

# CASE INTERVIEW GUIDE 2.0

DEMYSTIFYING CASE INTERVIEWS

# Acknowledgment

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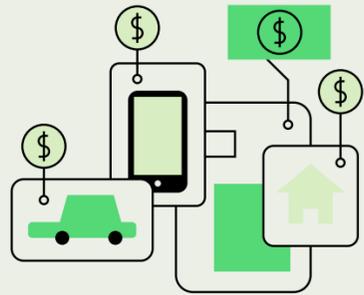
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# Types of Cases

**Pricing | Mergers and Acquisitions | Growth | Market Entry |  
Profitability | Miscellaneous**

# Pricing Case

## What is a Pricing case?



Pricing cases ask a consultant to **determine the optimal price** for a **given product or service** after considering various factors such as geographical location, target population, its income and employing various strategies. These cases usually involve cases where a **company** is to **decide the price** of a **new product or reprice** its products.

## Types of Pricing case

### Standalone Cases

#### Example

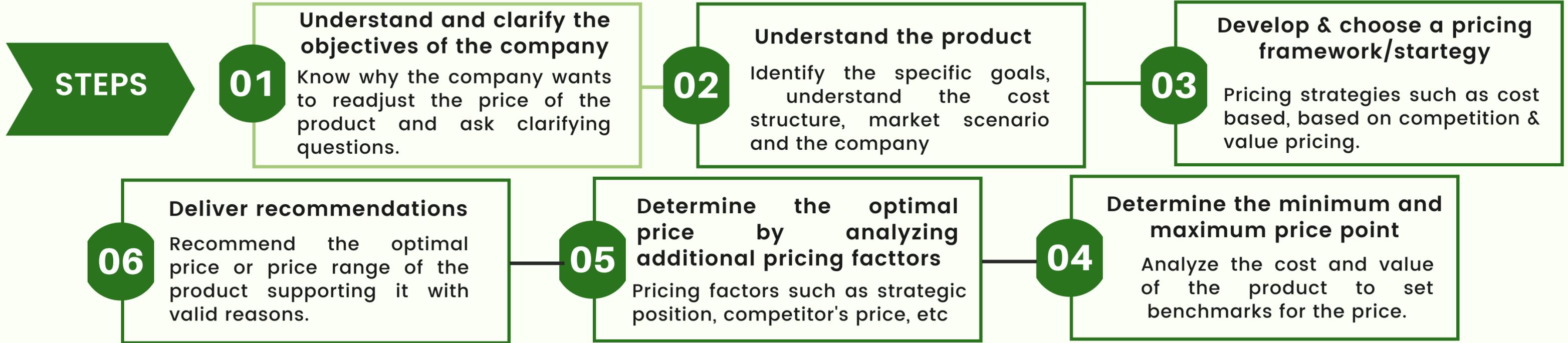
An XYZ company wants to readjust the price of its whole clothing product line. What should be the optimal price for the product line ?

### Part of broader case study

#### Example

A market entry case where before delving into any strategy, the price of the given product is to be estimated and according to that the case goes ahead.

# Approach to solving a Pricing Case



## Factors determining the price

### Costs

Fixed & variable costs used in producing the product should be calculated first to determine the minimum price.

### Perceived Value

Value of the product by determining the price that customers are willing to pay for it; maximum price

### Market Trends

The prices of products get affected by market trends like:

- Seasonality
- Product life cycle.

### Strategic position

Increasing the profits by getting a competitive advantage by:

- Cost advantage
- Benefit Advantage

### Competitor's price

Customers prefer to buy products at a lower price when given a choice to choose from similar type of products.

### Availability

Less available the product is, higher the price will be and vice versa due to supply & demand concept of economics..

**Cost Advantage:** The company can get a cost advantage by providing the products at a lower cost.

**Benefit Advantage:** The company can get a benefit advantage by differentiating its products from its competitors providing additional value to customers.

# The Strategies to solve a Pricing case

## Based on Competition

In this strategy, one has to investigate whether there is an already existing competition in the market, the difference between our product and the competitor's and most importantly their price. The price gives us a benchmark price and a price should be decided on the basis of the difference in our product and of the competitor's, another point that should be noted is that the competitor is also likely to change his prices and start a price rivalry.

## Cost Based

This method could be called as the most simple method, the only knowledge required is the cost of the product and then adding a reasonable percentage of cost gives you an optimal markup price for the product. Although, cost based strategy by itself is largely perceived as an insufficient method nowadays. It is essential to know the cost structure of the client's product before deciding upon a price so that the company doesn't go into loss.

## Value Pricing

This strategy involves finding the "value" of the product or service that we intend to sell. It aims to find out the maximum price consumers are willing to pay for the benefit they receive from the product. There are various ways of determining this strategy and requires critical thinking. Example: the iPhone provides various benefits such as entertainment, productivity, communication, and status. If customers get \$300 of value from entertainment, \$200 of value from productivity, \$400 value from communication, and \$100 value from status, customers would be willing to pay a maximum of \$1,000.

One can say that the cost based strategy gives us the price floor, value based strategy give us the price ceiling and the competition gives us a benchmark price.



Other pricing strategies such as price skimming, penetration pricing, premium pricing, etc could also be used in the case interview based on the client's needs.



# Merger & Acquisitions Case

## What is a M&A case?



Mergers and Acquisitions cases are common types of cases asked during case interviews. These kinds of cases ask the candidates **whether** a **company** should **consolidate with another organization** through various types of transactions such as **mergers, acquisitions, consolidations and tender offers** among others.

### Mergers

When two companies/firms come together to move forward as a single entity

## Types of M&A case

Company acquiring or merging with other company

### Example

A large retail company, XYZ, is looking for acquiring another company that provides an online platform for selling groceries. Should the company make this acquisition?

### Acquisition

When one company takes over another company and acts as its new owner

A private equity firm acquiring a company

### Example

A private equity firm is considering acquiring a national chain of restaurants. Should they make this acquisition?

# Why do Mergers and Acquisitions happen?

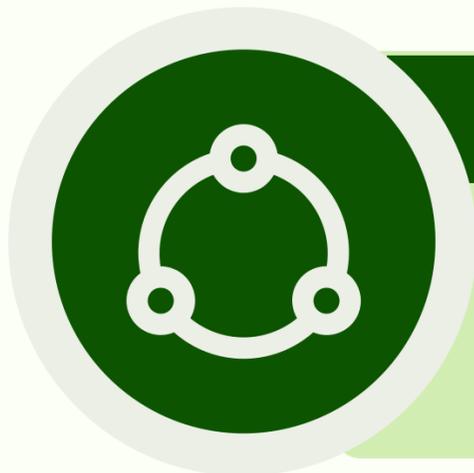


## GROWTH GAINS

Acquisitions take place in situations wherein companies want to grow themselves into either their existing markets or into a new market by acquiring the companies already doing business in the same.

## COMPETITIVE GAINS

At times companies find it profitable to merge with each other instead of continuing the competition, this helps them to cut the expenditure that had been used to gain and acquire market share from one another.



## SYNERGY GAINS

This term is thrown around often in M&As. It refers to the financial profit that a merger would result in, there could be cost or revenue synergies in mergers that are their driving force.

# Approach to solving a M&A Case

01

## Unpacking the Reason

The first step is to understand why any company wants to acquire the other, the reasons could be that they want to benefit from the potential synergies, for growth and expansion or just to enjoy a right RoI

02

## Market Analysis

A well rounded analysis of the target company's market involves the current size and the forecasted growth of the company, buyer and seller dynamics and the competition presence as well, this step lets us know the feasibility of the potential acquisition.

There might be some cases wherein quantification might not be feasible



Also, take into consideration the risks that come with the acquisition.



04

## Creating a Framework

Structure a framework for the given case while taking into account points such as market attractiveness, company attractiveness, synergies and capabilities to execute acquisition. Separately analyzing each factor tends to be beneficial here.

03

## Quantifying the case

After understanding our reason and the position of the target company, we should identify our specific goal from the merger. If we aim to generate a higher RoI, how much are we aiming for? If we want to expand our market share, by how much?

## Revenue synergy

Revenue synergies occur when two companies are combined resulting in increased revenue that would have been otherwise achieved separately. Examples include selling new products, cross selling to existing customers, brand extensions, etc.

05

## Presenting Recommendations

Here, it's advised to take a firm stand about whether to go through or not with the merger and support your arguments with your findings. Defend your recommendation in the most logical manner.

## Cost synergy

Cost synergies are cost reductions due to increased efficiencies in the combined company. Examples include layoffs, supply chain advancements, technological improvements, etc.

# Growth Case

## What is a Growth case?



Growth Strategy cases are common type of cases asked during case interviews. These kind of cases ask the candidates about **possible ways** of **growth for a company**, be it in terms of **revenue, profits, market share, sales**, or anything else. These cases check the **optimum thinking skills** of the candidate when the candidate finds the best way to grow.

## Major types of Business Growth

### Organic Growth

Visible and tangible company growth ranging from new products produced to new business opening. Business do this to increase customers, revenue and profits.

### Strategic Growth

Helps to reach markets that are previously untapped in organic growth. Great business strategy for businesses looking for long term growth.

### Partnership/Acquisition

These help to enter, sustain and grow in a new market. Benefit of increased customer loyalty, economies of scale, etc.

# Approach to solving a Growth Case

01

## Delve deeper into the objective

Clarify what's the primary objective of growth? Does the company want to grow revenues, profits, market share, customer base or something else?

02

## Clarify about the target no. to be achieved

After clarifying about the specific growth aspect, ask the interviewer about the aimed no. for that growth. For example, if the growth is in terms of increasing sales, then ask for the aimed sales in future.

04

## Structure and develop a growth framework

Structure your growth strategy framework dividing the growth ways into growth in core business and growth outside the business. Ask questions from the interviewer to get insights of possible opportunities available in various subparts.

03

## Ask preliminary questions about the company and its services

In order to understand the company, its product and services, ask relevant preliminary questions.

05

## Analyse and select the optimum opportunity

Analyse the various growth opportunities on the basis of their costs, benefits, impact, contribution in realising the specified target etc. After analysing the costs and benefits of various growth options, select the most suitable one.

06

## Recommend your solution

Finally, recommend your best growth strategy and discuss the same with the interviewer. Defend your recommendation in the most logical manner.

# Growth Framework

## Ways to grow business

Growth outside the core business

Launch new product streams

Capabilities to get into new business

Acquisition

Joint Venture

Partnership

Growth in the core business

Within Current Segments

Focus on fastest growing segments

Acquisition - Access to acquired company's target distribution channels, customers, and products.

Joint Venture - Sharing of resources, expertise, and can decrease costs due to scale leading to growth.

Partnership - Partners get the benefit from the brand names and customer access of the partners.

# The Market Entry Case

## What is a Market entry case?



Market entry cases test out a candidate's skills to evaluate certain **growth "opportunities"** that a company might have and ask the candidate to plan how he might **steer the organization to maximize the benefits** from the opportunity. These cases usually involve a **company trying to expand** itself to **newer regions** or launch a different product from what they are already developing. There are usually 3 kinds of market entry cases as explained. success of business or its downfall. They focus on **how money is made** in business

### Types of Market entry case

#### New Product Case

Say, a company, coca cola starts making edibles along with its signature drink. In this case, it would be entering a new market of edibles with its new product category of edibles.

