition and Decarbonization Efforts -** The industry is investing in hydrogen, carbon capture, and renewables to reduce emissions.
- **Expansion of Recycling and Circular Economy Practices -** Advanced recycling technologies, like pyrolysis and PET monomer recycling, are growing. By 2030, recycled and bio-based materials could meet 4-8% of global polymer demand.
- **Regional Production and Trade Dynamics -** China leads demand growth while aiming for self-sufficiency, while North America and Europe expand ethylene and propylene capacity.
- **Technological and Operational Innovations -** AI, IoT, and analytics are optimizing production, improving yields, quality, and throughput.

Key Performance Indicators

- **Production Efficiency** - Measures the ratio of actual output to the maximum possible output under ideal conditions.
- **Quality Control Yield** - Assesses the percentage of products that meet quality standards compared to total production.
- **Inventory Turnover Ratio** - how efficiently inventory is sold and replaced within a given period.
- **Customer Satisfaction Score (CSAT) -** Measures how well products or services meet customer expectations.

Environmental Trends

- **Decarbonization Targets**: The chemical sector must reduce emissions by 15% by 2030 to align with net-zero goals, addressing emissions from production and product disposal.
- **Shift in Energy Sources**: The industry is moving from coal to bioenergy, natural gas, and electrification to reduce emissions.

Challenges

- **Raw Material Instability:** Volatility in crude oil and gas prices due to geopolitical issues.
- **Regulatory Pressures:** Increasing compliance requirements around emissions and sustainability challenge profitability
- **Technological Barriers:** High costs of adopting advanced tech like AI and automation, especially for small players

Value Chain

Exploration and Extraction

Locate and extract crude oil and natural gas using advanced technologies; **transport** raw materials to refineries.

Refining & Production

Separate crude oil into fractions; **process** natural gas to extract NGLs; **produce** petrochemical feedstocks like ethylene and propylene.

Intermediate Chemicals

Convert monomers into polymers (e.g., polyethylene); **produce** chemicals like ethylene oxide and acetic acid; create intermediates like PVC.

Basic Production

Turn cracked products into core chemicals (benzene, toluene); **produce** olefins and aromatics for downstream use.

Final Product Manufacturing

Convert chemicals into plastics, rubbers, and **specialty** products for industries like automotive, packaging, and construction.

Distribution & Marketing

Transport finished products globally via pipelines, ships, and trucks; **market** to manufacturers and retailers across industries.

OIL AND GAS INDUSTRY

Industry Overview

The oil and gas industry involves exploring, developing, and refining crude oil and natural gas.

CAGR
6.1% Global
5.2% India

Market Size
Global: $7625.82 billion
India: $38.12 billion

Key Players

Integrated Oil & Gas	ExxonMobil	Shell
Exploration and Production	أرامكو السعودية saudi aramco	Chevron
Transportation and Storage	KINDER MORGAN INC.	TransCanada In business to deliver
Refining & Marketing	Valero	MARATHON

Glossary/ Key Terms

- Aromatics
- Barrel (bbl)
- Fracking
- Downhole
- Gas-to-Liquids (GTL)
- Geophysical Survey
- Liquefied Natural Gas
- Offshore

Cost Drivers

- **Exploration** and Drilling Costs
- Operational and **Maintenance** Costs

Revenue Drivers

- Production **Volume** and Efficiency
- Market **Pricing** and Commodities Demand
- Refined Products and Value-Added Services

Growth Drivers

- Geographic and Market **Diversification**
- **Sustainability** and Decarbonization Initiatives
- Digital Transformation and **Automation**

Key Trends

- **Digital Transformation**: using advanced analytics and IoT to optimize operations, reduce downtime and improve decision-making.
- **Carbon Capture and Storage (CCS)**: investment in such technologies to capture and store carbon emissions.
- **Renewable Energy Sources**: use of renewable energy sources like solar and wind to reduce carbon footprints.
- **Predictive Maintenance**: Use AIML to predict equipment failures which decreases costs and improves safety.
- **Investment on Decarbonization** : by reducing methane emissions, enhancing energy efficiency and using greener practices.
- **Energy as a Service**: offering energy storage and management services.

Key Performance Indicators

- **Exploration Success Rate (ESR) -** Measures the success of finding commercially viable reserves.
- **Oil and Gas Reservoir Recovery Factor (RRF) -** Indicates the percentage of hydrocarbons recoverable from a reservoir.
- **Reserve Replacement Ratio (RRR) -** Tracks the replenishment of extracted reserves with new discoveries.
- **Production Volume - T**racks daily production in barrels of oil equivalent.

Environmental Trends

- **Shift to Renewables**: Oil and gas companies are investing in renewables to reduce environmental impact and support clean energy.
- **Carbon Capture & Storage**: CCS technology helps capture and store carbon emissions, aiding in climate goals.

Challenges

- **Shifting Energy Landscape**: The oil and gas industry must adapt to renewable energy demands and evolving carbon regulations.
- **Supply Chain Impacts**: Ongoing disruptions like delays and price hikes require proactive management and quality control.
- **Labor Shortage**: A shrinking workforce calls for strategies to attract, train, and retain workers, particularly in remote areas, to maintain safety and productivity.

Value Chain

Exploration & Assessment

Conduct geological surveys, study seismic data, and drill to assess oil and gas reserves while ensuring environmental and legal **compliance.**

Drilling & Development

Create and execute drilling plans, focusing on secure extraction, maximizing recovery, and **minimizing** operational risks.

Production & Operations

Oversee safe, efficient extraction using EOR techniques, **reduce** downtime and ensure cost-effective operations.

Transportation & Midstream

Manage pipelines, storage, and shipping, ensuring safety and environmental protection through real-time **logistics tracking.**

Refining & Processing

Convert crude oil into products like gasoline and diesel, and natural gas into LNG, focusing on **energy efficiency** and emissions reduction.

Distribution & Marketing

Set **product prices** for target clients and distribute to wholesalers, retailers, and consumers, expanding through **digital platforms** and direct sales.

AI INDUSTRY

Industry Overview

Includes use of AI to optimize and automate tasks across industries.

CAGR
37.3% Global
28.63% India

Market Size
Global: $184 billion
India: $6.26 billion

Key Players

Google, Grok, IBM, intel, Apple, Microsoft, OpenAI

Glossary/ Key Terms

- **CPP:** Cost Per Production
- **ERR:** Error Rate Reduction
- **MDR:** Model Drift Rate
- **O&P:** Operations and Performance

Cost Drivers

- **Data acquisition** and preparation
- Computing Infrastructure
- **Research and development**
- Model Training

Revenue Drivers

- **Subscription** Services
- Custom AI solutions
- Licensing and IP
- AI powered products
- **Consulting** Services

Growth Drivers

- Edge AI and IoT **integration**
- Generative AI
- Government and enterprise investments
- **Global** digital transformation

Key Trends

- **Generative AI**: AI models that generate creative content like text, images, code.
- **AI-Powered Personalization**: AI to deliver personalized user experiences in various industries.
- **AI-Driven Automation**: Adopting AI in robotic process automation (RPA) to streamline workflows which reduces human error and improves performance.
- **Healthcare AI**: Use of AI in diagnostics, drug discovery, personalized medicine to improve patient care.
- **AI in Education**: Adaptive learning systems and AI tutors for customized learning experience.
- **Explainable AI (XAI)**: Transparent AI decisions.

Key Performance Indicators

- **CPP:** Measures the cost-effectiveness of generating a single prediction.
- **Automation Rate:** Evaluates proportion of tasks automated.
- **Deployment Time:** Tracks how quickly an AI model moves from development to deployment.
- **ERR:** Rate in reduction of errors post deployment.
- **MDR:** Decline in model performance over time.

Challenges

- **Security Risks**: Vulnerable to attacks, posing risks to privacy.
- **High Costs**: Investment in technology, infrastructure, and expertise.

Sustainability

- **E-Waste**: AI advancements lead to higher electronic waste.
- **Sustainability Challenges**: High energy requirements call for more efficient models to reduce environmental impact.

Value Chain

Research and Development

- Applied **research** in ML and DL
- **Gen AI**, reinforcement learning, and neural networks

Collection & Preparation

- **Data cleaning**, labeling, augmentation for training
- Data **compliance** with privacy regulation

Development and Training

- Train **models** for specific applications like natural language processing
- Advanced hardware

Deployment and Integration

- Integrate **AI systems** into existing enterprise software
- Provide APIs and SDKs for developers

O&P Marketing

- Monitor AI systems in production
- Adaptive systems for **retraining models** with data

Ethics and Compliance

- AI governance frameworks
- Audit AI systems to adhere to **legal standards**

Commercialization

- **SaaS models** and subscription-based pricing
- Partnerships and other strategies

AVIATION INDUSTRY

Industry Overview

Includes domestic and international air transport services

CAGR
25.5% 2022-27
11.08% India

Market Size
Global: $339.6 billion
India: $26.08 billion

Key Players

Civil Transportation	BRITISH AIRWAYS	Emirates
Manufacturing	BOEING	AIRBUS
MRO	Lufthansa Technik	Delta TechOps
Catering	TAJ sats	LSG Sky Chefs

Glossary/ Key Terms

- **RASK:** Revenue efficiency relative to seat capacity
- **CSAT:** Customer Satisfaction Score
- **OTP:** On-time Performance
- **NPS:** Net Promoter Score

Cost Drivers

- **Fuel** Costs
- Tech support
- Labour wages
- Infrastructure **Maintenance**
- Maintenance, Repair and Overhaul **(MRO)** costs

Revenue Drivers

- **Ticket** sales
- Memberships and Programs
- **Ancillary** Services
- Freight Services

Growth Drivers

- **Fleet Upgrades**
- Market Expansion
- Rising trends in **cargo** transportation and E-commerce logistics

Key Trends

- **Digital Transformation**: Investments in AI, predictive maintenance, and contactless services.
- **Ancillary Revenue**: Growth in non-ticket revenue
- **Passenger Experience**: Focus on comfort, personalized services, and loyalty programs.
- **Resilience**: Post-pandemic strategies include flexible booking and hygiene protocols.
- **Fleet Modernization**: New fuel-efficient, eco-friendly aircraft
- **Regional & Low-Cost Carrier Growth**: Expanding affordable travel options, especially in emerging markets.

Key Performance Indicators

- **RASK:** Revenue efficiency relative to seat capacity
- **Yield per Passenger:** Average revenue per passenger
- **Load Factor:** Percentage of seat capacity filled
- **CSAT:** Satisfaction with service
- **OTP:** Percentage of on-time flights
- **NPS:** Customer loyalty and likelihood of recommendation of the airline

Opportunities

- **AI and Technology**: Improves flight optimization
- **Market Growth**: space tourism, urban air mobility, and VTOL technology

Sustainability

- **Carbon Offset Programs:** Passenger compensation for the emissions generated by their flights.
- **Operational Efficiency:** Optimize flight paths and reduce fuel burn by adjusting cruising altitudes.

