

# Typical profitability cases (the recruiting cycle in 2020)

01

**McKinsey**

Your client is a European beauty company that offers fragrance and makeup. Their profitability has been decreasing recently. How to turn things around?

02

**BCG**

Your client is a U.S.-based grocery retailer. Their competitors offer lower prices while maintaining the same profit margin as your client. How do their competitors manage to do that? What should the client do?

03

**PwC/  
Strategy&**

Your client, a global education publishing company (for standardized testing), offers three products: custom, off-the-shelf, and formative. Their revenue is fluctuating. How can they stabilize it and improve their EBITDA?

# Typical profitability case prompt

McKinsey (2020). A Spanish low-cost airline has been facing declining profitability. They run six domestic routes. Several newcomers have entered the low-cost airline industry in Spain recently. How to improve the client's margins?

## Low-cost airline market in Spain

- Growth rate
- Major low-cost carriers in Spain (incl. newcomers)
- Typical margins

## Client's business model

- Offerings (e.g. airline tickets, cargo, adjacency services)
- Customer segments (e.g. leisure/business travelers)

## Financial analysis

- Revenue structure
- Growth rate
- Cost structure

## Margin improvement areas

- Decrease costs
- Increase sales
  - Geographical expansion
  - Increase in market share
  - New customer segments