#### New Segment Case

In this, a company tries to launch a new product in the same market for a different section of population. For example: Harley Davidson launching an electric motorcycle.

#### Geographic Expansion Case

When a company tries to enter a new geographical location with the same product or service. It is said to be a market entry case since the company is trying to enter a market that is in a different country. Example: Uber launching its services in Pakistan.

# Approach to solving a Market Entry Case

Don't say the name of frameworks during interview

**01** **Understand and clarify the objectives of the company**  
 Know why the company wants to enter the market, ask doubts to structure your thoughts

**02** **Identify specific goals and understand the scenario**  
 Identify the specific targets/goals, understand the market scenario and the company

**03** **Evaluate the financial and economical aspects**  
 Evaluate the financial and economical implications (discussed in detail)

- Few clarifying questions**
- Why the company wants to expand itself
  - What're the current revenue streams
  - Who's the target audience

- Economical Aspects**
- Competitive landscape
  - First mover advantage or other timings
  - Speed of entry and entry mode
  - Organizational structure

- Financial Aspects**
- Barriers to enter the market
  - Fixed & variable costs.
  - Expected revenue & sales
  - Break even point of the company

**05** **Deliver recommendations**  
 Plan market entry strategies, compare themselves with each other and then give recommendations

**04** **Develop a market entry framework**  
 This framework will help to check whether the company wants to enter the market or not.

If yes. give recommendations:

- Entry Mode**
- Start from scratch
  - Joint ventures
  - Mergers & Acquisitions
  - Franchising
  - Licensing
  - Exporting
  - Wholly owned subsidiary

- Marketing strategies**
- Social media marketing
  - Referrals
  - Paid media advertising
  - Direct selling
  - POP Marketing
  - Earned media/PR
  - Storytelling

- Expansion plan**
- Scaling up the business
  - Product innovation
  - Geographical expansion
  - Targeting new customer segment

- If No, some alternatives:**
- Cost cutting
  - International Presence
  - Product differentiation

# The Profitability Case

## What is a Profitability Case?



Profitability cases take us to the roots of success of business or its downfall. They focus on **how money is made** in business

after **considering all types of costs** involved for running the business. It deals with both **revenue side issues and cost side issues**, the candidate is expected to recognize key revenue heads and cost heads, go through each of them and find out the **areas causing decline in profits** of business.

## Major Types of Profitability Cases

### Increase In Cost Case

#### Explanation

In this case, to solve the problem of increasing costs, candidate is expected to analyse major cost drivers and find out reasons for increasing costs and recommend the solution to solve the same.

### Revenue Decline Case

#### Explanation

In this case, to revive the declining revenues, candidate is expected to analyse major revenue drivers and find out the specific areas responsible for declining revenues and recommend how to tackle them.

# Approach to solving a Profitability Case

Don't say the name of frameworks during interview

**01** **Understand and clarify the objectives of the company**  
 Know why the company has certain profit objective in mind, in order to facilitate growth or achieve break-even.

**02** **Understand the industry landscape**  
 Identify whether low profits/losses is a company specific issue or an industry wide phenomena.

**03** **Evaluate the change in cost/revenue streams**  
 Evaluate the changes in revenue/costs using MECE approach (discussed in detail)

**Few clarifying questions**

- What are the company's operations and where it lies in value chain?
- What're the current revenue streams?
- Who's the target audience?

**Economical Aspects**

- Competitive landscape
- Market share & Market growth
- Purchasing power
- Organizational structure
- Regulatory change by govt.

**Financial Aspects**

- Current profit/losses magnitude
- Fixed & variable costs
- Expected revenue & sales

**05** **Deliver recommendations**  
 Develop a plan of action, analyse benchmark practices adopted by competitors and then give recommendations.

**04** **Develop a profitability framework**  
 This framework will help to identify the area leading to low profits/loss

**Production**

- Value engineering
- Bulk-ordering
- Process redesign
- Supplier rationalisation
- Transport mode & efficiency (Load time, capacity)
- Contract pricing

**Distribution**

- Distributor margin
- Volume discounts
- Distribution concentration
- Network optimisation
- Sales rep. training
- Dealer incentives
- Outsourcing

**Customer Pull**

- Improve metrics (service/quality/costs)
- New service centers (Acquire/build/outsource)
- Target marketing strategy
- Sales incentives

# **CASE TRANSCRIPTS | CASE FLOW**

# EV Industry

COMPANY

McKinsey & Co.

CASE TYPE

UNCONVENTIONAL

DIFFICULTY LEVEL



Suppose I wish to buy an electric vehicle. What factors should I consider to make my decision?

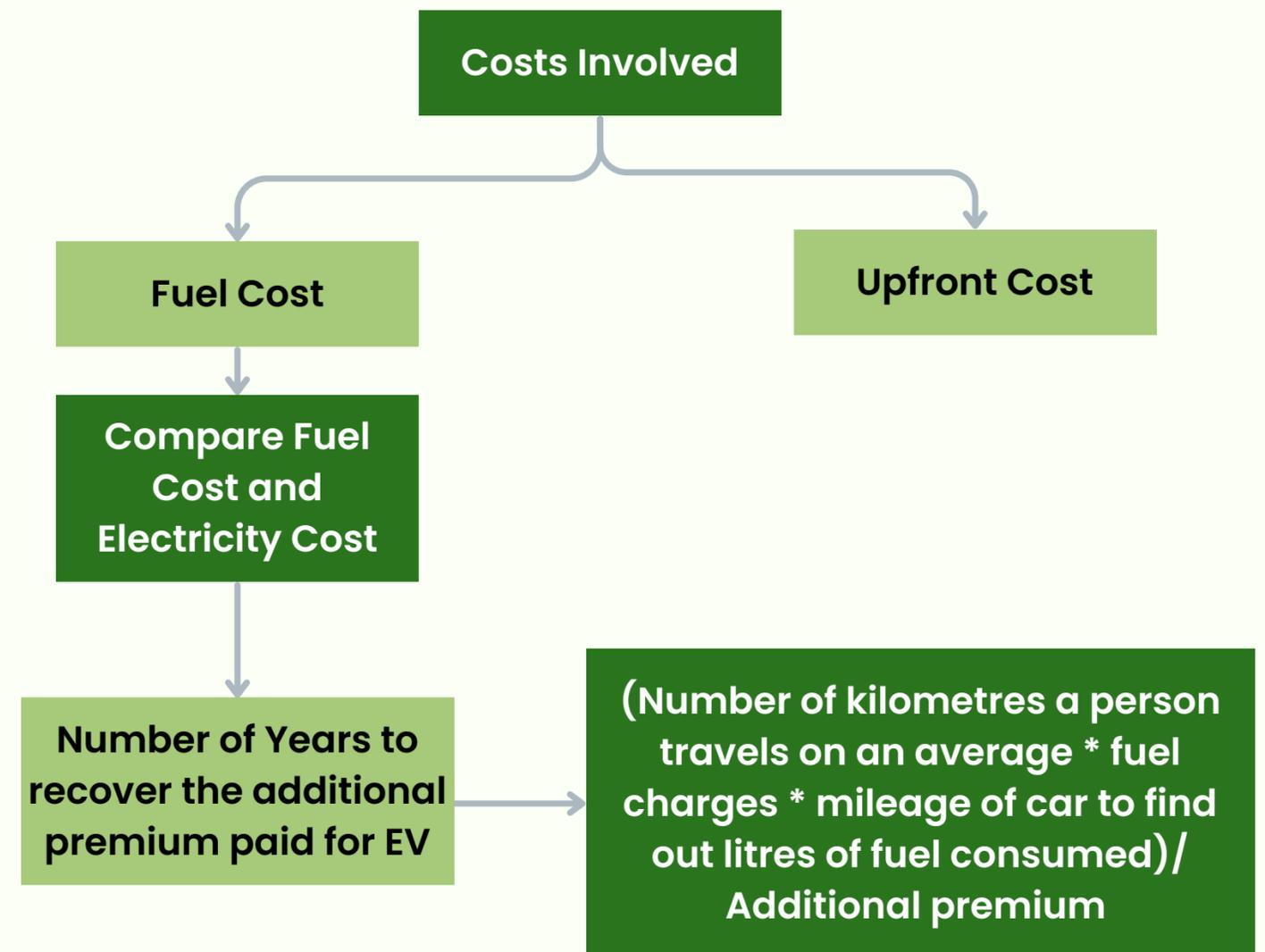
So, while buying a vehicle, there are 2 costs involved. First is the upfront cost and second is the fuel cost. We can compare the normal fuel cost to the cost of electricity charges consumed by an EV and the number of years to recover additional premium paid for EV.

Right. How will you find out the number of years?

For the number of years we can use the following formula:  
$$\frac{\text{Number of kilometres a person travels on an average} * \text{fuel charges} * \text{mileage of car to find out litres of fuel consumed}}{\text{Additional premium}}$$

Alright. We can end the case here. Thank you.

CASE FLOW



# Disease Containment

COMPANY

McKinsey & Co.

CASE TYPE

UNCONVENTIONAL

DIFFICULTY LEVEL



There is a disease spreading in Africa that affects children. You are required to suggest ways to contain this.

I have come up with a formula to address different aspects of the same. It is  $\text{Number of children born} * \text{Number of children who live in poor condition} * \text{Children actually infected} * \text{Number of children spreading the disease}$ .

How will you reduce the number of children infected out of the total children who live in poor conditions?

We can focus upon curative or preventive measures for the same.

Could you suggest some preventive measures?

Right. Preventive measures can include vaccination, provision of better healthcare services in general, and provision of clean water.

Alright. We can end the case here. Thank you.

## CASE FLOW

Factors Involved



$\text{Number of children born} * \text{Number of children who live in poor condition} * \text{Children actually infected} * \text{Number of children spreading the disease}$

How can we reduce the number of children being affected?



Preventive Measures

Vaccination

Provision of Clean Water

Provision of Healthcare

# Anganwadis - II

COMPANY

GDI Partners

CASE TYPE

Unconventional

DIFFICULTY LEVEL



There are multiple Anganwadis functioning in Uttar Pradesh but the overall nutritional indicators of the state remain dismal with high levels of malnutrition. You are required to identify the issues and come up with solutions for the same.

Noted, I would like to ask some clarifying questions before proceeding with the solution.

Yes, go ahead.

What exactly are Anganwadis doing to resolve malnutrition? Are they aiming to provide good and nutritional food to young children?

Yes, precisely.

Okay and what is the age bracket of children we're considering here?

That would be 5-10 years.

Are there any budgetary constraints for the solutions?

No, there are no such constraints.

Okay. Is there any set time frame of implementing the solutions?

No, we would like to know your timeline for the same.

Right. I would like to divide my approach into two sides - distribution and consumption.

Okay, go ahead.

On the distribution side, we assume that there are no problems on the consumption side. People are ready to welcome the functioning of anganwadis, go there and collect food but the problem remains that the anganwadis are not able to function efficiently.

Right, please continue.

Now, I would break the distribution side down into three categories (1) Problem in sourcing of food (2) Administration and management of food inventory (3) Distribution of food  
Do we have any study or analysis which tells us in which category the problem lies?