Value Chain

Inbound Logistics

- Selecting Routes
- Aircraft lease and **acquisition**
- Hiring Crew

Operations

- Ticket Offices
- Baggage Handling Services
- **Onboarding** Services

Outbound Logistics

- Interconnecting Flights
- **Hotels** and Cabs
- Baggage System

Marketing and Sales

- FFPs
- Grouping of sales
- **Loyalty** Schemes
- Events

Services

- Aircraft Support
- Baggage Lost in Transit
- **Memberships**
- Priority Check-Ins

COSMETIC INDUSTRY

Industry Overview

Industry transforming beauty through technology and innovation

CAGR
5.2-9.8% Global
10.91% India

Market Size
Global: $374.18 billion
India: $4.6-11 billion

Key Players

L'ORÉAL
SUGAR
LAKMÉ
MAYBE SHE'S BORN WITH IT. MAYBE IT'S MAYBELLINE.
MAYBELLINE NEW YORK
SEPHORA

Glossary/ Key Terms

- Active Ingredients
- Antioxidants
- Clean Beauty
- Cruelty Free
- Dermatologically Tested
- Emollient
- Fragrance Free
- Non - Comedogenic
- Parabens
- Sun Protection Factor

Cost Drivers

- **Raw Material** Cost
- Manufacturing
- Packaging
- **Marketing**
- Distribution

Revenue Drivers

- Product **Innovation**
- Brand Loyalty
- Channel Expansion
- Regional Expansion
- Product **Segments**

Growth Drivers

- Increasing **demand** for personal care
- Emerging Markets
- Sustainability and Organic Trends
- Digital Transformation and **E Commerce**

Key Trends

- **Revenue Leadership**: India is ranked **fourth globally** for generating the highest revenue from the beauty and personal care market in 2023.
- **R&D Innovation**: Cosmetic industry is not just focusing on production but also investing in research and development to innovate and cater to the needs of consumers.
- **Health and Wellness Focus**: There is a growing demand for products that not only enhance appearance but also offer health benefits, such as skincare products with natural ingredients, SPF protection, and anti-pollution properties.
- **Digital Transformation**: Artificial intelligence (AI) and augmented reality (AR) are enhancing the online shopping experience, with personalized product recommendations and virtual try-ons.
- **Shift Towards Sustainability**: Sustainability is becoming a crucial aspect of the cosmetics industry worldwide, and India is following this trend.

Key Performance Indicators

- **Active Membership Count and Activity Level**: % of actively participating members in loyalty or membership programs.
- **Beauty Consultant Retention Rate**: % of beauty consultants retained by the company over a given period.
- **Beauty Services Revenue**: % of total revenue generated from beauty services, such as spa treatments or consultations.
- **Brand Reputation Index**: Composite index measuring overall brand reputation among consumers.

Environmental Trends

- **Recyclable Packaging**: Many companies are now changing to packaging that can easily be recycled or discarded as it is biodegradable in nature.
- **Organic Ingredients**: Rising environmental awareness drives demand for eco-friendly, sustainably sourced cosmetics.

Challenges

- **Product Quality Crisis**: Inadequate quality control leads to compromised product standards.
- **Regulations:** Adherence to CGMPs ensures quality assurance for reputable manufacturers.
- **Greenwashing:** Misleading claims about "natural" or "green" products can deceive consumers.

Value Chain

Raw Material Sourcing

- Sourcing **trustworthy** vendors
- Obtaining ingredients (natural or synthetic) like oils, pigments, and chemicals
- Conducting **quality checks**

R&D-Product Formulation

- **Developing** formulas
- Innovating and creating unique formulas
- **Testing** the formula for safety and skin compatibility

Manufacturing

- Producing cosmetics in factories
- Supporting activities such as accounting
- Ensuring **quality standards**

Branding & Packaging

- Designing and producing packaging
- Ensuring **attractiveness**
- Utilize recyclable material

Distribution & Logistics

- Distributing products
- Managing inventory to prevent **stock-outs**
- Partner with logistics provider for wide reach

Marketing & Sales

- Building customer **database** for better targeting
- Collaboration with **influencers**
- Advertising products

FINTECH INDUSTRY

Industry Overview

Industry leverages technology to innovate and improve financial services.

CAGR
16.5 Global
30.55% India

Market Size
Global: $133.84 billion
India: $111.14 billion

Key Players

Digital Payment Solutions	Financial/Merchant Services
Paytm	Pine Labs
PhonePe	policybazaar.com
Razorpay	LENDINGKART Simplifying MSME Finance

Glossary/ Key Terms

- Blockchain
- DeFi (Decentralized finance)
- Digital Wallet
- Payment Gateway
- RegTech
- UPI
- ESG
- NIM (Net Interest Margin)
- P2P Lending

Cost Drivers

- Operational Costs
- **Customer Acquisition** Costs
- Technology Investments
- Regulatory **Compliance**

Revenue Drivers

- Payment Processing Fees
- **Lending** Services
- Subscription Models
- Investment Services
- **Partnerships**

Growth Drivers

- Expanding financial inclusion through seamless digital processes.
- Simplifying access to digital services by **Aadhaar integration**.
- Increasing demand for peer-to-peer lending platforms offering affordable credit.

Key Trends

- India ranks **2nd globally** in FinTech adoption, with a **52% adoption rate**.
- The rise of **decentralized finance and blockchain** is driving innovation in payments and asset management, despite challenges in scalability and regulation.
- Increased focus on **green loans and ESG investments** to align with consumer demands for sustainability.
- Regulatory changes are prompting FinTech companies to adopt **RegTech solutions for streamlined compliance and risk management.**
- Government initiatives such as **Digital India, Startup India, UPI, and regulatory sandboxes** are fostering financial inclusion and innovation.

Key Performance Indicators

- **Net Interest Margin** - Measures the difference between interest income generated and interest paid out relative to interest-earning asset.
- **Loan Default Rate** - Tracks the percentage of loans that are not repaid within the agreed terms.
- **Operational Efficiency Ratio** - Measures operating expenses as a proportion of revenue.
- **Payment Success Rate** - Tracks the percentage of successfully processed transactions.

Challenges

- **Regulatory Uncertainty**: Rapidly evolving regulatory landscapes create compliance challenges for fintech companies.
- **Cybersecurity Threats**: Protecting sensitive financial data from increasing cyberattacks.
- **Consumer Trust and Adoption**: Building trust and encouraging widespread adoption of new technologies.
- **Scalability Issues**: Ensuring platforms can handle rapid growth while maintaining performance and user experience.

Lessons from the World

- **Paypal**: Global expansion through partnership with e-commerce platforms.
- **Stripe**: Seamless integration with other platforms, making it a preferred choice for startups and developers.
- **Ant Financial**: Utilised AI to personalize financial products for users.
- **Revolut**: Introduced multi-currency accounts with real-time exchange rates, appealing to global travelers.
- **Robinhood**: Simplified investing by creating a mobile-first, easy-to-navigate interface for retail investors.

Value Chain

Product Development

Develop **innovative** financial technology platforms, mobile apps, and tools tailored to user needs.

Platform Integration

Integrate payment gateways, lending **solutions** & investment tools into secure and scalable digital platforms.

Service Delivery

Develop seamless services like instant payments, credit access, and **investment management** through user-friendly web interfaces.

Customer Onboarding

Utilize advanced digital onboarding systems to enhance **financial inclusivity** and provide tailored user experiences.

Regulatory Compliance

Adopt RegTech to ensure compliance with ever evolving **financial regulations** and maintain operational transparency.

Marketing Outreach

Promote financial products and services via targeted digital marketing **campaigns** and collaborations with banks and financial institutions.

MEDIA & ENTERTAINMENT INDUSTRY

Industry Overview

Industry which uses technology to create, distribute, and monetize content across diverse platforms.

CAGR
8% (By 2028) Global
10% (By 2026) India

Market Size
Global: $2578.67 billion
India: $30.8 billion

Key Players

Star, Sony Pictures Networks, TV Today Network, Network 18, ZEE, saregama, Balaji Telefilms, PVR INOX

Glossary/ Key Terms

- Advertising
- Agency
- Audience
- Consumer
- Broadcast
- Cybernetics
- Infotainment
- Mass media
- Narrative

Cost Drivers

- Distribution expenses
- **Technological** Integration (New age trends of AR&VR)
- Production Costs (Filming equipment and editing tech like CGI&VFX)

Revenue Drivers

- Content creation
- Distribution
- **Consumption**
- Advertising
- **Monetization**

Growth Drivers

- Rise of OTT digital platforms
- **Competition** among streaming services
- Social media Influencer Culture Income through content creation.

Key Trends

- **Sector Growth**: Projected to grow at a CAGR of 10%, reaching $37.2 billion by 2026.
- **OTT Expansion**: User base expected to exceed 630 million by 2029, fuelled by affordable subscriptions.
- **Gaming Boom**: Expected to reach $8.92 billion by 2028.
- **Digital Revenue**: Growth in AVOD/SVOD platforms; subscription revenues are steadily increasing.
- **Government Support**: Policies enhancing FDI and promoting the AVGC sector aid development.
- **Print Revival**: Revenue growth of 8-10% in FY24 due to advertising recovery.
- **Music Industry**: Growth driven by free and paid streaming platforms.

Key Performance Indicators

- **Audience Engagement:** Page views, time spent on site, and social media shares (Likes, comments, and shares).
- **Ad Revenue:** Click-through rates and conversion rates.
- **Subscriber Growth:** Includes tracking the number of subscribers or paid members over time.
- **User Activity:** Identifying the times of days and the days of the week in which your users are most engaging with your page.
- **Distribution of Fans:** Identifying the audience's demographic.

Opportunities

•**Global Streaming Growth**: Expanding reach through platforms like Netflix and Disney+.
•**Localization Strategies**: Creating culturally relevant content for diverse markets.
•**Tech Innovations**: Leveraging AI and data analytics for personalization and content optimization.

Challenges

•**Piracy and Copyright Issues**: Threaten content creators' revenues and intellectual property.
•**Market Saturation**: Overcrowding in streaming services leads to intense competition.
•**Localization Demands**: Challenges in adapting content for diverse regional markets.
•**Changing Regulations**: Constantly evolving legal & compliance requirements.

Value Chain

Advertising procurement

- Purchase of text & film contributions
- Procurement of advertisement contributions

Advertisement placement

- Production of text contributions
- Production of film

Product packaging

- Selection of the product components
- Editorial work

Technical production

- Print
- Provision of infrastructure and transmissibility

Distribution

- Sale
- Transmission Portals
- Allocations of end devices

Recipient

- Consumption of content
- Feedback and interaction
- Subscription and sharing

ELECTRONICS INDUSTRY

Industry Overview

The electronics industry uses technology to develop and produce devices enabling connectivity, automation, and innovation.

