



# Metals to Multiverse

Your client is running a Mining and Metals Company. Now, they want to enter different industries. How would you go about evaluating its options?

CASE TYPE  
Market Entry

COMPANY NAME  
Kepler Cannon

DIFFICULTY LEVEL  
★ ★ ★

# Metals to Multiverse

## Expanding a Mining and Metals Company

**Case Type**  
Market Entry Case

**Company Name**  
Kepler Cannon

**Round**  
Partner

**Difficulty Level**



### Problem Statement

**Your client is running a Mining and Metals Company. Now, they want to enter different industries. How would you go about evaluating its options?**

Understood, I would like to ask some preliminary questions to better understand the client.

**Sure, go ahead.**

What are the company's resources, location and positioning?

**There is no bar on the money when you talk about resources. The company operates in India and USA and is a market leader in India.**

What is the Customer Segment?

**That would not be a constraint.**

What about the product? Can we assume that only 1 product is being sold by the company?

**Yes.**

What is the Status of Competition

**It is the Market Leader in India and the upcoming Market Leader in the USA.**

Where does it lie in the Value Chain?

**Can you draw the Value Chain?**

I have come up with 7 components, as a part of the Value Chain. They are Exploration, Inbound Logistics, Refining, Outbound Logistics, Distribution, Sales and Marketing and After Sales Services. (shown on page XY)

**Sounds good.**

What is the objective of entering a new industry?

**We want to capture a wide market share.**

Okay, so I will structure it according to 4 categories; that is, New Product, Existing Market; New Product, New Market; Existing Product, Existing Market and Existing Product, New Market.

### **We can focus on the New Product.**

So, when we look at a new product, we can either focus on the existing market or the new market. . The existing market would be India and the US whereas under the new market, we can cover Asia and Europe. To evaluate the new product market, we will have to consider the constraints and risks associated with the same. The constraints are none. We can take into account Operational, Financial and Competitive Risks to evaluate the market.

### **Yes, go ahead.**

Okay. So before using these, we need to narrow it down to industries that we may find such risks in. For that, we need to know the strengths of the firm.

### **Can you tell me the strengths of this firm, according to you?**

Sure. Considering that our client is a market leader in India and has a well-known SKU, the strengths of our client would be R&D, Exploration, Mines, Logistics (Metals and Heavy Transportation), and Refining. Does that sound right?

### **Yes, we can proceed with choosing an expansion plan.**

Great. I believe that the easiest thing to do would be to introduce a new SKU in the same space, which could be a variation of our current SKU. However, since the given company is looking to enter new industries, the next best, easiest and most efficient way was to enter the market for metals.

### **Okay, can you give me an example?**

Yes. So, if our SKU is iron, we can enter or diversify into Cobalt, Nickel, Copper etc since these would require the same competencies and overlapping infrastructure. However, since the growth potential is limited in such sectors due to the existence of major players, I feel we can explore something relatively new like Renewable Energy.

### **Okay, can you tell me your justification for the same?**

Sure. Renewable Energy is still an upcoming space, with growing demand for it. Not only that, the Government is also offering adequate support for this industry. All of these factors make it a great market to capture, which is our objective.

### **Sounds good. Let's talk about renewable energy.**

We can explore regular options in renewable energy like Solar, Wind and Geothermal. However, what excites me is Biofuel.

### **Okay. What is your reasoning for the same?**

India is the global leader for Biofuel. In the G20 Summit, India-US signed the International Biofuel Alliance that plans to internationalize biofuel usage in a significant way. Not only that, the Indian Government has also launched targets to massively increase national biofuel production in the short term as well as long term. As a result of all of this, the Biofuel Market would be an established market by 2040-50.

### **Sounds reasonable. When should we invest in this?**

We would have to invest now to capitalize on this as this would offer us the First Mover Advantage and help us attain a huge market share in India as well as other countries.

**Great Insight! Can you also give me a general way of evaluating any industry for market expansion?**

Okay, can I take a minute to structure it down?

**Sure.**

So, when you look at an Industry, you look at three components: Financial Attractiveness, Operational Efficiency and Risks. When I consider Financial Attractiveness, I would further break it down into 3 heads, that is, Market Attractiveness or the Expected Profits, Competition and the Growth Rate. For Market Attractiveness, I would take into account the Market Size, Market Share, Price and the Costs. Competition can be found out using 4 P's of Marketing and the Growth Rate can be easily ascertained using a Percentage.

Moving on to Operational Efficiency, I would find out the tweaks in the current business model, which can be fixed using Outsourcing, Revamping or Addition of New Facilities. Lastly, when we look at Risks, I would look at Industry Specific and Country Specific Risks. Customer Segmentation and Barriers to Entry can be studied for Industry Specific Risks. On the other hand, PESTEL and Currency Fluctuations can be used to study the Country Specific Risks.

(shown on next page)

**Looks good! How would you calculate the Market Size? Not via the formula you have mentioned but if you had to consider certain factors, what would those factors be?**

So, when I look at the Market Size, I would consider Demand, Growth and the Margins. The Demand can be Indian or Global. Seeing the Demand, we will have to look at the demand vs the consumption gap. We can further calculate Demand according to the industries, which can be Electronics, Automobiles and others. We can then have a demand percentage for every industry and finally calculate the Total Demand using Weighted Average. Growth Percentage of the Industries can also be taken into consideration.

**Okay, you may continue.**

Sure, so when you look at the growth, one can consider the percentages. Finally, coming to the Margins, we can consider the Revenue and Growth and proceed with our analysis.

**Sounds good. We can close the case now.**



**HERE'S  
A TIP!**

Prioritize market entry options by thoroughly understanding client resources and objectives, then develop a structured approach considering strengths, constraints, and risks. Focus on emerging markets like renewable energy, leveraging existing competencies and government support for optimal success.

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Kepler Cannon

**Round**  
Partner

**Difficulty Level**



### CASE FACTS

- 1 A well-established Mining and Metals Company with operations in India and the USA. They are a market leader in India
- 2 They aim to diversify into new industries to capture a wider market share.
- 3 The company possesses strengths in R&D, Exploration, Mining, Logistics (Metals and Heavy Transportation), and Refining.