No, we would like you to identify that.

Sure, I would like to identify the issues under all categories. Under the first head i.e problem of sourcing of food either there could be shortage of food i.e food is not available in right quantity at the right time or there could be high transportation cost.

Go ahead.

Under administration and management of food inventory, there could be the following issues. First, poor infrastructure and lack of storage facilities especially for perishable food items. Second, lack of employees for management. Even if the number is adequate, employees might not be motivated enough to work.

Okay.

Under the third head i.e. distribution of food the issues could include less number of distribution centres or them not being in close proximity to people as young kids cannot travel far and their parents might be working and not have the time to travel far.

You have identified some good issues. Let's now move on to the consumption side.

Sure, so for the consumption side, we assume that there is no problem with the distribution side. Rather, people are not aware and not ready to welcome the functioning of anganwadis. I would like to focus more on parents as they'll be the ones taking food for their children in the 5-10 age group.

Sure, go on.

I would again break this side down into the following categories: (1) Lack of awareness of the Anganwadis (2) Doubtfulness about quality of food (3) Schedule i.e the parents might be busy in work and at the same time anganwadis might be delivering food. Such clashes in timing could be stopping people from collecting food.

Alright. You can talk about the solutions now.

Coming to short term solutions first, they could be implemented in the time frame of the next 2-3 months. To solve the problem of storage of food, the Anganwadis can source food from local SHGs as they are easier to source and would empower many rural women in these SHGs. They can also approach the government at local level and state level for the same.

How will the government help in this regard?

The government usually keeps buffer stock or the public distribution system can be used to source food.

Right, go ahead.

For transportation cost, sourcing from local SHGs would reduce the cost. However, if the high cost persists, they can go for outsourcing of transportation services which will reduce cost. For the issue of the number of employees and their motivation, the anganwadis need to hire more employees as per their requirement and usage of monetary and non monetary incentives is advised for employee's motivation.

Alright, go ahead.

I would like to move on to the solutions to the consumption side. Solution to lack of awareness could be collaboration with different schools and colleges. For the problem of accessibility, opening of more distribution centres in close proximity to villages is advised. This would however entail huge costs. An alternative to this could be kiosks which require less capital.

Okay. We can move on to long term solutions now.

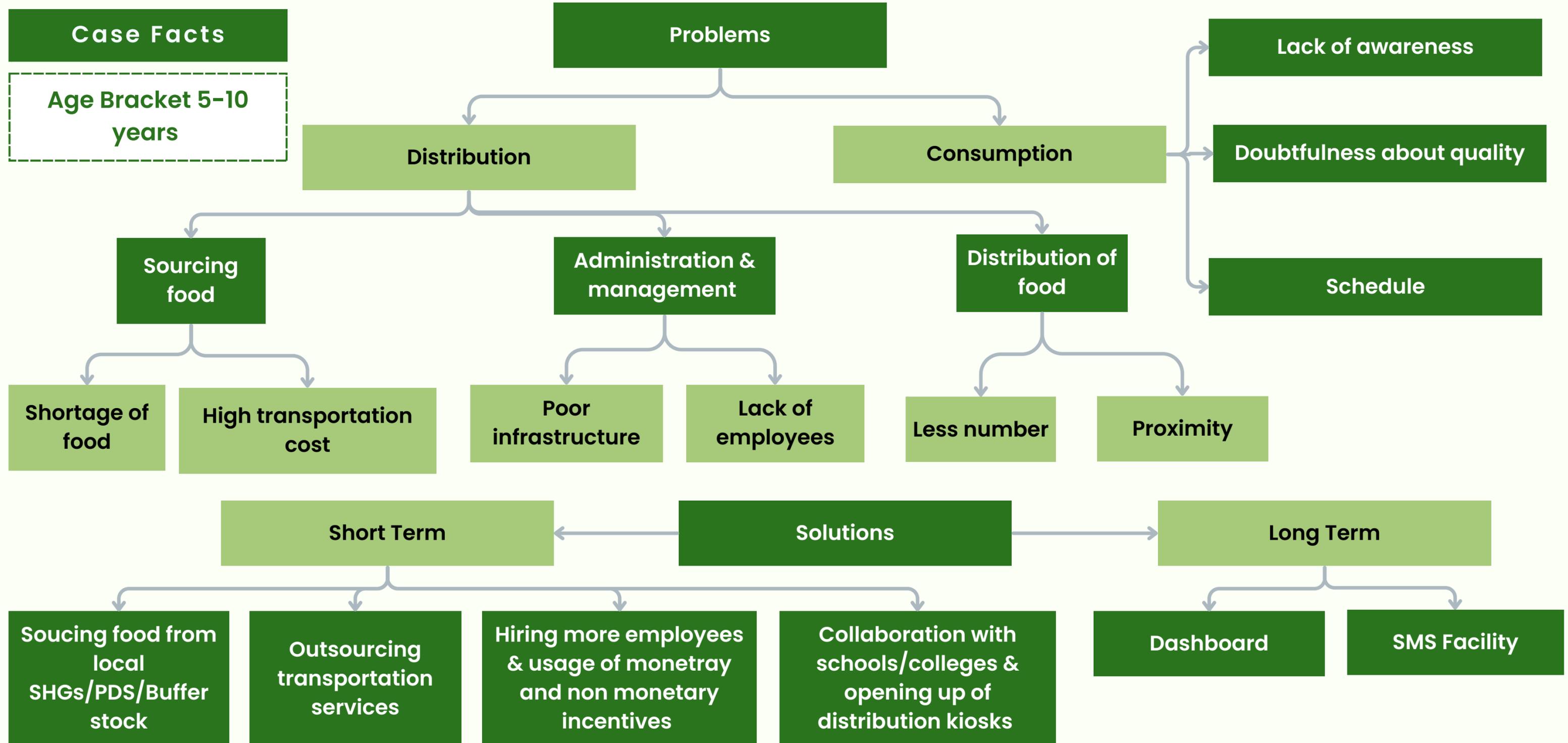
For the long term solutions, we can come up with a dashboard where all data related to availability of food in different anganwadis is stored. This could be proctored at local and state level and the government can monitor and track anganwadis in need of food.

Okay.

Additionally, the anganwadis can come up with an sms facility or toll free number for parents. They can ask whether a particular anganwadi has a particular type of food item and can then go and collect it. Another thing, for the schedule can be that anganwadis can use sms facility to inform parents in advance about the schedule so that people are already aware of it and accordingly collect food.

Okay, thank you. We can end the case here.

# Anganwadis - II



# Grocery Retailer

COMPANY

Bain & Company

CASE TYPE

PROFITABILITY

DIFFICULTY LEVEL



Our client is a grocery retailer, to increase their profit, they introduced 50 new stores in the last 2 years, but the anticipated increase in profits ensuing from it wasn't materialized. Identify why.

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

Yes, go ahead.

What is the competitive landscape for our client like?

Our client has the exclusive license to run 24/7 in the city of Delhi. No other competitors have this privilege.

Great. So, is this an industry-related problem or a company-specific problem?

It's specific only to our client.

All right. Is this a situation from the pre-COVID era or the post-COVID era?

You may ignore this aspect completely and proceed further.

Great, so where was the client operating previously and where have the new stores been opened?

They have their operations spread across Delhi and new stores have been opened in Delhi as well..

Okay, thank you, which brings me to my last question i.e. is our client's issue arising out of a low revenue or a high cost?

You may focus on the revenue - particularly the volume of sales and ignore all other factors.

Okay, may I take some time to structure my approach?

Yes, sure.

Okay, so I will structure this down into 3 heads- number of customers, frequency of each customer visiting, and the average order value each time they visit. Does that sound good?

Yes, please proceed to focus only on the number of customers. Ignore all other aspects.

Alright, so delving deeper into the number of customers aspect, it can be attributed to 5 factors that are product, price, experience, promotion, and location. May I explain them further?

No need for that. The issue is arising due to the locations of our client's newly opened stores, kindly look into that.

Okay, so as for the customers visiting the new stores, are we facing a problem with customers during a particular time i.e. day-time or night-time?

Yes, the anticipation of an upsurge in customers during the night-time did not materialize.

Okay, I'll be proceeding with bifurcating the problem further into five heads i.e. need, awareness, accessibility, experience, and affordability. May I continue with this?.

Yes, go ahead.

Great, thank you. So as for need - is there a need for more stores to begin with and especially during night-time?

Awareness - are the customers aware of the newly opened stores?

Accessibility - are the stores easily accessible during night time? as many roadways are closed by that time

Experience - aspects like feeling safe in their shopping experience during the night

Affordability - do we upsell during the night?

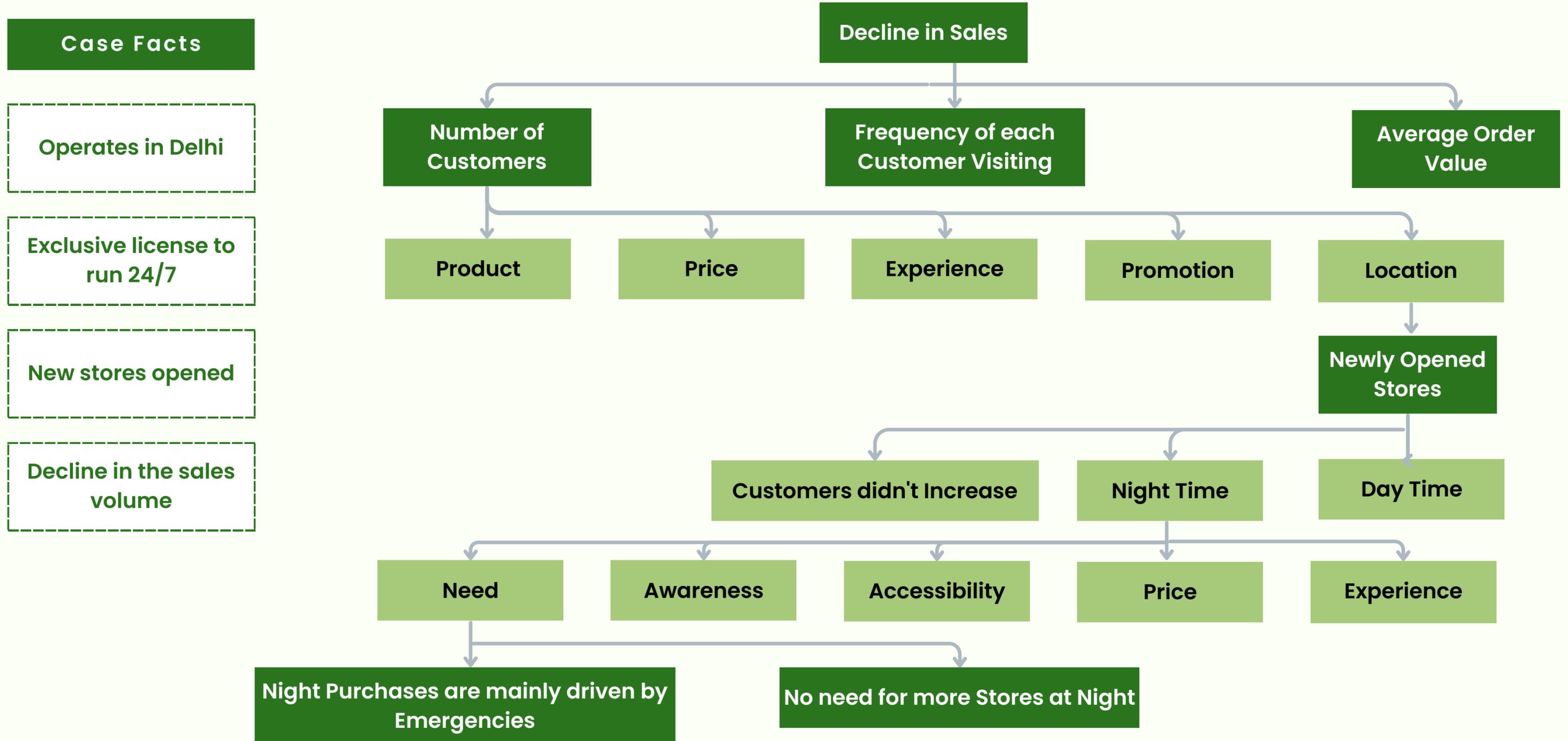
The latter four factors have been taken care of, kindly look into the need aspect.