CAGR
7.5% (By 2031) Global
6.8% (By 2026) India

Market Size
Global: $1.1-1.4 trillion
India: $150-200 billion

Key Players

Samsung Electronics, Intel, HP, Apple, Bosch, Panasonic, Xiaomi, LG Electronics, Sony

Glossary/ Key Terms

- Semiconductor
- Microchip
- Printed Circuit Board
- Capacitor
- Resistor
- Transistor
- Diode
- Fabrication
- Internet of Things(IoT)
- Nanotechnology
- 4G/5G
- Sustainability

Cost Drivers

- Raw Materials of some specialized materials like semiconductors, and advanced polymers.
- Technology and Innovation
- Labor and Automation

Revenue Drivers

- Product Diversification
- Strategic Partnerships
- Recurring Revenue Streams
- Monetizing subscriptions for software, or services

Growth Drivers

- Digital transformation
- Personalisation
- Global Connectivity

Key Trends

- **AI Integration:** Automation and smart manufacturing powered by artificial intelligence shape production efficiency.
- **Organic Manufacturing:** The industry emphasizes eco-friendly practices like reducing e-waste and adopting green energy solutions.
- **Miniaturization:** Devices are becoming smaller and more compact, driving innovations in components and materials.
- **5G technology integration:** Internet of Things (IoT) devices are boosting connectivity and driving demand for advanced electronics.
- **Additive Manufacturing:** 3D printing enables rapid prototyping and customization in electronics manufacturing.

Key Performance Indicators

- **Production Output Growth Rate:** Tracks the growth of electronics manufacturing, highlighting the industry's scalability.
- **Adoption Rate of Emerging Technologies:** Measures how quickly the industry adapts to new trends such as IoT, AI, or 5G.
- **R&D Investment Ratio:** Reflects innovation efforts and potential for technological breakthroughs.
- **Supply Chain Efficiency:** Evaluates supply chain performance, essential for meeting market demands.
- **Customer Return Rate:** Assesses product quality and customer satisfaction.
- **Employee Retention Rate in Technical Roles**: Measures effectiveness in retaining skilled professionals, critical for R&D and innovation.

Opportunities

- **Sustainability Initiatives:** Demand for eco-friendly technologies.
- **5G and IoT Expansion:** Growth in smart devices and connectivity.
- **Wearable Technology Growth:** Rising demand for health and lifestyle devices.
- **Smart Healthcare devices:** Rising demand in healthcare for electronics in monitoring and telemedicine.

Challenges

- **Supply Chain Disruptions:** Shortages in critical components like semiconductors.
- **E-Waste Management:** Increasing electronic waste poses environmental concerns.
- **Cybersecurity Threats:** Rising risks with IoT (internet of things) and connected devices.
- **High R&D Costs:** Developing advanced technologies requires significant investment.

Value Chain

Research & Development (R&D)

- Innovating advanced technologies like **AI and IoT.**
- Designing smaller, efficient, and eco-friendly components.
- **Prototyping** new devices to test functionality and user experience.

Component Manufacturing

- Producing semiconductors, PCBs, and microprocessors.
- Implementing **miniaturization** techniques for compact designs.
- Ensuring high quality and precision in **component fabrication.**

Assembly & Production

- Utilizing automated systems and robotics for efficiency.
- Ensuring compliance with international **manufacturing standards.**
- Optimizing production for cost and scalability.

Distribution & Logistics

- Managing global supply chain networks.
- Addressing storage and **inventory challenges** efficiently.
- Streamlining transportation with advanced tracking systems.

Marketing & Sales

- Targeting markets with a focus on **emerging trends**.
- Collaborating with retailers and e-commerce platforms.
- Promoting products through **digital & offline** strategies.

After-Sales Service

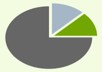
- Offering repair and maintenance support.
- Providing updates and **troubleshooting.**
- Ensuring customer satisfaction through reliable **service networks.**

ECOMMERCE INDUSTRY

Industry Overview

Industry which uses technology to buy and sell goods and services online.

CAGR
18.9% Global
21% India



Market Size
Global: $25.93 trillion
India: $70 billion

Key Players

- amazon
- snapdeal
- Flipkart
- Myntra

Glossary/ Key Terms

- Drop shipping
- Affiliate Marketing
- SKU (Stock Keeping Unit)
- Dark Store
- Retargeting/Remarketing
- Hyper-Personalization
- Take rate

Growth Drivers

- Expansion Into New Markets
- Omnichannel Presence & Experience
- Technological Innovation

Cost Drivers

- Website Development & Maintenance.
- Inventory Management & Warehousing
- Shipping & Logistics

Revenue Drivers

- Product Diversification & Quality
- Enhancing Customer Acquisition
- Customer Retention & Lifetime Value

Key Trends

- **Subscription Models-** Companies in this industry are prioritizing giving free trials first so that customer gets used to its features and UI.
- **Chatbots-** The industry uses chatbots to make it easy for the customer, as their doubts are getting cleared without going that extra mile.
- **Flexible payment options-** Payment options with credit card, debit card, UPI and cash is getting acceptable all around the globe.
- **Personalized Shopping Experiences Using AI and Data Analytics-** With advances in artificial intelligence and data analytics, e-commerce companies are increasingly able to deliver highly personalized shopping experiences.

Key Performance Indicators

- **Time on site-** Time on Site measures the average amount of time a visitor spends on a website during a single session. This KPI helps gauge how engaging the site is to visitors.
- **Customer satisfaction score-** The Customer Satisfaction Score (CSAT) is a measure of how satisfied customers are with a particular interaction, product, or service.
- **Bounce Rate**- Bounce Rate is the percentage of visitors who leave the site after viewing only one page without engaging further.

Environmental Trends

- **Eco-friendly Packaging**: Switch to recyclable or compostable materials to minimize waste.
- **Carbon Offsetting**: Invest in green projects to balance emissions.
- **Energy-Efficient Warehousing**: Use renewable energy in warehouses to cut carbon footprints.
- **Sustainable Sourcing**: Choose responsibly sourced materials to promote eco-friendly practices.
- **Eco-Friendly Shipping**: Shift to electric or low-emission delivery methods.
- **Circular Economy**: Offer resale, rental, or recycling to extend product life.

Value Chain

Product Sourcing

- Partnering with **reliable suppliers**
- Ensuring high-quality products
- **Inventory** planning

Product Catalog

- **Organizing** products with prices, photos and descriptions.
- Ensuring accurate and updated **listings.**

Website Development

- Creating a **user-friendly** and secure website.
- Improve search functionality.
- Seamless mobile experience.

Digital Marketing

- SEO, email marketing and social media to attract customers.
- Using **analytics** to target customer demographics**.**

Order Fulfillment

- Includes inventory storage, order picking, and packaging.
- Warehouse management systems **(WMS)** to optimize space and reduce cost.

Shipping & Logistics

- Partnering **with** shipping carriers to ensure timely delivery.
- Tracking systems for real-time monitoring.

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HOSPITALITY INDUSTRY

Industry Overview

Industry which focuses on providing lodging, dining, entertainment services

CAGR
6.8% Global
4.73% India

Market Size
Global: $4933.71 billion
India: $24.6 billion

Key Players

Leisure & Vacation Travelers	ITC HOTELS RESPONSIBLE LUXURY	IHCL
Business/Corporate Travelers	Marriott	pullman HOTELS AND RESORTS
Budget & Backpackers	OYO	treebo

Glossary/ Key Terms

- Occupancy Rate
- Chain Hotel
- Turn-Down Service
- Guest Relations
- Front Desk
- Back of House
- Yield Management
- Occupancy Mix
- Seasonality
- Dynamic Pricing

Cost Drivers

- Food Services
- **Property Upkeep**
- Housekeeping
- Regular Maintenance Costs
- Investment in Technology and Digital Services

Revenue Drivers

- Guest Experience
- Service Quality
- **Room Rate**
- Event Hosting
- Conference Services

Growth Drivers

- Geographic and Market Expansion targeting new regions
- Energy **Efficiency**
- Waste Reduction
- Digital Transformation and Automation like automated check-in

Key Trends

- **Personalized Guest Experiences**: AI and data analytics help with personalized experiences for guests
- **Contactless Check-in:** contactless check-in and digital concierge services through mobile apps improve guest convenience
- **Sustainability Practices**: using renewable energy, reducing water consumption and promoting local and organic foods
- **Loyalty Programs**: increase in loyalty programs for guests increase repeat visits
- **Smart Room Technology:** smart room tech to control lighting, temperature and entertainment system through mobile devices/voice commands
- **24/7 Digital Concierge and Chatbot**: can assist with guest bookings, directions and dining recommendation 24/7

Key Performance Indicators

- **Revenue Per Available Room**: shows whether a hotel can fill the rooms profitably or not
- **Average Daily :**measures the pricing effectiveness on the occupied rooms
- **Average Length of Stay**: indication of guest retention rates
- **Customer Satisfaction Index**: superior CSI indicates optimal guest experience and retention
- **Online Reviews/Rating:** better rating results in more visitors; reputation builds up

Environmental Trends

- **Energy efficiency**: LED lights, smart thermostats, and energy-efficient appliances reduce carbon footprint.
- **Sustainable building practices**: Solar panels, green roofs, and water-saving systems are standard for green certifications.

Challenges

- **Labour Shortages**: It is tough to attract and retain good quality staff.
- **Adapting New Technology**: it's almost impossible to keep up changing technology while staying within cost ranges .
- **Seasonality Fluctuations**: Manage demand fluctuations in peak and off-seasons, balancing cash flow to survive lean times.

Value Chain

Property Development

Maintains **physical** spaces including guest rooms, dining areas, recreational facilities

Supplier/Vendor Management

Using reliable suppliers for **high-quality** linens, furniture, food and bath products

Guest Experience

Personalized services such as check-in flexibility and **customized** room settings

Reservations & Front Office

Efficient booking and check-in/check-out **processes** like mobile and online booking options

Marketing & Promotion

Digital marketing like SEO to attract bookings and using guest reviews to **improve services**

Customer Service

Multiple support channels (phone, email, chat) for **queries** and feedback

CLOUD INDUSTRY

Industry Overview

The cloud industry is a global network of remote servers offering computing resources like storage, networking, and software as services over the internet.

CAGR
16.8% Global
17.2% India

Market Size
Global: $771.58 billion
India: $9.98 billion

Key Players

Alibaba Cloud
IBM Cloud
ORACLE CLOUD
Microsoft Azure
amazon web services

Glossary/ Key Terms

- Cloud Computing
- Infrastructure as a Service (IaaS)
- Private Cloud
- Cloud Migration
- API (Application Programming Interface)
- DevOps
- Latency
- Edge Computing

Cost Drivers

- **Infrastructure** investment
- Energy consumption
- **Security** and compliance
- R&D for innovation

Revenue Drivers

- Subscription models
- Enterprise adoption
- Cloud **marketplace growth**
- Value-Added services

Growth Drivers

- Digital Transformation
- Remote **work trends**
- AI and Big Data integration
- Global**.**

Key Trends

- **Multi-Cloud Adoption**
  Businesses are using multiple cloud services to avoid being tied to one vendor, increase reliability, and keep costs in check.
- **Edge Computing**
  By processing data closer to where it's generated, edge computing reduces delays and enables faster, real-time insights.
- **AI and Machine Learning Integration**
  Cloud platforms are incorporating AI and machine learning to automate processes, improve data analysis, and deliver better customer experiences.
- **Cloud Security Enhancements**
  With the rise in cyber threats, cloud providers are ramping up their security measures to better protect user data and ensure privacy.

