

Typical structure for a brainstorming question on comparison



Also see: Part 1. Structuring. Lecture 8. Comparison cases

Typical brainstorming question on comparison

Bain (2020)

Case prompt. Our client is a banknote manufacturer. There are two major players in the field (incl. our client). They would like to increase their revenue.

Interviewer: They would like to expand into passport business or credit card business. What are the pros/cons of each of them?

Financial analysis

- Capex and investment criteria
- Expected revenue
 - Market size
 - Growth rate
 - Expected market share
- Expected costs
 - Volume discounts for materials (e.g. paper)
 - Change in overhead cost

Strategic value

- New opportunities
 - New customer segments
 - Access to adjacency markets
 - Better value proposition
- Advantages in operations
 - Increased utilization rate of equipment, logistics, warehouses, etc.
- Improvement in CX
- Risk diversification

Risks

- Market specific risks
 - Competition
 - Barriers for entry
- Operational risks
 - Lack of capabilities
 - Operational complexity
 - Tech support
- Financial risks
 - Lack of funding
 - Exaggerated assumptions