All right. I've concluded that there is simply no need for a higher number of stores operating at night as purchases made during the night time are majorly driven by an emergency, which means the customers are willing to travel even a bit of a longer distance to satiate their needs and wants. Hence, the sales did not increase as the number of emergencies happening remained the same, irrespective of the number of stores.

That's correct, we can close the case here.

# Grocery Retailer

CASE FLOW



# Cookie Marketing

COMPANY

Bain Capability Network

CASE TYPE

Market Entry

DIFFICULTY LEVEL



Your client has recently introduced luxury cookies. They want you to come up with a strategy for launching and marketing the new product in the further stages so that the client is able to do well in this new category.

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

Yes, go ahead.

Are we solely manufacturing luxury cookies or do we already have some existing goods in the market?

We are solely focused on luxury cookies at the moment.

Noted. - Do we have any other competitors in the market or is it a new area?

There are a few strong competitors and we wish to surpass them.

Lastly, since we are starting out, what is our budget for this expedition?

Hypothetically, let's go with no budget for the moment.

Thank you, sir, could I take a few minutes to structure my thoughts regarding the information you provided?

Sure.

Let's divide the timeline into three parts- the launch, sales or breakeven and expansion.

Right. I would like you to go ahead with the launch.

For the launch, there are a few strategies that we can implement. As part of a soft launch, we can start by providing our cookies to high-end hotels which can be served with the tea as a complimentary snacks. Buzz about our product should already be in order.

Alright, what else can we do?

Since influencer marketing is so popular these days, we should organize an event and call the influential lot of the society to talk about it and share it on social media. We should also create our social media page and post engaging content for the viewers. Regular games can also be introduced to create traction .

Right, let's talk about sales

We can start selling it in retail stores as well as kiosks in hotels and malls. We can come up with seasonal gift boxes and start taking bulk orders for gifting purposes. We can target cooperates and partner up with them to cater the events.

Sounds reasonable. What about expansion?

After establishing ourselves, we can start experimenting with the products and come up with options of customisation based on the client's needs. The last leg of a strategy would be dipping or sit in the international market.

Great! We can conclude the case here.

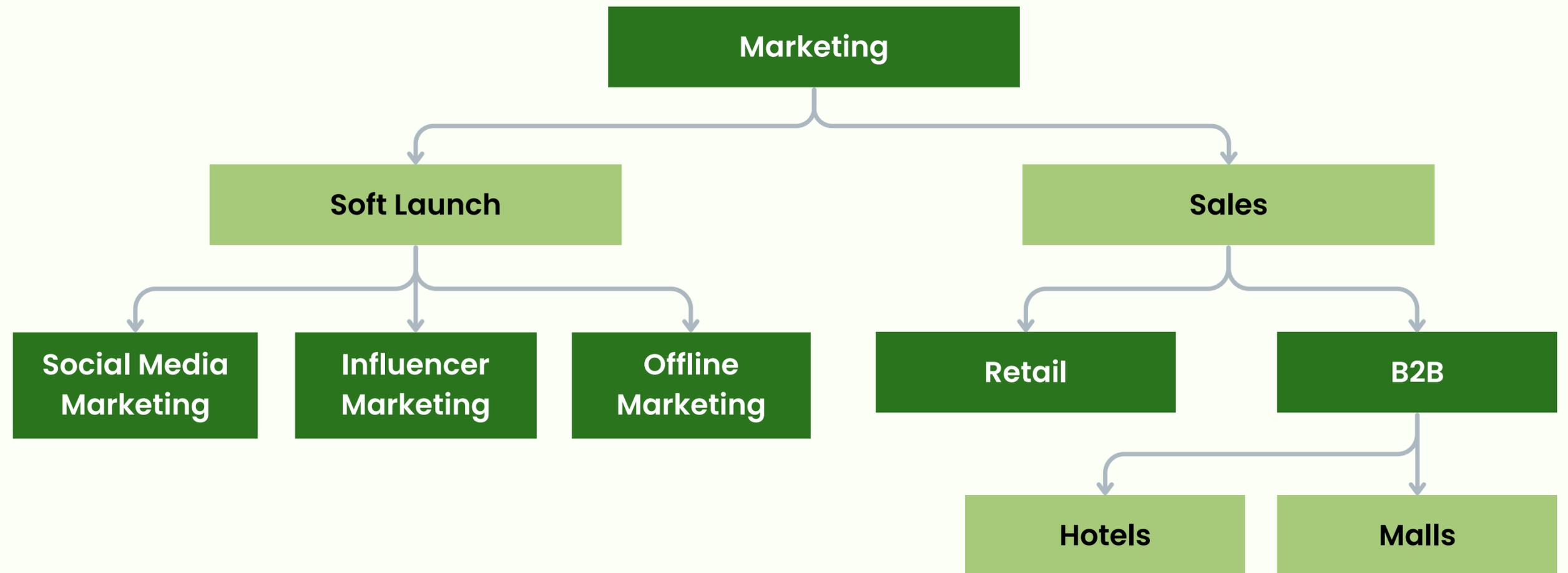
# Cookie Marketing

## Case Facts

The sole focus is on the luxury cookies market..

There are a few strong competitors in the market.

The company doesn't have any major budget limitations.



- The company can come up with seasonal gift boxes in order to attracting demand in the gifting industry. Furthermore, the company can experiment in order to offer customizable options.

# Chemical Plant

COMPANY

Bain Capability Network

CASE TYPE

Profitability

DIFFICULTY LEVEL



Your client is running a Chemical Plant which is facing losses. They want you to come up with a strategy in order to reduce the losses and make the plant profitable.

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

Yes, go ahead.

Are the losses recent or have they been prevalent for a certain period?

They are quite recent.

Are these losses faced particular to our company or is it an overall market trend?

Losses are being faced by all the companies in the market.

Has there been a decrease in demand? If so, is it seasonal?

The demand hasn't shown any significant changes.

Thank you, sir, could I take a few minutes to structure my thoughts regarding the information you provided?

Sure.

Since there is no significant change in the demand, the reason for the losses can be summed up to increased costs.

Okay, what kind of costs?

To state a few, there can be increased material or labor costs. Increased labor turnover can also have an impact on production thus leading to implicit expenses of temporary shutdown. There can be an increase in miscellaneous expenses like rent, electricity, etc.

What about rise in prices? Could that be a factor?

Temporary rise in prices can be ignored. The losses can also be due to inflation hence the pricing must be adjusted accordingly to match the mark up..

Great! We can conclude the case here.

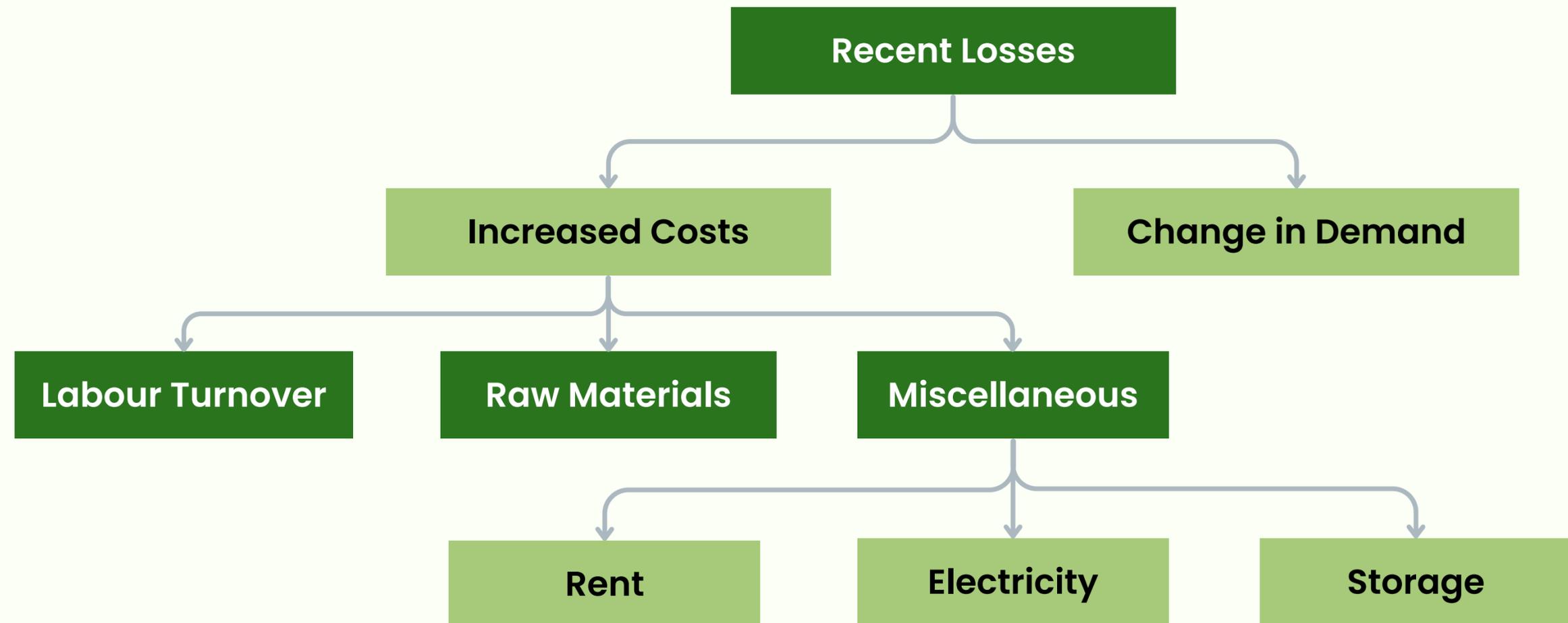
Thank you!

## Case Facts

The losses incurred are a recent phenomenon.

The losses are a market trend and faced by all competitors.

There hasn't been any seasonal changes in demand.