Key Performance Indicators

- **Uptime / Availability -** Measures the percentage of time a cloud service is operational and accessible.
- **Latency -** The time it takes for data to travel between the user and the cloud service.
- **Cost Efficiency -** Tracks the cost relative to performance and resource usage.
- **Data Transfer Speed -** Measures the rate at which data can be transferred to and from the cloud.

Environmental Trends

- **Sustainability & Green cloud**: Cloud providers are reducing carbon footprints with renewable energy and efficient data centers.
- **Edge Computing**: Processing data locally reduces energy use and environmental impact.
- **Circular Economy**: Cloud providers are reusing & recycling hardware to reduce e-waste.

Challenges

- **Security and Privacy Concerns:** With the cloud storing sensitive data, security risks like breaches and unauthorized access are constant worries.
- **Data Loss and Downtime:** Even with reliable cloud services, outages and potential data loss can disrupt business operations.
- **Compliance & Regulatory Hurdles:** Navigating complex regulations and industry standards across various regions can be challenging for both providers & users.

Value Chain

Infrastructure Layer

Providers of **physical** data centers, servers, networking hardware, and storage systems. Key players: AWS, Microsoft Azure, Google Cloud.

Platform Layer

Providers of platforms for **application development**, management, and deployment, offering tools like databases and computing power.

Cloud security

Services ensuring data protection, **encryption**, compliance, and identity management, such as firewalls, DDoS protection, and IAM

Deployment & Migration

Services for deploying applications to the cloud & migrating data/workloads, including **cloud migration** services & container orchestration tools .

End-user application

Software **applications accessed** by users or businesses through cloud platforms, such as mobile apps or **SaaS solutions** (e.g., Salesforce, Microsoft 365).

Support & Consulting Services

Professional services for implementing, training, strategizing, and optimizing cloud technologies.

ASSET MANAGEMENT INDUSTRY

Industry Overview

Industry manages investments across asset classes to optimize financial returns.

CAGR
36.4% Global
14% India

Market Size
Global: $685.09 billion
India: $18,223.6 million

Key Players

ICICI PRUDENTIAL ASSET MANAGEMENT
Fidelity INVESTMENTS
Vanguard
DSP MUTUAL FUND
SBI MUTUAL FUND A PARTNER FOR LIFE
BlackRock

Glossary/ Key Terms

- Assets Under Management (AUM)
- Benchmark
- Diversification
- Exchange-Traded Fund
- Passive Management
- Portfolio Management
- Sharpe Ratio

Cost Drivers

- **Regulatory** Compliance Expenses
- Technological Investments
- **Talent Acquisition** and Retention
- Operational Expenses

Revenue Drivers

- Management and Payment Fees
- **Alternative Investment** Products
- Technological Expenses
- **Geographical** Expansion

Growth Drivers

- Considering M&A to enhance **disruptive technology** and AI.
- Global AUM to reach $171 trillion by 2028, alternatives growing at a 6.7% CAGR.
- **Tokenized investment** funds are expected to surge to over $317 billion by 2028.

Key Trends

- **AI in Portfolio Management:** Asset managers use AI to automate portfolio tasks, improve risk assessment, and personalize strategies.
- **Standardized ESG Reporting:** New frameworks make sustainable investing more transparent and accessible.
- **Tokenization of Assets:** Blockchain enables fractional ownership and liquidity for traditionally illiquid assets.
- **Financial Literacy Campaigns:** Educational initiatives empower retail investors and foster trust.
- **Hybrid Investment Models:** Combining active and passive strategies balances cost and customization.
- **Private Market Access:** Tech platforms simplify investments in private equity and venture capital.
- **RegTech Solutions:** Streamlined compliance reduces costs and ensures regulatory transparency.

Key Performance Indicators

- **Mean Time to Repair (MTTR)**: Measures the average time required to repair an asset.
- **Mean Time Between Failures (MTBF)**: Indicates the average operational time between asset failures.
- **Annualized Failure Rate (AFR)**: Represents the likelihood of a component failing within a year.
- **Overall Equipment Effectiveness (OEE)**: Evaluates productivity by measuring availability, performance, and quality.

Integration of AI and ML

- **Enhanced Investment Strategies**: Asset managers use AI and ML to analyze datasets, identify trends, and optimize portfolio strategies.
- **Automation in Trading**: These technologies streamlines trading, therein reducing operational costs.
- **Personalized Client Services**: AI-driven insights enhance tailored recommendations, boosting satisfaction and retention.

Investment Expansion

- **Shift Towards Alternatives**: Rising demand for alternative assets is reshaping asset management strategies.
- **Diversification Opportunities**: Expanding into private markets boosts portfolio resilience with less correlated assets.
- **Sectoral Hiring Boom**: This trend fuels increased hiring and specialization in private markets.

Value Chain

Research and Analysis

- Identify **market needs** and design investment products like mutual funds and hedge funds.
- Perform fundamental and quantitative **analysis** to guide investment decisions.

Fundraising & Client Acquisition

- Build **distribution networks** via financial advisors, brokers, and digital platforms.
- Conduct **investor education** to enhance credibility and attract clients.

Portfolio Management

- Set goals, create **diversification** strategies, and align portfolios with risk appetite.
- Perform security selection and asset allocation based on research and analysis.

Operations and Risk Management

- Execute trades and manage the inflow and outflow of funds.
- Conduct **stress testing** to prepare portfolios for adverse market scenarios.

Reporting and Client Servicing

- Provide **regular performance** updates, market outlooks, and portfolio insights.
- Address client queries promptly while ensuring **transparency** in operations.

Regulatory Compliance

- Monitor AML and KYC processes while **adhering** to SEBI and AMFI regulations.
- Conduct **audits** to ensure practices and compliance with policies.

ED TECH INDUSTRY

Industry Overview

The industry which uses technology to improve education and learning

CAGR
17.10% Global
24.8% India

Market Size
Global: $144.64 billion
India: $7.5 billion

Key Players

Test Prep	PW	Vedantu LIVE ONLINE TUTORING	unacademy
Certification	coursera	udemy	upGrad
K-12	moodle	STEPapp SCHOOL EDUCATION GAMIFIED	grammarly

Glossary/ Key Terms

- Application Programming Interface (API)
- Learning Management System (LMS)
- SaaS
- AR/VR
- Gamification
- Asynchronous Learning
- Massive Open Online Course (MOOC)

Cost Drivers

- High Salaries
- Tech support
- **Licensing** and Copyrights
- Infrastructure Maintenance
- CAC and **Marketing**
- Content creation

Revenue Drivers

- **Subscription** fees
- Value added services to customer
- Institutional **partnerships**
- Merchandise and kits

Growth Drivers

- Increasing demand for **personalized** learning models.
- Increased tech penetration
- Shift to Remote and **Hybrid** Learning
- Improved Accessibility and Inclusion

Key Trends

- **Immersive Learning through AR/VR:** Virtual labs increase participation and application of concepts. **Education** creating immersive 3D learning experiences through augmented and virtual reality, allowing students to interact with complex concepts in fields like science, engineering, and history.
- **Government Policies**: NEP 2020 and NDEAR make overhauls in education frameworks.
- **FDI Driving Innovation:** 100% FDI promotes development in India's EdTech.
- **Sustainability:** Energy-efficient systems encourage an environmentally friendly learning experience. With the adoption of remote learning technologies, smart campuses, paperless learning solutions and energy efficient digital infrastructures, sustainability in the edtech industry has come a long way.

Key Performance Indicators

- **Churn Rate:** % of customers who stop purchasing or engaging with the business over a given period.
- **Engagement Level (**Monthly Active Users (MAU) / Daily Active Users (DAU)- measures how often users interact with an e-commerce platform.
- **Activation Rate:** Users who complete a key action after registering or signing up for the platform.
- **Time-on-App:** Time users spend interacting with the EdTech platform during a single session.

Opportunities

- **Global Reach:** Expanding internet access in developing regions creates vast opportunities.
- **Personalized Learning:** AI and data analytics enable adaptive learning experiences.
- **Gamification:** Incorporating game mechanics into learning experiences can enhance student engagement.

Challenges

- **Digital Access Inequality:** Many students lack devices and internet especially impacts rural and low-income communities.
- **Privacy Concerns:** Privacy concerns with student data, schools must protect information while managing multiple platforms.
- **Difficulty measuring impact:** No clear way to evaluate if tech truly improves learning outcomes.

Value Chain

Platform Infrastructure

- Edtech platforms provide the core **technology infrastructure** to deliver digital learning experiences

Content Development

- Heavy investment in creating high-quality **educational** content, courseware, & **curriculum** to power digital offerings

User Acquisition

- Effective marketing and user acquisition strategies are critical for **attracting** students, teachers, schools, and other educational institutions as customers

Data Driven Insights

- Leveraging user data powers personalised learning, adaptive assessments, and **learning analytics**, score records, progress, quizzes etc to continually improve products

Partnerships and Distribution

- Strategic **collaborations** with publishers, education providers, and resellers expand the reach and **integration** of edtech offerings

Tech Innovation & Integration

- Edtech companies integrate advanced technologies like AI, VR, and AR to enhance learning experiences and drive **personalized education**

TELECOMMUNICATIONS INDUSTRY

Industry Overview

Facilitates communications, connectivity and information technology.

CAGR
6.2% Global
9.40% India

Market Size
Global: $1,841.54 billion
India: $ 48.61 billion

Key Players

Jio, Vi, airtel, MTNL, BSNL

Glossary/ Key Terms

- Bandwidth
- Broadband
- Analog Signal
- Access Charge
- Common Carrier
- Operator service provider

Cost Drivers

- Network infrastructure / spectrum
- Energy consumption
- **IT/Security** spending
- Customer acquisition costs

Revenue Drivers

- Data usage growth
- Digital service **fees**
- IoT connectivity revenue

Growth Drivers

- 5G adoption/monetization
- **B2B** market expansion
- Digital services portfolio

Key Trends

- **International Rank** - India has the second largest mobile network in the world due to conducive policies and creative innovations.
- **Growth of Revenue** - The revenue of the Telecommunications sector was estimated at ₹3.36 trillion in FY24, which is a slight increase from FY23.
- **Total wireless subscribers** - The total wireless subscriber base in India was 1.16 billion in 2023, with 40% market share with Reliance Jio and a revenue of ₹1.3 trillion in FY24.
- **Technological advancement** - India is on the growth curve of telecom with the growth patterns being enhanced through extra heavy investments on 6G, AI, IoT and cloud services.
- **Allocation of Funds** - The Department of Telecom was allocated ₹116,342 crore in the Union Budget for the year 2024-25.

Key Performance Indicators

- **Subscriber Acquisition Cost (SAC)** - the average cost incurred by a telecom company to acquire a new subscriber.
- **Network Operating Cost** - expenses related to maintaining and running a telecom network. including costs for infrastructure, power, maintenance, and network upgrades.
- **Minutes of Usage (MOU)** - tracks the average number of minutes a subscriber spends on calls over a specific period, often monthly.
- **Tele-density**-the number of telephone connections (mobile or fixed) per 100 people in a defined geographic area.

Scope

- Smart cities and connected ecosystems
- Artificial Intelligence (AI) in network optimization
- Expansion of 5G and beyond (6G in research)
- 5G deployment and innovations
- Internet of Things (IoT) connectivity

Business Models

- **Reliance Jio**: Disruptive pricing strategy with integrated digital services ecosystem, affordable internet and 5G readiness.
- **Bharti Airtel**: Focus on outsourcing, customer acquisition, and premium service efficiency.
- **Vodafone Idea** : Customer-centric approach with loyalty programs and improved network quality.

Value Chain

Network Infrastructure

Telecom operators or independent firms set up towers, which form shared **infrastructure** available to various companies. Optic Fiber and under-sea cables acquired to connect the towers for quick data transfer.

Network Services

Provides services such as voice, messages, and **data plans** to mobile and internet subscribers helping consumers and enterprise customers in daily communication and **data transfer** requirements.

Sales & Distribution

Retail outlets provide customer interaction, authorized dealers, online platforms and telecom stores ensure wider **availability** and market reach for telecom products like smartphones, SIM cards or service plans.

Marketing & Promotions

Highlighting network capabilities, mobile plans, and data packages through **advertisements** on media channels. campaigns engage customers with new product launches, seasonal discounts, and exclusive offers.

Customer Services

Providing **support services** such as technical assistance, service activations, and troubleshooting. Billing services handle subscriptions, payments, and invoicing, ensuring customer satisfaction.

Add-on Services

Upgrades telecom offerings with additional services such as **media streaming** and cloud-based solutions (data storage, virtual computing Solution to the emerging demand for entertainment and **data management**.

AUTOMOBILE INDUSTRY

Industry Overview

The automobile industry designs, manufactures, and sells motor vehicles globally

CAGR
2.79% by 2032 Global
7.4% Asia-Pacific region

Market Size (in 2023)
Global: $3,564.67 billion
India: $4,070.19 billion

Key Players

Profitability

1. Production Costs: The cost of manufacturing is directly affected by fluctuations in raw material prices ,with supply chain disruptions causing unexpected increases.
2. Expenses to Income Ratio and Profitability: Profitability increases as companies minimize expenses, reflecting a negative correlation between the two
3. Regional Differences in Labour Prices- Labor costs vary by region due to differences in wages, perks, union agreements, regulations, and worker skills, all of which affect operational expenses.

Key Industry Trends

- **Electrification of Vehicles (EVs)**: Driven by battery advancements, environmental awareness, and government incentives, EV popularity is surging. Bloomberg projects EVs will make up 58% of global car sales by 2040, with major automakers like Ford, GM & Tesla leading the way.
- **Connected Cars and ADAS :**Expected to reach a $56.3B market by 2026, fueled by smart, safe, and efficient features from brands like Tesla and BMW. Advanced Driver Assistance Systems growing due to safety standards and autonomous driving tech, with the market anticipated to hit $65.1B by 2030.
- **Shared Mobility**: The sharing economy has transformed car ownership, with platforms like Uber, Zipcar, and Toyota's YUKO meeting shifting consumer preferences. The car-sharing market is expected to reach $16.9B by 2027.
- **Personalization via Data Analytics**: Automakers are using vehicle data for customized services like Tesla's driver-based insurance and Ford's data-driven financing, enhancing the car ownership experience.
- **Dealer and Aftermarket Software**: Software solutions like CDK Global and Epicor enable dealerships and aftermarket firms to optimize inventory, sales, and customer relations, boosting efficiency and profitability.
- **Supply Chain Challenges**: Semiconductor shortages have impacted production and prices. AlixPartners estimates a $210B revenue loss for 2021, with stabilization expected by 2024.

Industry Trends (Emerging Trends)

- **Online Retail:** With the popularity of businesses like Ola with models like the S1, It is just a matter of time that dealerships will become only support systems to the manufacturer.
- **Internet of things (IoT)**: IoT allows cars to connect to the internet and provide services such as remote monitoring, predictive maintenance, and real-time traffic information.
- **Carbon Neutral Initiatives:** Car manufacturers are looking to make operations climate neutral which can be done by reducing carbon footprints in both production and supply chain.
- **Urbanization's role:** Demand for electric transit and driverless ride-sharing is fueled by urbanization, which also helps sustainable cities with parking, pollution, and traffic issues.

Key Performance Indicators

- **Average Downtime:** Refers to the amount of time when production or machinery is halted, typically due to maintenance, breakdowns, supply issues, or other interruptions.
- **Utilization Rate** (target approx. 85%): Measures time and labor efficiency; below-benchmark rates are costly, underscoring the need for precision.
- **Safety Incidents per Employee:** Enhances safety, detects issues, and reduces incidents to lower costs and improve efficiency.
- **Throughput:** Reflects production line efficiency; high throughput shows effectiveness, while low throughput highlights potential issues.
- **Scrap & Rejects** (target less than 5%): Lower scrap rates boost quality, reduce waste, and support brand reputation with a target below 5%.
- **Energy Usage/Costs** (target reduction at least 5% annually): Reducing energy use by 5% annually boosts cost efficiency and sustainability, keeping automotive companies competitive.

Cost Drivers

- **Operating Costs:** Labour utilities, marketing, R&D
- **Manufacturing Costs:** Materials, components, assembly, supply chain.
- **Research & Development:** Innovations, emission technology, electric vehicles

Revenue Drivers

- **Sales volume:** Vehicles sold across different markets
- **Target Market:** Segmented customers, pricing strategy, features, marketing approach
- **After Sale Service:** Revenue from servicing, parts, warranties, relationships

Growth Drivers

- **Labour** and capital efficiency
- Investment in new technologies, **product development** & innovation
- Focus on environmental compliance and green **technologies**

AUTOMOBILE INDUSTRY

Government Regulations and Initiatives

- **Motor Vehicles Act (MVA) 1988:** Presented with the goal of regulating all motor vehicles and establishing appropriate guidelines that all car owners must follow.
- **Automotive Industry Standards Committee (AISC):** Review the safety in the design, construction, operation and maintenance of motor vehicles.
- **The Automotive Research Association of India (ARAI):** Authorized agency that tests and certifies many types of cars and engines used in both automotive and non-automotive purposes.
- **Product Linked Incentive scheme (PLI - Budgetary Outlay - INR 25,938 CR):** Aims to financially uplift the manufacturing of advanced automotive technology products and attract investment for the same.
- **FAME Scheme**: FAME phase 1 – (2015 to 31st March,2019)- outlay of Rs 895 crore. Focus - technology development, demand creation, pilot project, and charging infrastructure. Phase 2: (started 1st April for 5 years,2019- total budget of Rs. 10,000 crore. Focus- supporting the electrification of public & shared transportation.

Glossary

- **Original Equipment Manufacturer(OEM):** Refers to companies that produce parts or vehicles that are sold under their brand.
- **Aftermarket**: Refers to parts and accessories that are not from the OEM but are used for replacement or enhancement.
- **ICE (Internal Combustion Engine)**: A traditional engine that uses fuel like petrol or diesel.
- **PHEV (Plug-in Hybrid Electric Vehicle)**: Hybrid vehicles with batteries that can be charged externally.
- **Autonomous Vehicles**: Vehicles that use AI and sensors to navigate without human input.
- **Connected Cars**: Vehicles equipped with internet access and the ability to share data with devices inside or outside the car.
- **Telematics**: Technology for sending, receiving, and storing information related to vehicles.

Value Chain

Market Research & Analysis

- Consumer **trend analysis** (choice among electric, hybrid or traditional vehicles)
- Competitive **landscape study** such as vehicle pricing and features as well as regulatory analysis

R&D and Product Design

- Vehicle **concept development** as well as engine designs
- Understanding advanced **technologies** like EV engines, ADAS, autonomous driving

Sourcing & Supply Chain Management

- **Global sourcing** of raw materials like steel, aluminium, rubber and plastics. Lithium and cobalt are rare metals(For EV batteries)
- Supplier selection and **procurement** of batteries, semiconductors, etc.

Manufacturing

- Vehicle **assembly** (stamping, welding, painting and final assembly), integration of technology, and quality control
- **Integration** of supply chain with production schedules for seamless assembly

Outbound Logistics

- Final **inspection** for safety, performance and emissions.
- Vehicle distribution via **dealership networks** both online and physical, direct sales, inventory as well as logistics management

Marketing & Sales

- Using referral marketing, digital marketing, defining **brand value** for different segments, integrating automation in lead nurturing.
- Using data analytics to adjust **campaign effectiveness** according to car-buying trends

After Sales Services

- Providing spare parts and skilled technicians, financing options and **incentives** to boost sales, and warranty management for both tradition and electric vehicles
- Customer service to help customers with any **grievances**

Challenges and Competitive Landscape

- **Supply Chain Disruptions:** Semiconductor shortages affect EV production, but the automotive semiconductor market is set to grow by 2027.
- **Trade and Geopolitical Risks:** Trade tensions have led to regulatory moves. The EU launched an anti-dumping investigation on Chinese EV imports in 2023.
- **Price Adjustments due to Inventory Surplus:** Rising inventory levels in U.S. may exceed demand, leading to drop in prices new vehicle.
- **AI and Digital Innovations:** Automakers are enhancing efficiency with gigacasting, improving production by up to 20% through parts of consolidation.
- **Transition to EVs and Sustainability:** The auto industry faces challenges from the EV shift, supply chain issues, and tech competition, demanding innovation and adaptability.

Environmental Impact

- **Resource Consumption: H**igh materials and energy demands, impacting natural resources highlight need for sustainable practices
- **CO2 Emissions:** Reducing carbon emissions is crucial, with electric vehicles helping to lower industry's contribution to global emissions.
- **Material Innovation for Sustainability:** Use of natural fibres in interiors reduces weight, supports recycling & lower CO2 output.
- **Challenges of Natural Materials:** Natural materials can reduce environmental impact but require more frequent replacement and may involve high water and chemical use during production.
- **Resource and Energy Challenges in EV Production:** Manufacturing EV batteries demands significant resources and energy, which creates a need for sustainable practices in battery production.
- **Sustainable Supply Chains and Fuel Efficiency:** The industry is investing in fuel efficiency improvements, renewable energy, which aims to mitigate environmental impacts from vehicle production.

QUICKCOMMERCE

Industry Overview

Industry which uses technology to provide ultra-fast delivery of goods.