- Temporary rise in prices can be ignored. Losses might be occurring due to factors like inflation, hence, pricing can be adjusted accordingly in order to meet the rise in costs

# Recollection of Loans

COMPANY

Kepler Cannon

CASE TYPE

Unconventional Case

DIFFICULTY LEVEL



Your client is a bank which is facing problems in recollection of loans, how will you help them?

So firstly let us map the entire process. Firstly the customer would take a loan, followed by repayment and subsequent collection by the bank. Now the problem lies in repaying and collecting. Further breaking it down, we can see that repaying and collecting would involve reminders. Now, we need to understand whether the problem is in people not reacting or whether despite reacting they aren't repaying or perhaps are we not reminding at all.

Sounds comprehensive, please elaborate on the reminders.

There can be different kinds of reminders: Calling/Messaging or maybe you can directly knock up to their houses. This can further be divided into violent and non violent ways.

Okay, so the company is facing problems in calling.

Which aspect of calling, are we not calling enough or are they not responding.

It is the customers who aren't responding.

We need to develop an exact mechanism, when exactly do we call these people and the frequency of us calling them up. For the same customers can be divided into those who firstly respond easily, secondly those who have to be reminded over and over and lastly those who do not respond at all.

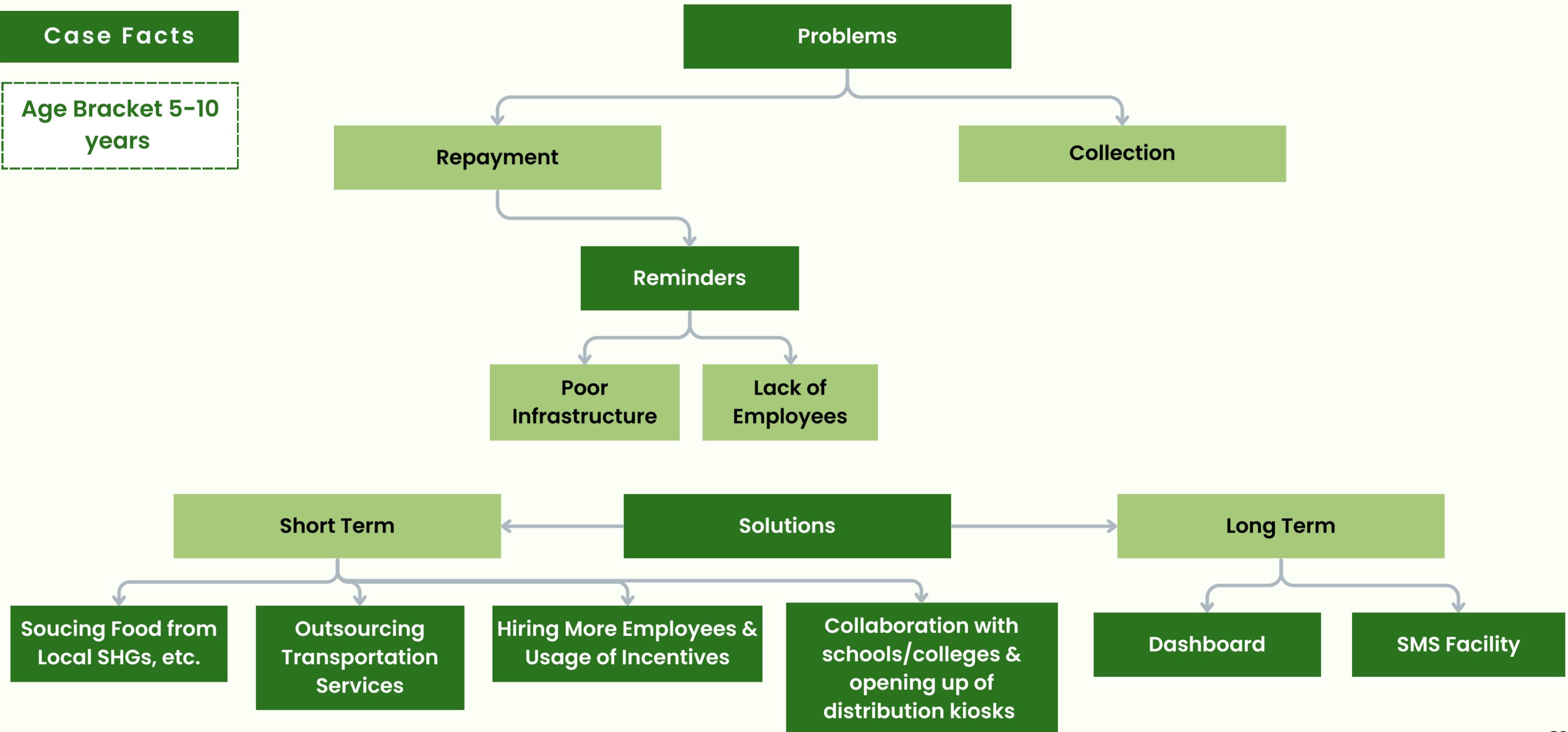
This Seems fair, assume that you have data about the number of people in each of the categories, what would you do further?

We'll resort to sending weekly messages for the people who respond easily instead of calling and reallocate our calling power to the people who have to be reminded over and over however do respond finally, and people who do not respond will have non-violent reminders after a given number of calls.

# Recollection of Loans

## Case Facts

Age Bracket 5-10 years



# Fast Moving Electronic Goods

COMPANY

Boston Consulting Group

CASE TYPE

Growth

DIFFICULTY LEVEL



Your client is an FMEG player, producing small fans and geysers, and is looking to improve its top-line. What would you suggest?

Just to clarify, our client is an FMEG player producing fans and geysers, and is looking to increase its top line i.e revenues.

Yes that's correct.

Okay! So before proceeding further, I would like to ask some preliminary questions.

Sure, take your time.

I'd first like to have a better idea about the client's products, its customers and its competition.

Sure, so our client is the largest player, producing fans & geysers only, and is both a B2B and B2C player.

Where does our client lie in the value chain and where are these operations located?

Our client manufactures, and has third party distributors, selling products across India.

Alright, lastly, what amount of growth is expected in the given timeline, and what's the primary objective?

Target is to grow 3x in 3 years. The objective is to achieve a fast growth of revenue.

Revenue can be grown both organically and inorganically, so would you like me to explore both the options?

Let's start with organic first.

Sure, and under the organic route as well, should I consider growth via existing business only or can I suggest some new avenues as well?

Let's stick to existing businesses only for now.

Alright, so total revenue can be broken down as number of customers x revenue per customer

Explain increase via number of customers first

It can be broken down as target market x market share. Target market can be increased by entering totally new geographies, and market share can be increased by increasing geography of operation, introducing variations or new products, and using new distribution channels.

Explore distribution channels now. What about that front?

It can be broken down further as number of distributors x average order quantity x average price.

How can you increase this front?

Number of distributors can be increased by hiring new distributors, as well as providing more financing options. Average order quantity is actually basket size x frequency, both of which can be increased using cross-selling, upselling, bundling, and providing incentives (both monetary and non-monetary). Lastly, average price can be increased by introducing new products, varieties, or increasing margins.

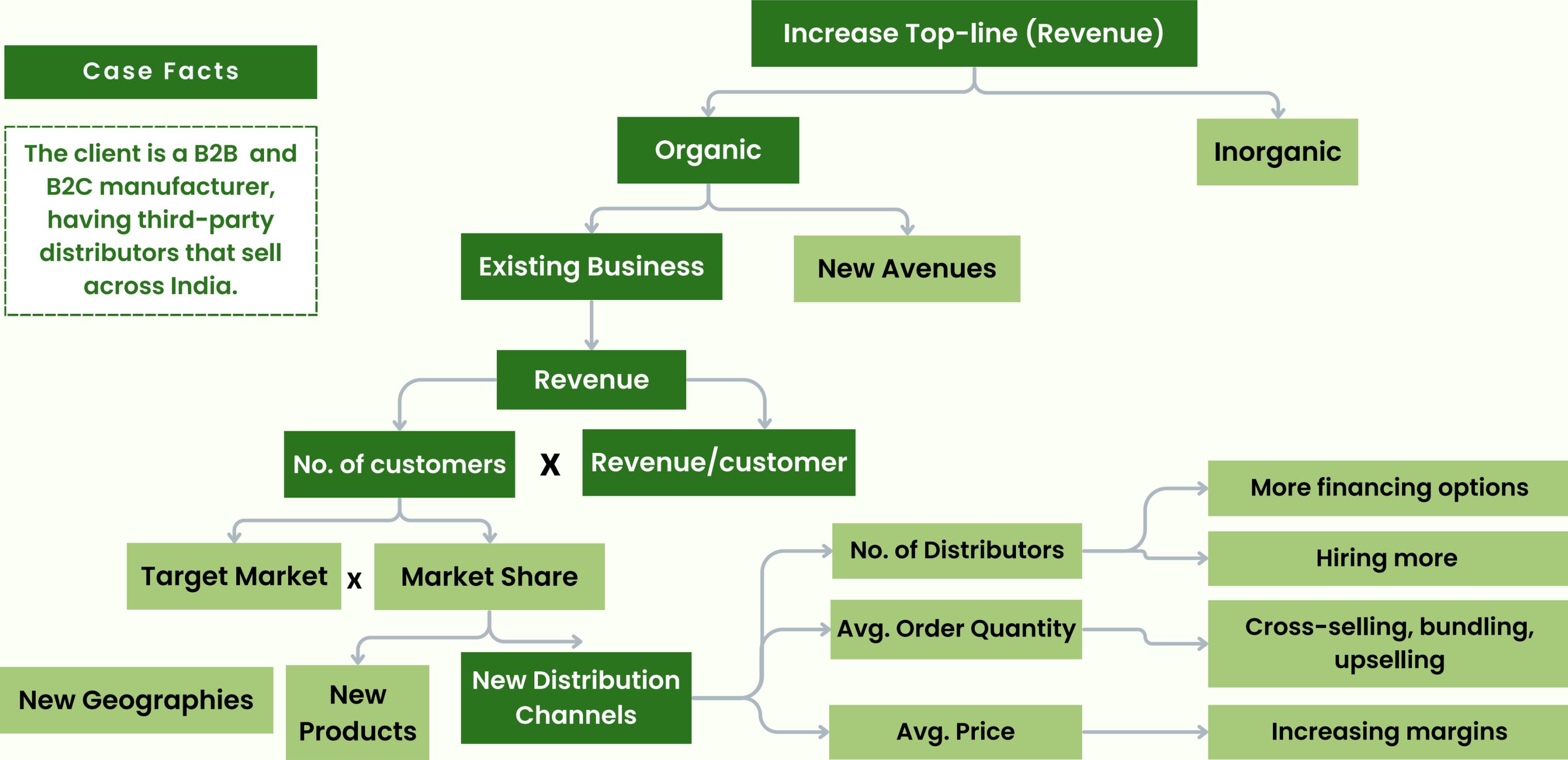
Great, we can close the case here.

Thank you for your time, ma'am!

# Fast Moving Electronic Goods

## Case Facts

The client is a B2B and B2C manufacturer, having third-party distributors that sell across India.



# Jeweller

COMPANY

Bain Capability Network

CASE TYPE

Profitability

DIFFICULTY LEVEL



Your client is a leading luxury jewelry brand in India. They're located at prime locations and are famous for their quality designs. The company is facing stagnant growth and reduced profitability. You need to find the reasons for the problem.