CAGR
27.9% Global
4.5% India

Market Size
Global: $30 billion
India: $3.34 billion

Key Players

:

blinkit

JioMart

SWIGGY instamart

Glossary/ Key Terms

- Dark store
- Hyperlocal delivery
- Omnichannel fulfilment service
- Endless aisle
- Backorder
- Drop shipping
- Inventory management
- Last mile delivery

Cost Drivers

- Warehousing
- Delivery and packaging cost
- **Inventory** management cost
- Logistics costs
- Platform and tech costs
- Manpower/ **labour cost**

Revenue Drivers

- **Orders** and volume
- Ad revenue
- Memberships/ Subscriptions
- In house gig networks
- Brand **collaborations**
- White label delivery solutions

Growth Drivers

- Access to gig economy labour
- **Increased demand** for fast delivery and convenience
- Logistics optimization
- Sustainable and eco friendly solutions
- Rise in **digital payment**
- Optimized experience

Key Trends

- **Social Commerce:** Integration of social commerce features like shoppable posts and buy buttons, which lets users buy products directly from social media.
- **Omnichannel Integration**: Partnering with other channels to provide a seamless shopping experience.
- **App-Centric Shopping**: Shopping via phones for convenience and speed is popular, prompting these platforms to enhance app features and user interface
- **Collab with Gig Economy**: Relying on freelance couriers and delivery personnel for flexibility and scalability, especially in urban areas.

Key Performance Indicators

- **Purchase Frequency:** Tracking how often a customer makes a purchase, to know whether the brand is their go to or not.
- **Customer Satisfaction Score (CSAT):** Gauges customer satisfaction levels through surveys or feedback mechanisms.
- **Cart Abandonment Rate:** When visitors add items to their basket but leave the website without making a purchase.
- **Service Level Agreement (SLA) Compliance:** Percentage of orders that meet the specified service level agreements (e.g., delivery time, order accuracy).
- **Net Promoter Score :** Indicates customer loyalty by measuring the likelihood of customers recommending the service to others.

Opportunities

- Expanding product offerings (e.g., groceries, pharmaceuticals).
- Geographic expansion into new urban and emerging markets.
- Sustainability through electric vehicles and eco-friendly packaging.
- AI for inventory and route optimization.
- Partnerships with local stores for broader offerings.
- Capitalizing on the shift toward convenience-seeking consumers.

Sustainability Challenges

- **Economic:** Reliance on discounts and free deliveries, makes profitability difficult. Operational costs from multiple trips or increasing fuel consumption.
- **Social:** Safety risks from rash driving and traffic congestion through high delivery volumes, affecting road safety.
- **Environmental**: High carbon footprint from frequent deliveries, leads to more fuel consumption, inefficient resources, undermining climate goals.

Value Chain

Inventory Sourcing

- Partnering with suppliers and retailers to source inventory (groceries, essentials, etc) i.e real time **inventory management**

Warehouse Maintenance

- Dark stores and **micro fulfillment centers** store high-demand products, very close to urban areas for immediate dispatch

Order Placement

- Customers **place orders** via apps/websites, which are processed, picked, and packed promptly by the delivery person

Delivery Optimization

- **Last-mile delivery** by gig workers, is optimized using route-planning algorithms and real-time tracking to ensure the fastest delivery possible

Customer Support

- **Customer support** provide real-time updates, resolve inquiries, and manage customer expectations

Processing Feedback

- Collect **feedback**, handle returns, and use insights to refine processes and enhance customer experience

HEALTHCARE INDUSTRY

Industry Overview

Industry advancing global health through innovation and technology

CAGR
5-7% Global
22% India

Market Size
Global: $10 trillion
India: $372 billion

Key Players

IFFCO-TOKIO, TATA 1mg, Fortis, SIEMENS Healthineers, Apollo HOSPITALS TOUCHING LIVES, practo, TRIVITRON HEALTHCARE speaking your language

Glossary/ Key Terms

- Ambulatory Care
- Clinical Trials
- Care Coordination
- Electronic Health Records
- Group Health Insurance
- Medicare
- Medicaid
- Primary Care
- Telemedicine
- Value Based Care

Tech Innovations

- **Telemedicine**: Enables remote consultations, reduces wait times, expands access, and supports chronic condition monitoring, cutting costs for patients and providers.
- **Wearable Devices and IoT**: Monitors vital signs (heart rate, glucose, etc.), providing real-time data for chronic disease management and early warning detection.
- **3D Printing**: Creates customized prosthetics, implants, and surgical models, enabling faster, personalized care, especially in orthopedics.
- **Genomics and Precision Medicine**: Uses genetic profiles to tailor treatments, enhancing therapy effectiveness.
- **Blockchain for Data Security**: Provides secure, decentralized medical record storage, boosting data security and patient trust.

Key Trends

- **Generative AI in healthcare:** Generative AI will make access to advanced AI, simplifying implementation, interpretation, and personalization much easier.
- **Virtual Healthcare Assistants:** Virtual assistants offer companionship for mental well being as well as support clinicians, assist patients, enhance adherence.
- **IoT-Powered Virtual Hospitals And Telemedicine 2.0:** An example of this trend in action in 2024 is virtual hospital wards, where a central site serves as a center for monitoring numerous patients in their homes.
- **Multi-Stakeholder Partnerships Fuel Healthcare Innovation:** Future4Care, Europe's largest e-health accelerator, unites health and tech leaders to drive innovation.
- **Medical Tourism:** Medical tourism is the growing practice of traveling abroad for healthcare, including elective procedures and complex surgeries.

Health Insurance

- **Big data:** Big Data in health insurance refers to collected data on customer behavior, healthcare trends, and demand-supply scenarios.
- **Integration of telemedicine and digital health:** Telemedicine uplifts convenience, cuts costs, and improves access, especially in remote areas, which proves healthcare can thrive digitally.
- **Mental health coverage:** Many health insurance plans now cover mental health, including medication, counseling, and therapy, improving access and reducing financial barriers.

Challenges

- **Rising Operational Costs**: Increasing costs from labour shortages, inflation, and tech integration push healthcare providers to adopt cost-efficient practices.
- **Managing Ageing Populations**: Growing rates of chronic diseases and an ageing population increase demand for long-term and geriatric care, straining resources

Opportunities

- **Data Analytics and AI:** Investment in AI for imaging and other targeted areas aims to streamline processes and deliver measurable benefits in healthcare..
- **Increased Investment in Preventive Care:** Preventive programs improve population health and reduce long-term system burdens, emerging as a profitable healthcare sector.

Value Chain

Research & Innovation

- Developing new **medical technologies**, knowledge and treatment
- Using advanced diagnostic tools, creating breakthrough therapies and **healthcare solutions**

Infrastructure Development

- Building as well as maintaining **facilities** and technologies for patient care delivery
- Investment in telemedicine platforms, ambulatory facilities, specialist clinics, and hospitals

Clinical & Patient Care Services

- Includes **Patient monitoring**, tailored treatment programs, and interdisciplinary care teams
- Post-acute care & rehabilitation treatments to maintain continuity and improve recovery

Marketing & Sales

- Establishing programs to **educate** patients about diseases, wellness, & preventative care
- Covers **digital marketing** for subscription services, telemedicine, and health apps

Billing & Insurance

- Partnering with insurers, Medicare, Medicaid, and employers for **policy development** and coverage
- Managing billing, claims, & payments for products.

Regulatory Compliance

- Following healthcare laws and patient **safety guidelines** (e.g., FDA, ISO, Joint Commission)
- Accreditation, regular audits, and plans for continuous quality improvement

HEALTHCARE INDUSTRY

Key Performance Indicators (KPIs)

- **Patient Satisfaction Score**: Measures how satisfied patients are with the services they received.

  Patient Satisfaction Score=(Sum of Satisfaction Ratings/Total Number of Responses)×100
- **Readmission Rate**: Measures the percentage of patients who return to the hospital within a certain period (often 30 days) after discharge.

  Readmission Rate=(Number of Readmitted Patients within 30 Days/Total Number of Discharged Patients)×100
- **Bed Occupancy Rate**: Indicates the percentage of hospital beds in use at any given time.

  Bed Occupancy Rate=(Total Number of Bed-Days Occupied/Total Number of Bed-Days Available)×100
- **Average Length Of Stay (Alos)**: Measures the average time patients spend in the hospital from admission to discharge.

  ALOS=Total Length of Stay for All Discharged Patients/Total Number of Discharges
- **Operating Margin**: Measures the difference between a hospital's revenue and operating expenses (percentage).

  Operating Margin=(Operating Revenue=Operating Expenses/Operating Revenue)x100
- **Employee Satisfaction And Retention Rate:** Employee Satisfaction reflects staff morale, while the retention rate shows the percentage of employees who stay with the organization over time.

Sustainability

- **Re-thinking and re-design:** Healthcare pollution worsens public health and raises service demands, requiring transformative action to meet IPCC and UN SDG targets.
- **Decarbonizing health care facilities:** There is a need for healthcare institutions to reduce carbon emissions through targeted programs and environmentally friendly practices.
- **Energy efficiency:** Things like efficient lighting (leds), HVAC systems and energy management tech help hospitals to save money and decrease waste.
- **Aligning with net zero health targets:** Setting industry-wide net-zero targets ensures healthcare providers collaborate toward long-term sustainability.
- **Frugal innovation in healthcare:** India's frugal innovations, like the Jaipur Foot, provide affordable, high-quality care by using local resources and reducing infrastructure costs.

Government Regulations and Initiatives

- **National Health Policy 2017:** The primary aim is to inform, clarify, strengthen and prioritize the role of the government in shaping health systems in all its dimensions.
- **Ministry of Health and Family Welfare:** The Ministry of Health and Family Welfare is an Indian government ministry charged with health policy in India.
- **Ayushman Bharat Scheme:** Ayushman Bharat is an integrated approach comprising health insurance and primary, secondary and tertiary healthcare. It is the largest government-funded health insurance scheme in the world.
- **Poshan Abhiyan:** This scheme is launched to ensure that all Anganwadi Centers are equipped with Smartphones and Growth Monitoring devices (GMDs) for Mothers and infants.
- **National Medical and Wellness Tourism Board:** The idea of setting up the Board is to cover the entire spectrum from "Illness to Wellness" with the help of the best minds in the Industry.