Okay. So, to reiterate, our client is a leading luxury jewelry brand in India located at prime locations and is famous for their quality designs. They are facing stagnant growth and reduced profitability and need help with this problem.

Yes that's correct

Okay! So I would like to ask some preliminary questions.

Yes Sure.

Is the industry facing a similar issue or is it a company-specific problem?

The industry is growing at 10 percent per annum, hence it's a company issue.

Is the decline the same in all locations and all product types – chains, bracelets, earrings, rings, etc?

The decline is uniform across locations and product types.

Are there any changes in costs, or sales?

No the costs have remained the same and sales are the same throughout the year.

Okay. the costs have remained the same. The price of gold is driven by the market, however, the percentage of making charges needs to be aligned with the competition. So Price is not the issue. Sales are the same throughout the year. we are not gaining from the additional 10 percent increase in the market in a year, hence focus should be on the number of customers.

Okay

Has the company done anything to attract new customers as well as retain old customers?

No, nothing as such.

Has the company kept up with the changes in preferences, and marketing efforts?

No, the company hasn't taken all these factors into consideration to a greater extent.

All these factors have led to a dead end with nothing different done by the company from the industry that is leaving them behind. Apart from these, if we draw the consumer journey i.e Marketing + Accessibility + Affordability + Product Quality + Payment + After Sale services, which service is not being provided to the consumer if we compare it with our competitors?

We accept Cash, Credit cards, gpay, etc. However, we do not give credit while the local jewelers provide credit.

Local jewelers provide credit as they know that some families that purchase gold or other valuable jewels need credit.

Yes correct.

Okay, the decline in profits is due to the number of customers and payment options.

What will be your recommendations for the same?

I'll suggest that the company should focus on attracting new customers (through various discounts and offers) and retaining old customers through improvement in after-sale services, quality of products, etc. Moreover, the company should think of providing credit facilities to its customers.

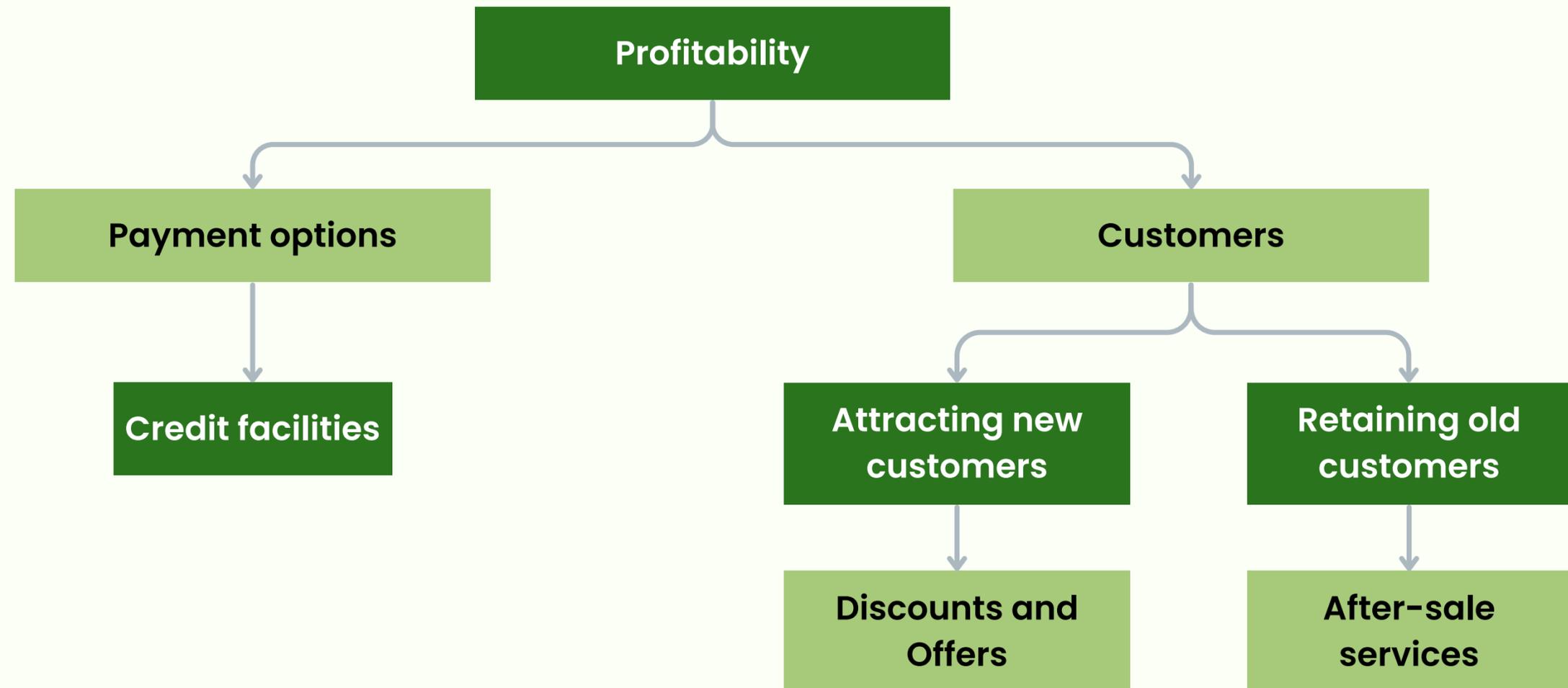
Great recommendations. We can end the case here.

## Case Facts

The industry is growing at a rate of 10% per annum. It is a company specific issue.

The decline is uniform across all locations and products.

There are no changes in costs as well as sales.



- The company can offer discounts to draw in new clients, and it can enhance after-sale services to keep hold of existing ones. Additionally, the company can offer its customers credit options.

# Revenue Growth Case

COMPANY

Bain Capability Network

CASE TYPE

Unconventional

DIFFICULTY LEVEL



The client wants you to come up with a strategy to grow the revenue for a large brand like Dove.

I have a few preliminary questions before I move on to the solution.

Yes, that's correct.

What kind of growth are we aiming for - profit growth, revenue growth or customer growth?

We are aiming for revenue growth.

Can we quantify the growth that is required and is there a timeline for it?

Yes, the company wants to increase to 500 crores in 3 years.

Are there any financial constraints?

Since Dove is a very large brand, it does not have any distributional, financial or operational constraint whatsoever.

What is the market positioning of the brand? And what are its target customers?

It is a haircare and skincare brand that mainly caters to women. More specifically, it positions itself as a self-love and empowering product for the women in the age group of 14 - 60 years.

So, to provide revenue growth, growth channels can be divided into two - organic and inorganic. Organic growth can further be divided into two categories - product diversification and customer expansion in existing product categories. Inorganic growth can further be divided into three sub - categories - mergers, acquisitions, partnerships/ joint ventures.

Please go ahead with organic growth avenues only.

For expanding the customer base in the existing product categories, marketing strategies can be implemented. Also, Dove does not cater to lower-middle class women and those in rural areas. So, to target them, we can reduce price of some of our products and introduce packagings of our products with smaller quantities. We can also start rural information programmes such as nukkad nataks and at the end of those, we can market our products.

Alright, and how will you diversify the product portfolio?.

Although Dove's products are unisex in use which means that they can be used by both men and women but Dove specifically markets its products as women's products. So, they can diversify into men's category as well. Secondly, we can target baby-care products. Thirdly, we can diversify into menstrual care products which includes menstrual cups, sanitary napkins, pre-washes and after-washes. Lastly, we can enter into old women's category such as anti-wrinkle creams, multivitamins, etc. This is because Dove is already catering to upper-middle class young girls segment, so if we can stretch the customer base to different income and age groups, this would help increase the revenue.

Okay, that was a fair approach.

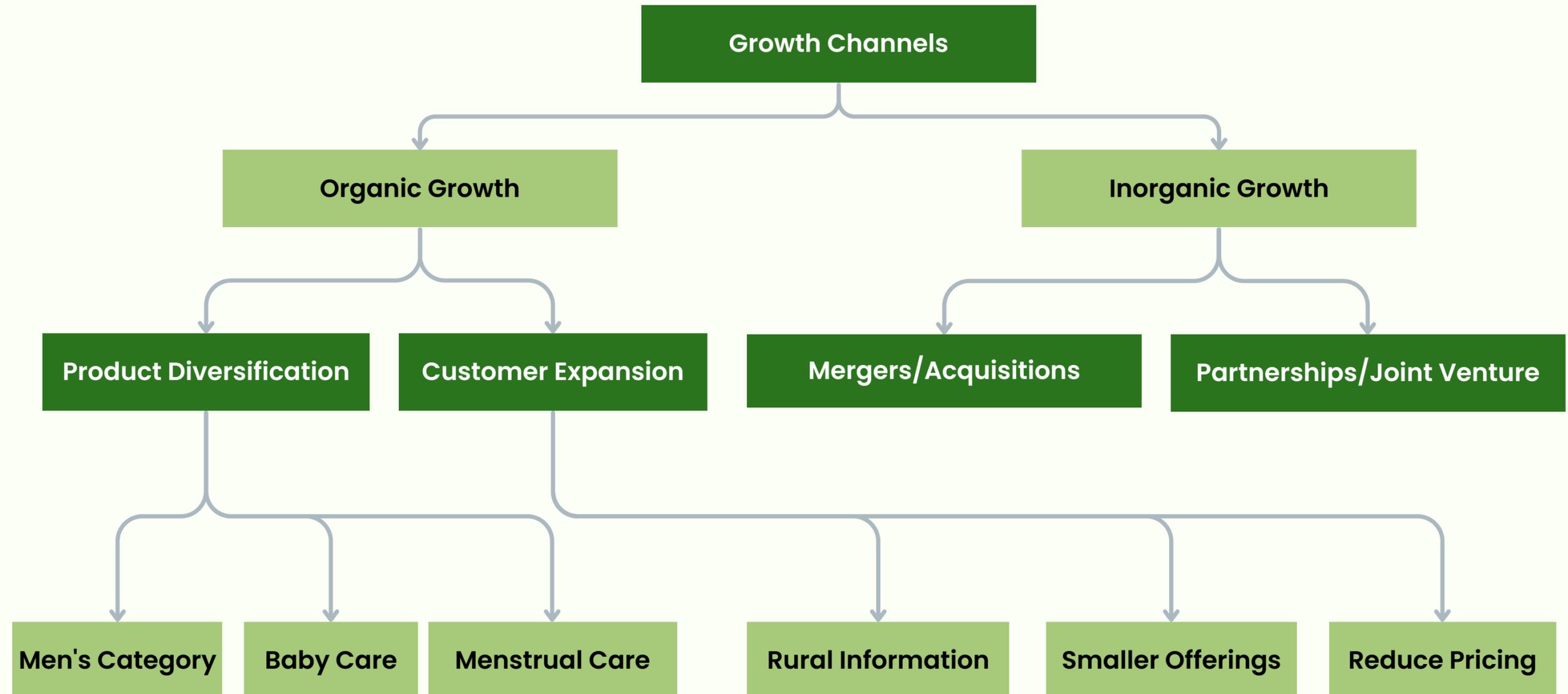
# Revenue Growth Case

## Case Facts

Company is aiming for revenue growth.

No constraints considering the brand size and reputation.

Client's market position is of a haircare and skincare brand.



# Air Pollution Control Case

COMPANY

GDI Partners

CASE TYPE

Unconventional

DIFFICULTY LEVEL



We'll be having a discussion on a social case, pollution in New Delhi and Punjab is rising rapidly, what all measures can be taken to improve the air quality of these states? (We have taken Punjab as another state because it has a major problem of stubble burning and the same political party)

Can I go ahead first with Delhi, and then maybe we can focus on Punjab?

Yes, Sure.

I'll start the case by analyzing a few components first and if it will be okay for you, we'll start discussing it.

My components would be the traffic issue, stubble burn problem, pollution coming from factories, inefficient pollution tracking system, awareness among people, and government norms. Would it be fine for you or shall I add more?

No thanks, please start analyzing each one of them.

Sure, firstly we have to look for the traffic issue from where is it coming? Is no. of vehicles coming from other states more? What types of vehicles are responsible for high pollution? From where the stubble burn problem is occurring? What types of factories are responsible for pollution? Whether there is a proper tracking system for pollution or not? If yes what data it is providing? Are people aware of pollution? Are there proper norms set for pollution? Are government rules strictly followed?

You've covered almost all aspects, I would like to tell you that many vehicles on daily basis from Haryana and Punjab enters Delhi, majorly chemical factories are contributing to Delhi's pollution and there is no proper tracking system for pollution and no strict norms prevail.

Okay so now maybe I can arrive at some recommendations/measures that we can give to Delhi Government.

Yes

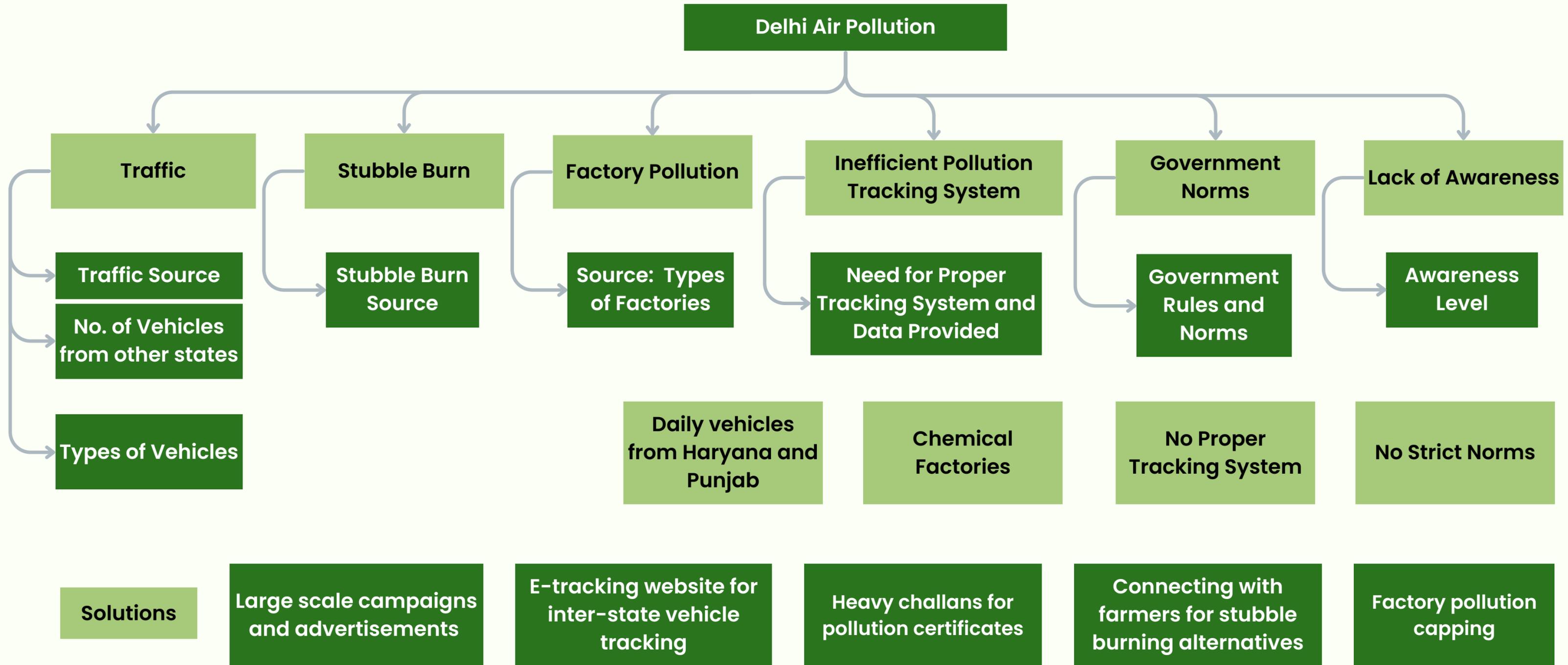
Okay, so to reduce pollution we can have some campaigns or advertisements at a large scale which will depict how tense Delhi citizens are and give a message of reduction in consumption of vehicles, also we can have an e-tracking website which will show how many other state vehicles are entering into Delhi and how much they are contributing to Pollution and after that, we can arrive to some strict solution, Heavy challans should be charged for people who don't have pollution certificates, connecting with farmers through various medium of communication for alternatives to stubble burning and the factories should also be capped in terms of pollution.

Perfectly aligned.

Should I now start solving the case for Punjab?

No, that was all from my side. Thank you for your time.

# Air Pollution Control Case



# Anganwadis - I

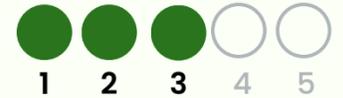
COMPANY

GDI Partners

CASE TYPE

Unconventional

DIFFICULTY LEVEL



As an associate consultant, you are assigned to a project in Rajasthan where you are working in collaboration with the Government of India on their mission to build efficient “Anganwadis” in villages. You are required to find the loopholes in the entire process/system due to a lack of resources for the women and children coming to these Anganwadis and find solutions for rectifying the same.

I am unaware of the concept of Anganwadis. Can you please elaborate on the same?

Sure. So basically, Anganwadis are a rural mother and childcare centre initiated by the Government of India in various parts of the villages across the country. The services provided by the Anganwadi are supplementary nutrition, non-formal preschool education, growth monitoring, immunization monitoring, health check-ups, and health and nutrition education, classes. The main beneficiaries of the program are children below six years of age, adolescent girls, pregnant women, and lactating mothers.

Got it. I will proceed with the case using the tree-branching method. Is that fine?

Yes, please go ahead.

So, I would like to divide this problem into four segments – Government, Middlemen, Anganwadi internal management, and Beneficiaries (children below six years of age, adolescent girls, pregnant women, and lactating mothers).

Who all are you including in the middlemen?

So, I am looking at manufacturers – the people who prepare the resources for the Anganwadis, transportation guys, and inventory holders. I am clubbing them under the same umbrella since in this problem since their set of problems will overlap.

Right, please continue.

Taking the segment of Government first. I would like to further divide this into smaller problems. These include – a lack of latest data, wrong figures, lack of proper monitoring, and lack of incentives to the parties involved.

Okay. Move on to the next segment.

The next segment – is Middlemen. I will further segment them into – last-minute orders, lack of proper machinery, lack of incentives, and lower salaries than the industry proposed. The third segment – is Anganwadi internal management. It can be further classified into – lack of proper salary, no monitoring, lack of other incentives, and hoarding of resources for personal use. Should I explain them in more detail?

No, please go ahead with the next segment.

The last segment – is Beneficiaries. For them, the division can be based on long travel distances, lack of awareness, and unwillingness by some family members

Great. I think we have covered most of the main points involved in this problem. Please start with the solutions

All right. Coming back to the Government – As a solution, they should renew their data (population, no. of regulars to anganwadis, average no. of births in a month, etc) on the villages with Anganwadi every 6 months to be up to date with the requirements and avoid any last-minute hassle. Second, they should incentivize the middlemen as well as the people working in the Anganwadis. The incentives can be – monetary and non-monetary.

Let us say Government is already paying them appropriate salaries and they do not wish to increase them further. How can you then incentivize them?

Okay. Then we can propose the idea of non-monetary incentives such as providing a white-collar government job to a family member, free education to the children in the house for up to 12 years, and goodies on festive occasions.

Okay, we can move to the solutions for the middlemen.

Right. For the people preparing the resources – they can go by the previous orders and prepare 2-5% more than that beforehand. The government should also incentivize the latest equipment for the manufacturers to fasten the production process. Transporters, they should be allowed to carry other consignments with them if space and time permits.

What if those consignments are not legal and in turn get the government in trouble?

We can have pre-informed government officials at toll areas to check if the consignments are the same as in their report.

Okay. What about the Anganwadi internal management?

Yes, coming on to that. For them, it is the same point as covered in the government segment. The monetary and non-monetary incentives. Apart from them, regular checks with government officers will not only force them to be accountable but also keep the government in the loop.

Great. Since the incentives part has already been covered, we will remove it from here to avoid overlapping.

Yes, absolutely. So, moving to the last segment – Beneficiaries. For them firstly, the Anganwadis can be shifted a bit closer to the crowded area of the villages.

We already have them at suitable locations; therefore, distance is not a problem.

Okay, sure. We can strike this then. Other solutions include doing marketing campaigns like doing fun announcements on large speakers, and spreading door-to-door information since villages are usually a close nit community and through word-of-mouth, information spreads faster. In the process, we can also clear any apprehensions that families might have about sending their mothers and children to Anganwadis.

Okay. Who will do the marketing? The government officials or the Anganwadi internal management?

Initially, it will be a combined effort. As time goes on Anganwadi internal management will completely take over these activities.