Drivers

Growth Drivers

- Integration of Technology and Innovation
- **Patient Wellness** Initiatives
- Government Spending on Healthcare
- Health Consciousness

Cost Drivers

- **Infrastructure** Set-up
- Research and Development Cost
- Patient care and services
- Medical device manufacturing
- Regulatory **Compliance**

Revenue Drivers

- Insurance Reimbursements
- **Government** funding
- Diagnostics and lab services
- Healthcare **reimbursement** methods
- Telemedicine Services

OVER - THE - TOP (OTT) INDUSTRY

Industry Overview

The OTT (over-the-top) industry is a digital distribution service that delivers content to consumers over the internet

CAGR
22.9% Global
14.9% India

Market Size
Global: $350 billion
India: $2.1 billion

Key Players

NETFLIX, prime video, JioHotstar, SONY liv, MUBI

Glossary/ Key Terms

- API
- Device Agnostic
- Pay-per-View (PPV)
- SVOD (Subscription Video on Demand)
- Content Delivery Network (CDN)
- View Through Rate (VTR)
- XaaS (Anything as a Service)
- User Retention

Cost Drivers

- Content Licensing
- Customer **support**
- Product development (updates, new features etc.)
- Streaming Delivery
- **User Acquisition** & Marketing

Revenue Drivers

- Streaming Media Platform.
- **Subscription** Video on Demand
- Education Platform
- **Live Event** Platform
- E-Commerce Platform

Growth Drivers

- Increased **Internet Coverage**
- Seamless Onboarding
- Genre Diversification
- **Consumer Base** Expansion
- Allows Device Preference
- Original Content

Key Trends

- **Live Streaming:** With the increasing popularity of live sports, OTT platforms are securing exclusive broadcasting rights for major sports leagues and tournaments. This has become a major revenue driver.
- **Short Form Content:** OTT platforms are beginning to experiment with short-form content, offering bite-sized entertainment options.
- **Gamification:** Gamification is becoming a growing trend in the OTT industry as platforms look for new ways to engage viewers. This includes integrating game-like elements such as achievements, rewards, leaderboards, and interactive challenges.
- **AI powered Content Creation & Delivery:** Refining content recommendation engines using AI and machine learning. Personalization ensures that users are presented with relevant content, increasing engagement and retention.

Key Performance Indicators

- **Churn Rate:** The percentage of subscribers who cancel or do not renew their subscriptions over a given period.
- **Subscription Growth Rate:** The percentage increase in the number of subscribers over a given period of time.
- **Engagement Time:** Average amount of time users spend watching content on the platform, reflects user interest and content quality.
- **Average Revenue Per User(ARPU):** The average amount of revenue generated per user/subscriber over a given period of time. It provides insights about the monetization efficiency.

Opportunities

- **Global Reach:** With the expanding internet coverage, OTT platforms have found a loyal audience globally.
- **Revenue Diversification:** Launch hybrid models combining subscription & ad-supported tiers.
- **Regional Focus:** Develop local language content & regional partnerships.

Challenges

- **Regulatory Uncertainty:** Regulatory uncertainty due to censorship laws.
- **Geographical Restrictions:** Arising due to low to internet bandwidth and use to smart devices.
- **Content Acquisition:** Security and maintenance of the latest content, can be difficult due to licensing agreements and competition for content deals
- **Content Delivery**: Buffering & poor video quality.

Value Chain

Content Sourcing

- License premium content and produce originals. Manage **production partnerships** and build diverse library targeting different demographics.

Platform Development

- Build **streaming architecture** and user-friendly apps. Ensure multi-device compatibility and smooth playback features.

Content Delivery

- Partner with CDNs for buffer-free streaming across regions. Optimize **video quality** and manage bandwidth costs efficiently.

Customer Onboarding

- Run marketing campaigns and streamline sign-up process. Design attractive **subscription packages** and easy registration flow.

Viewer Engagement

- Deploy **personalized recommendations** and content discovery. Track viewing patterns and optimize user experience.

Retention Management

- Provide **customer support** and regular platform updates. Monitor churn and implement strategies to maintain subscriber base.

PRIVATE EQUITY INDUSTRY

Industry Overview

Industry leverages technology to innovate and improve financial services

CAGR
10.2% Global
12.4% India

Market Size
Global: $6.43 trillion
India: $64.5 billion

Cost Drivers

- **Due Diligence** Expenses
- Management Fees
- Financing Costs
- Post-Acquisition **Integration Costs**
- Transaction Costs

Key Trends

- **Rise of ESG Investing**: Private equity firms increasingly incorporate environmental, social, and governance (ESG) criteria in their investment decisions to meet investor demand and regulatory expectations.
- **Expansion into Private Credit**: Growing interest in providing alternative debt financing to companies, particularly as traditional lending tightens.
- **Shift Toward Long-Term Capital**: Emergence of long-hold funds designed to manage assets over extended periods, catering to investors seeking stable returns.
- **Focus on Retirement Assets:** PE firms target retirement and pension funds as capital sources and acquire retirement servicing businesses to leverage the aging population.

Innovation in Value Creation

- **Digital Transformation:** Upgrading technological infrastructure using AI and machine learning for efficiency.
- **Sustainability Initiatives:** Adopting ESG frameworks for global alignment and long-term value.
- **Operational Expertise:** Optimizing supply chains and restructuring costs to boost profitability.

Key Players

Domestic Key Players	Global Key Players
Everstone Capital	BlackRock
truenorth	CARLYLE
ChrysCapital	APOLLO

Revenue Drivers

- **Management** Fees
- Carried Interest
- Dividend Recapitalizations
- Exit Proceeds
- **Performance-Based** Incentives

Growth Drivers

- Entering emerging markets and sectors with high growth potential
- Expanding **investment strategies** to include areas like private credit and infrastructure
- Leveraging technology

Key Performance Indicators

- **Internal Rate of Return (IRR)**: Measures the profitability of investments over time.
- **Multiple on Invested Capital (MOIC)**: Ratio of the total value realized to the total amount invested.
- **EBITDA Growth**: Increase in earnings before interest, taxes, depreciation, and amortization, indicating improved operational performance.

Expanding Emerging Markets

- **Asia-Pacific Boom:** Investing in emerging markets like India and Southeast Asia with growing economies and a rising middle class.
- **Sector-Specific Investments:** Targeting renewable energy, healthcare, and fintech in high-growth regions.
- **Local Partnerships:** Partnering with regional players for market insights and regulatory navigation.

Glossary/ Key Terms

- Carried Interest
- Due diligence
- Exit Strategy
- Leveraged Buyout
- Portfolio Company
- Valuation Multiple

Value Chain

Fundraising
- **Raising capital** from Limited Partners like pension funds, sovereign wealth funds, and high-net-worth individuals, to establish an investment fund

Deal Sourcing
- Identifying and assessing potential **investment opportunities** through market research, industry networks, and proprietary deal flow

Due Diligence
- Conducting a **deep analysis** of a target company's financials, operations, competitive landscape, and growth potential to assess risks and opportunities

Acquisition
- Structuring and negotiating the **purchase of a stake** in a company, often involving leveraged financing and valuation assessments

Portfolio Management
- Enhancing company value post-acquisition through **strategic initiatives**, operational efficiencies, leadership changes, and digital transformation

Exit
- **Monetizing investments** through Initial Public Offerings, Mergers and Acquisitions, secondary sales, or recapitalization strategies to generate returns for investors

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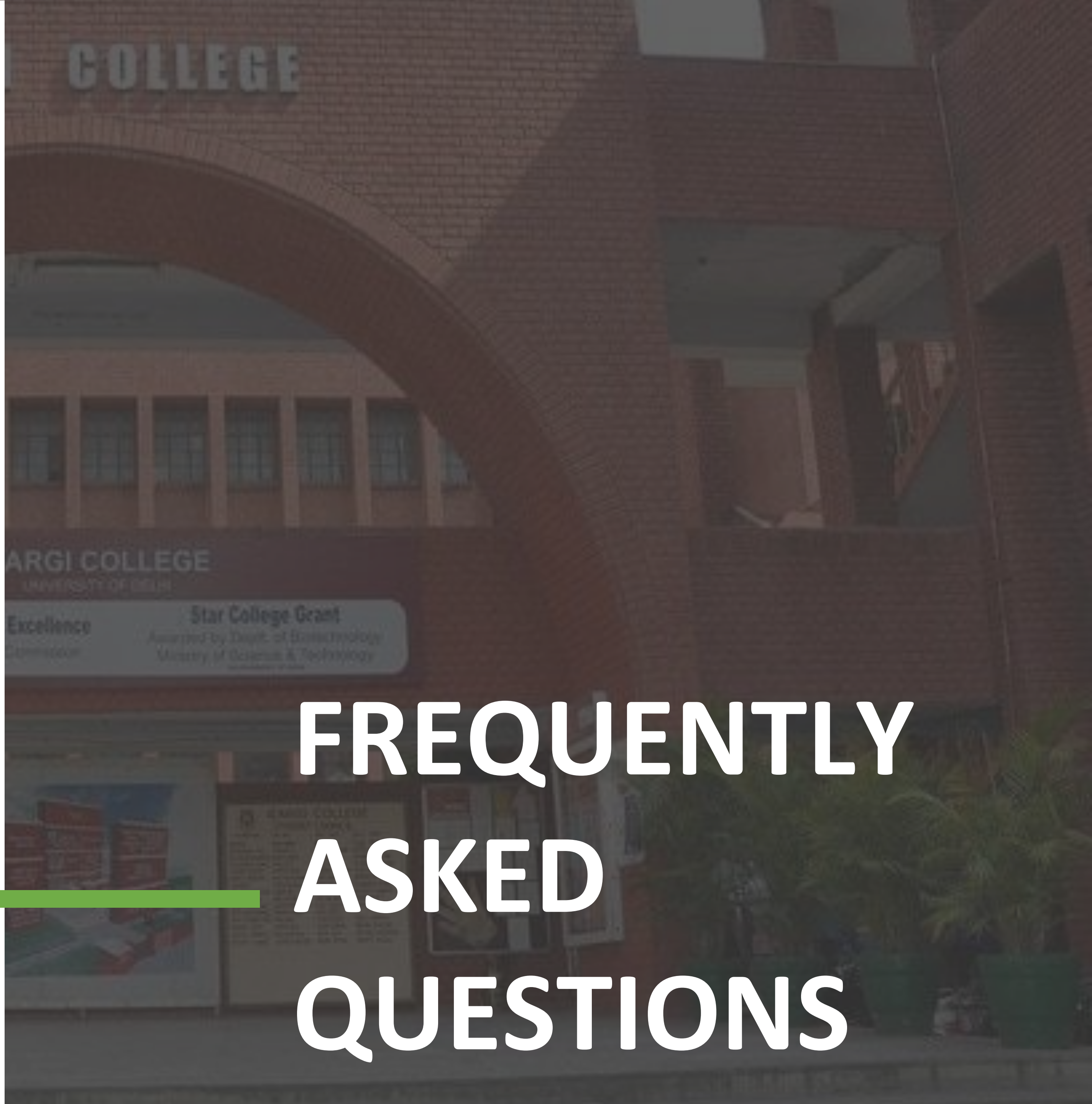
-
- CASE COMPETITIONS



FREQUENTLY ASKED QUESTIONS

LR QUESTIONS

Q1. You are given 3 buckets of volume 8 litres, 5 litres, and 3 litres respectively. The 8-litre bucket is filled with water. How will you split the water into two halves?

Ans. The 8 liters container is full. 5 litres & 3 litres containers are empty. ie: 8–0–0
Pour 8 ltrs into 5 ltrs….…….3–5–0
Pour 5 ltrs into 3 ltrs ……….3–2–3
Pour 3 ltrs into 8 ltrs …..,….6–2–0
Pour 5 ltrs into 3 ltrs………..6–0–2
Pour 8 ltrs into 5 ltrs …,……1–5–2
Pour 5 ltrs into 3 ltrs ……….1–4–3
Pour 3 ltrs into 8 ltrs ……..:.4–4–0 ……
Now, 8 ltrs and 5 ltrs containers each have 4 ltrs milk !

Q2. There are 3 switches in a room, and one is assigned to a bulb in the next room. You can't see whether the bulb is on or off until you leave the room. Find the minimum number of times you must go into the room to identify which switch corresponds to the bulb in the other room.

Ans. Turn on switch one for a few minutes. Not sure how much time would be needed for this or how quick you would have to be.
Then turn off switch number one and turn on switch two.
Immediately run into the room and feel the two bulbs that are turned off. The one that is warm to the touch is switch one. The bulb turned on is switch two. The other bulb that is cool to the touch is switch three.
If this works then only one trip into the room would be needed.

Q3. How can you cut a cake into 8 or more pieces with just 3 cuts?

Ans. **First Cut**: Vertical down the middle → **2 pieces**
Second Cut: Horizontal across the middle → **4-pieces**
Third Cut: Horizontal through the center (or slightly offset) → **8 or 9 pieces**

Q4. 3 ants are sitting on three corners of a triangle. All ants randomly pick a direction and start moving along the edge of the triangle. What is the probability that any two ants will collide?

Ans. Every ant has two choices (pick either of two edges going through the corner on which the ant is initially sitting), there are a total of 2^3 = 8 possibilities. Out of 8 possibilities, only 2 don't cause a collision - all move in clockwise or all move in anticlockwise. So in the other 6 cases, they will collide.
The answer is 6/8 = ¾

Q5. You have 5 jars of pills. Each pill weighs 10 grams, except for contaminated pills contained in one jar, where each weighs 9 grams. Given a scale, how could you tell which jar had the contaminated pills in just one measurement?

Ans. To find the contaminated Jar, follow this step-wise approach.
Step 1: Take out 1 pill from jar 1, 2 pills from jar 2, 3 pills from jar 3, 4 pills from jar 4 and 5 pills from jar 5.
Step 2: Put all these 15 pills on the scale. The correct weight is 150 (15*10). But one of the jars has contaminated pills. So the weight will definitely be less than 150.
Step 3: If the weight is 149 then jar 1 has contaminated pills because there is only one contaminated pill. Suppose the weight is 148 then jar 2, if the weight is 147 then jar 3, if 146 then jar 4, if 145 then jar 5.

Q6. A car has 4 tyres and 1 spare tyre. Each tyre can travel a maximum distance of 20000 km before wearing off. What is the maximum distance the car can travel before you are forced to buy a new tyre? You are allowed to change tyres (using the spare tyre) an unlimited number of times.

Ans. Divide the lifetime of the spare tyre into 4 equal parts i.e., 500,0 and swap it at each completion of 5000 km distance.
Let four tyres be named as A, B, C and D and spare tyre be S.

- **5000 KMs:** Replace A with S. Remaining distances (A, B, C, D, S): 15000, 15000, 15000, 15000, 20000.
- **10000 KMs:** Put A back to its original position and replace B with S. Remaining distances (A, B, C, D, S): 15000, 10000, 10000, 10000, 15000.
- **15000 KMs:** Put B back to its original position and replace C with S. Remaining distances (A, B, C, D, S): 10000, 10000, 5000, 5000, 10000.
- **20000 KMs:** Put C back to its original position and replace D with S. Remaining distances (A, B, C, D, S): 5000, 5000, 5000, 0, 5000.
- **25000 KMs:** Every tyre is now worn out completely.

All tyres are used to their full strength.

Q7. What is the angle between the hour and minute hands at 1:18 AM?

Ans. Step 1: Calculate the Minute Hand's Angle
The minute hand moves 360° in 60 minutes, so its position at mmm minutes is:
Minute hand angle= 6m
For m= 18
Minute hand angle= 6 x18= 108°

Step 2: Calculate the Hour Hand's Angle
The hour hand moves 360° in 12 hours, or 30° per hour.
Additionally, it moves **0.5° per minute** (since 30°/60 per minute).
The hour hand position at h hours and m minutes is:
Hour hand angle=30h + 0.5m
For h=1 and m=18
Hour hand angle= (30x1) + (0.5x18) =30+9= 39°
Step 3: Find the Absolute Difference
Angle= |Minute hand angle- Hour hand angle|
= |108-39|
= |69°|
Thus, the angle between the hour and minute hands at 1:18 AM is **69°**.

Q8. If a coin is flipped 7 times, then what is the probability of getting 4 heads ?

Ans- P(X = x) = nCxpxqn-x

Using the information in the problem we get
P(X = 4) = (7C4)(1/2)4(1/2)3
= 35 × 1/16 × 1/8
= **35/128**

Hence, the probability of flipping a coin 7 times and getting heads 4 times is **35/128.**

Q9. A newspaper is made of 16 large sheets of paper folded in half. The newspaper has 64 pages altogether. The first sheet contains pages 1, 2, 63, and 64. If we pick up a sheet containing page number 45. What are the other pages that this sheet contains?

Ans. A newspaper is made of **16 large sheets**, each folded in half, and has **64 pages** in total. Each sheet contributes **4 pages** (two on the front and two on the back).

Step 1: Identify the Sheet Number

Each sheet consists of **4 pages**. Since the total number of pages is **64**, we divide the pages among the **16 sheets**:

Pages per sheet=64÷16=4

To determine which sheet contains page **45**, we use:

Sheet number=⌈45/4⌉=⌈11.25⌉=12

So page 45 is in Sheet 12

Step 2: Find the Page Numbers on Sheet 12

Each sheet in a folded newspaper follows a pattern:

- The first page on a sheet is **n**.
- The second page is **n+1**.
- The last page on the sheet is **(total pages + 1 - n)**.
- The second last page is **(total pages + 1 - (n+1))**.

For **Sheet 12**, we find its page numbers:

First page=(12−1)×4+1=45

Second page=46

Last page=64+1−45=20

Second last page=64+1−46=19

The sheet containing **page 45** also contains **pages 46, 19, and 20**.

Q10. You are given a choice of three doors by an Angel and you can choose only one of the three doors. Out of these three doors, two lead to nothing and one leads to a jackpot. After you have chosen one of the doors, the angel reveals that one of the other two doors lead to nothing. The Angel gives you an opportunity to change the door or you can stick with your chosen door. You don't know behind which door leads to nothing. Should you switch or stick to your choice?

Ans. This is a classic **Monty Hall problem**, and the best strategy is **to switch doors**. Here's why:

Step 1: Initial Probability- When you first choose a door, the probability that you picked the **jackpot** is **1/3**, and the probability that the jackpot is behind one of the **other two doors** is **2/3**.

Step 2: Angel's Action- The Angel **always** reveals a losing door from the two you didn't choose. This doesn't change the fact that the chance you initially chose the jackpot was **1/3**, and the chance that the jackpot is in the remaining unopened door is **2/3**.

Step 3: Should You Switch?

- If you **stick** to your choice, your probability of winning remains **1/3**.
- If you **switch**, your probability of winning **jumps to 2/3** because the Angel's action has effectively redirected the full 2/3 probability to the remaining door.

Final Answer: Switch!

By switching, you **double** your chances of winning from **1/3 to 2/3**, making it the optimal strategy.

Behavioral Interview Questions

1) Walk me through your CV.
2) Why do you want to join our company? And how Is this firm different from other firms?
3) Why should we hire you?
4) What's your greatest strength/weakness?
5) What qualities do you think a leader must have?
6) Where do you see yourself in 5 years?
7) Tell me about a time you failed and what did you learn from it?
8) How do you handle stress or pressure?
9) What motivates you in your career?
10) How do you handle constructive criticism?
11) How do you stay organized and manage your time effectively?
12) What sets you apart from other candidates?
13) What is your approach in case of a dispute in a team?
14) Who are you outside your resume?
15) Tell me the main two CV pointers which you want me to focus on.
16) Tell me a situation where you showed leadership skills.
17) Tell me a situation where you took a stand for yourself.
18) What qualities do you think a leader must have?
19) What is the biggest risk in life that you have taken?
20) Three achievements that you are proud of.
21) Who has had the biggest influence on you?
22) If all jobs were paid the same, which job would you take up?
23) What percentage of people dislike you and specify the reason as well?
24) Describe a successful presentation you gave and why it was a hit.
25) Give me an example of a situation where you had to think on your feet.
26) How will your past internship experiences contribute to your role at the company?
27) If a deadline is approaching and you know you cannot finish the work, would you rather submit substandard quality work on time or good quality work post-deadline?
28) Why are you interested in the profile you applied for? How will consulting fit your aspirations?
29) Tell me the main two CV pointers which you want me to focus on.
30) Describe a time when you identified a problem and took the initiative to resolve it
31) What would you do if your colleagues or juniors didn't listen to your suggestions or instructions?
32) How would you analyze the recent decisions made by the current government and their potential impacts?
33) Talk about a time when you had to work very closely with someone whose personality was very different from yours.
34) Give me an example of a time you faced conflict while working on a team. How did you handle it?
35) Tell me about a time you wish you had handled things differently with a team member.
36) Tell me about a time you had multiple projects or assignments due at the same time. How did you handle it?
37) Tell me about a time when you felt overwhelmed with all your responsibilities. What did you do?
38) Give an example of how you set goals and how you go about meeting those objectives.
39) When did you provide a solution that was outside the box? What was exciting or difficult about it?
40) Tell me about a time you were dissatisfied with your work. What could you have done to improve it?
41) Give an example of a time you had to make a difficult decision, How did you decide it?
42) Tell me about a time you needed to get information from someone who irresponsive. How did you do?

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CASE COMPETITIONS

TOP CASE COMPETITIONS

1. L'Oréal Brandstorm
2. Hero Campus Challenge
3. FAME - case study challenge from IDFC First bank
4. IIM Ahmedabad's The Red Brick Summit Case Competitions
5. IIM Bangalore's Eximius Case Competitions
6. IIM Calcutta's Intaglio Strategy & Consulting Competitions
7. XLRI's Ensemble Valhalla Case Competitions
8. FMS Delhi's Fiesta Case Competitions
9. SPJIMR OJAS Case Competitions
10. NMIMS Paragana Case Competitions
11. IIFT Quo Vadis Case Competitions
12. ISB Advaita Case Competitions
13. BITS Pilani's Conquest (India's Largest Startup Challenge)
14. HUL L.I.M.E. (Lessons in Marketing Excellence) – Hosted by Hindustan Unilever & CNBC-TV18
15. Tata Imagination Challenge – Hosted by Tata Group
16. Google Case Challenge – Hosted by Google India
17. KPMG Ideation Challenge – Hosted by KPMG India
18. BCG Strategy Cup – Hosted by Boston Consulting Group
19. PwC Challenge – Hosted by PwC India
20. EY Corporate Finance Woman of the Year – Hosted by Ernst & Young (for women participants)
21. Reliance TUP (The Ultimate Pitch) – Hosted by Reliance Industries
22. Aditya Birla Group Stratos – Hosted by Aditya Birla Group
23. Deloitte GSM
24. Bain 20 under 20
25. Accenture Strategy Connect
26. Nation Building by Namo

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