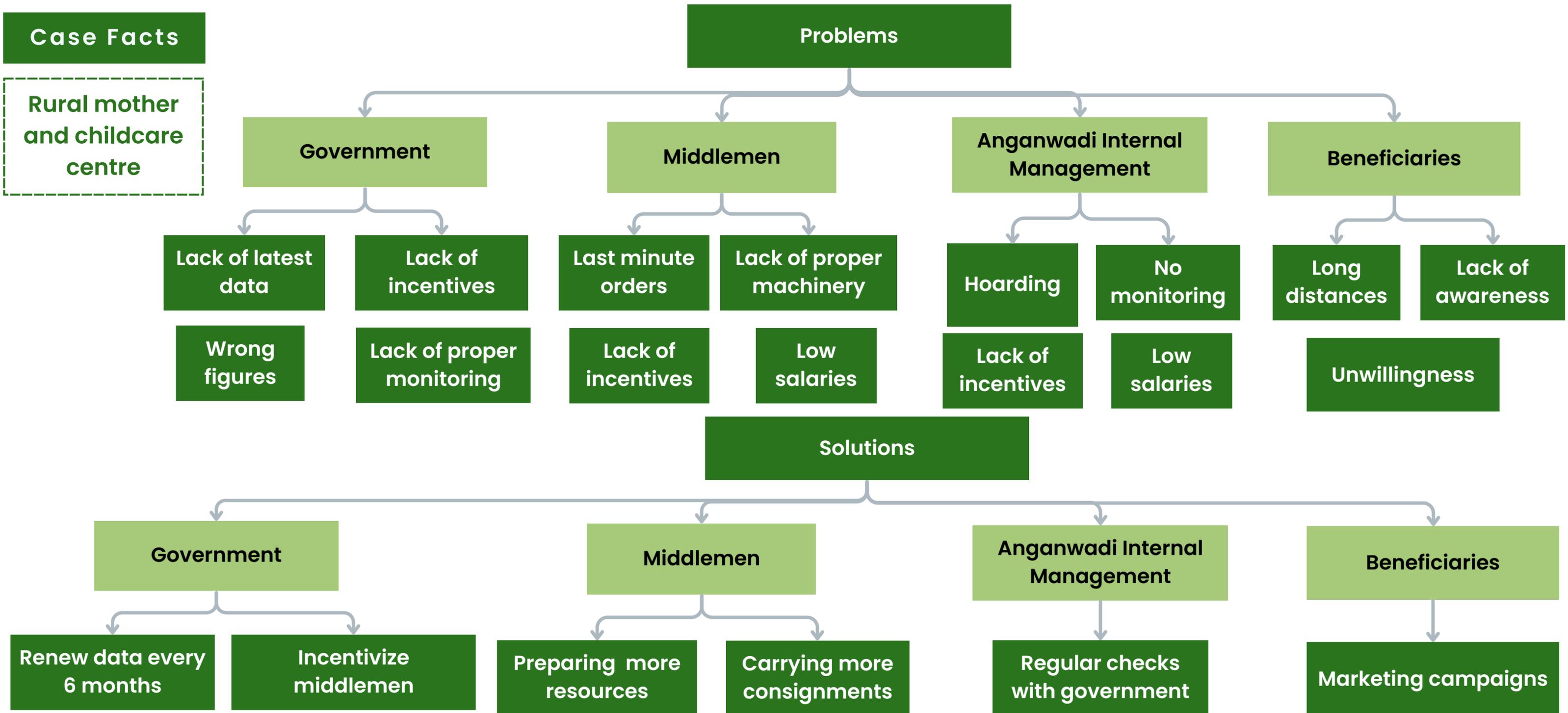
Great, I think we are done with the case. I had a very good time listening to your perspective and how you broke down the case into various segments.

Thank you so much sir for your time. It was great interacting with you.

# Anganwadis - I

## Case Facts

Rural mother and childcare centre



# Tin Plate Manufacturer

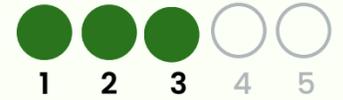
COMPANY

McKinsey & Co.

CASE TYPE

PROFITABILITY

DIFFICULTY LEVEL



Your client is a tin plate manufacturer. You are required to help them increase their net margins.

Before I begin with my solutions, I would like to ask some preliminary questions. Is that okay?

Yes, go ahead.

Where does the client operate and where do they manufacture the plates?

They operate in north india. However, they do have one facility in South India as well. 70% of their manufacturing is done in North India.

Noted, and what are the tin plates used for and does the client operate in B2B or B2C business?

The tin plates are later used for edible oil and paint products. The client is engaged in B2B sales.

Alright. Lastly, is there a fixed range for the increase in net margins that we are focusing upon?

You are required to suggest ways to increase net margin by 10-15%

Okay. I would like to divide the approach into revenue and costs. We can either increase revenue or reduce cost.

Right, go ahead.

In revenue, the channels of revenue could either be through sales of tin cans or sale of scrap.

You are required to consider only the core business of the entity i.e the sale of tin cans. You can ignore the sale of scrap

Okay. Could you walk me through the process of manufacturing please?

So the company sources steel rolls from steel players and then processes the raw steel. Then, adjustment of thickness takes place, chemicals are sprayed, steel is cut into length and then packaged.

Understood. Should I look into the revenue side or cost side?

Focus on the cost side.

Okay. I would divide the cost into raw material cost, inbound logistics, processing cost, chemicals cost, packaging cost, outbound logistics, marketing, after sales, and reverse logistics.

Right. The issue lies in the cost of raw material as the prices of steel have risen. It is imported from different countries. Suggest solutions to reduce this cost..

We can analyse the countries providing the raw material at cheaper rate and go ahead with only those. Is this the only driver of the reduced margins?

What do you think could be the second biggest issue?

The manufacturing process is general and since the problem is not industry wise, we can look into the company specific aspect i.e packaging.

Yes. How will we go ahead with it?

I have come up with a packaging formula function so that we can focus on the aspects and reduce cost. It is  $\text{Packaging material used} \times \text{cost per unit}$  depending on length, width, weight

How will you reduce the overall packaging cost? You can ignore the formula.

Sure, I can think of 4 ways to do so

- Reducing the size of packaging in case there is some additional size that is not required
- Reducing quality of packaging if competitors use low quality packaging. In this industry, quality of packaging is not an important factor.
- Reducing cost on aesthetic packaging. Buyer's decision is not affected by how good the packaging looks in this industry.
- Combining larger units in 1 package. Suppose there are 2 boxes of 5kg each, we can combine it into 1 box of 10kg so that we don't have to create additional packaging.

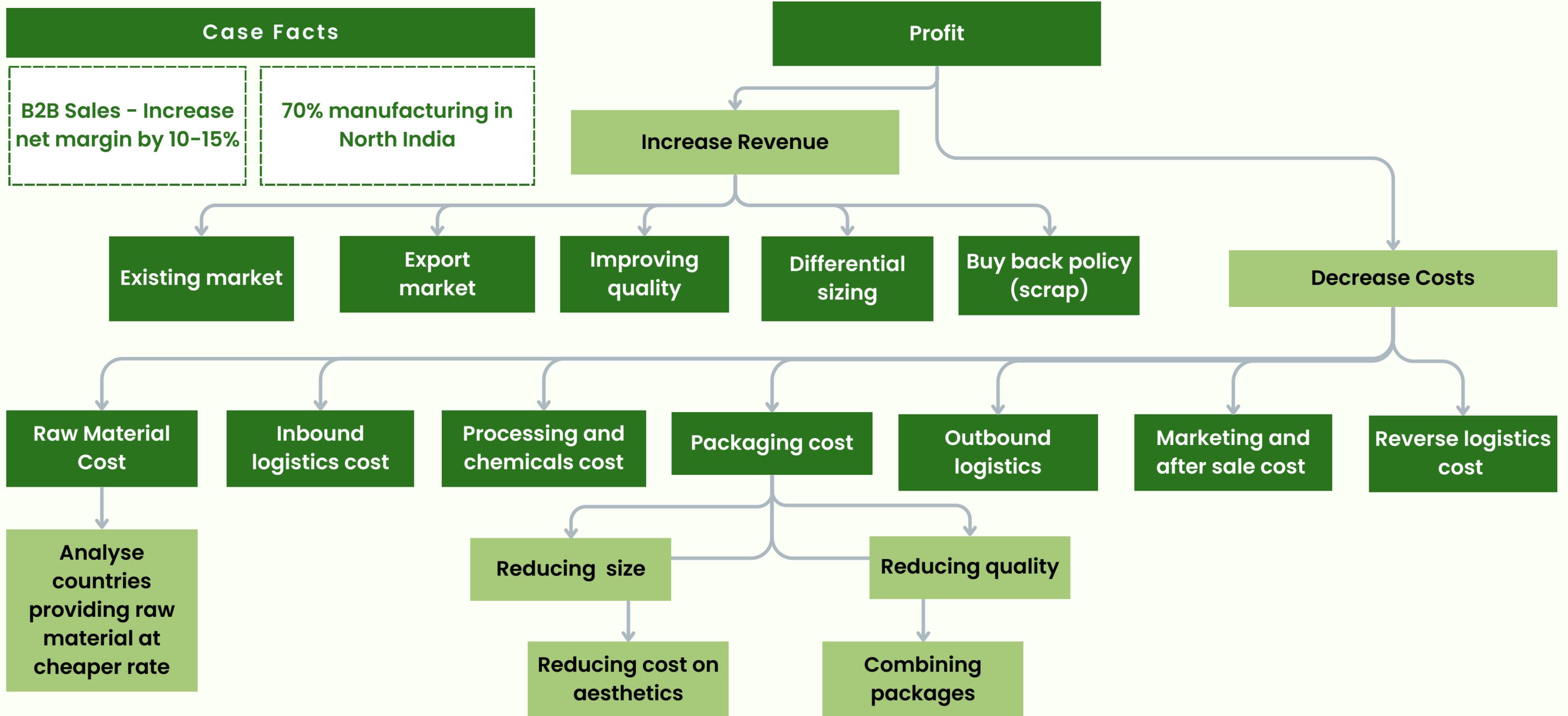
Okay. Can you now suggest ways to increase the average revenue?

Sure. I can think of five ways to do the same.

- Being in existing market - we can increase prices, introduce cross selling, or change the product mix to one with higher order value
- Catering to export market
- Improving quality of product
- Differential sizing
- Buying back scrap policy

Seems good. We can end the case here. Thank you.

# Tin Plate Manufacturer



# Shoe Seller

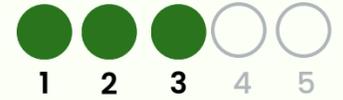
COMPANY

Bain Capability Network

CASE TYPE

Unconventional Case

DIFFICULTY LEVEL



There is a shoe company named Adidas which wants to sell second hand shoes through its website. Anyone wanting to sell their shoes of any brand can get them listed on Adidas' website. Should the company go ahead with this idea or not?

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

Yes, go ahead.

Thank You. Is the company primarily aiming the Indian markets?

Yes, the company's primary aim is to capture the Indian market.

Noted. Will the company be earning by the way of commission on the shoes sold?

Yes, the major source of revenue would be commissions.

Since Adidas is a renowned brand, how would it ensure the quality of the products listed on its website?

The company will conduct an authenticity check of the products.

Thank you, sir, can I take a few minutes to structure my thoughts regarding the information you provided?

Sure.

Alright. First, I would analyse the external factors like customers, suppliers and competitors for the branded second hand shoes.

Okay, go ahead.

For the customers, that is the demand side, surveys can be conducted to gather information from existing markets for such products (eg: Sarojini Market in Delhi). We will then extrapolate the figures to arrive at the approximate market size for the branded second-hand shoes in the country. For the supply side, we will take into consideration the approximate number of shoes sold in a year, usage rate and the percentage of people willing to sell their shoes in the second hand market.

That is a reasonable approach.

The company will also have to ensure that although the products will be sold at comparatively lower prices, the quality is maintained to keep the goodwill of the company intact.

Since low price is the main driver for most buyers, why would the company go for selling second hand shoes instead of starting a new line of low cost shoes of its own.

Taking into account the large market size for branded second hand goods and the growing environmental concerns and CSR, the company should go for selling second hand shoes. It will reduce raw material consumption and it will help in recycling and reusing shoes which take years to decompose.

Okay, go ahead.

I would then analyse the competitors in the market which would mainly be from the unorganised sector. Since, other brands' products would be listed on our website, legal clearances and competitors' reaction will also have to be factored in.

Okay, I got what I wanted. We can end the case here.

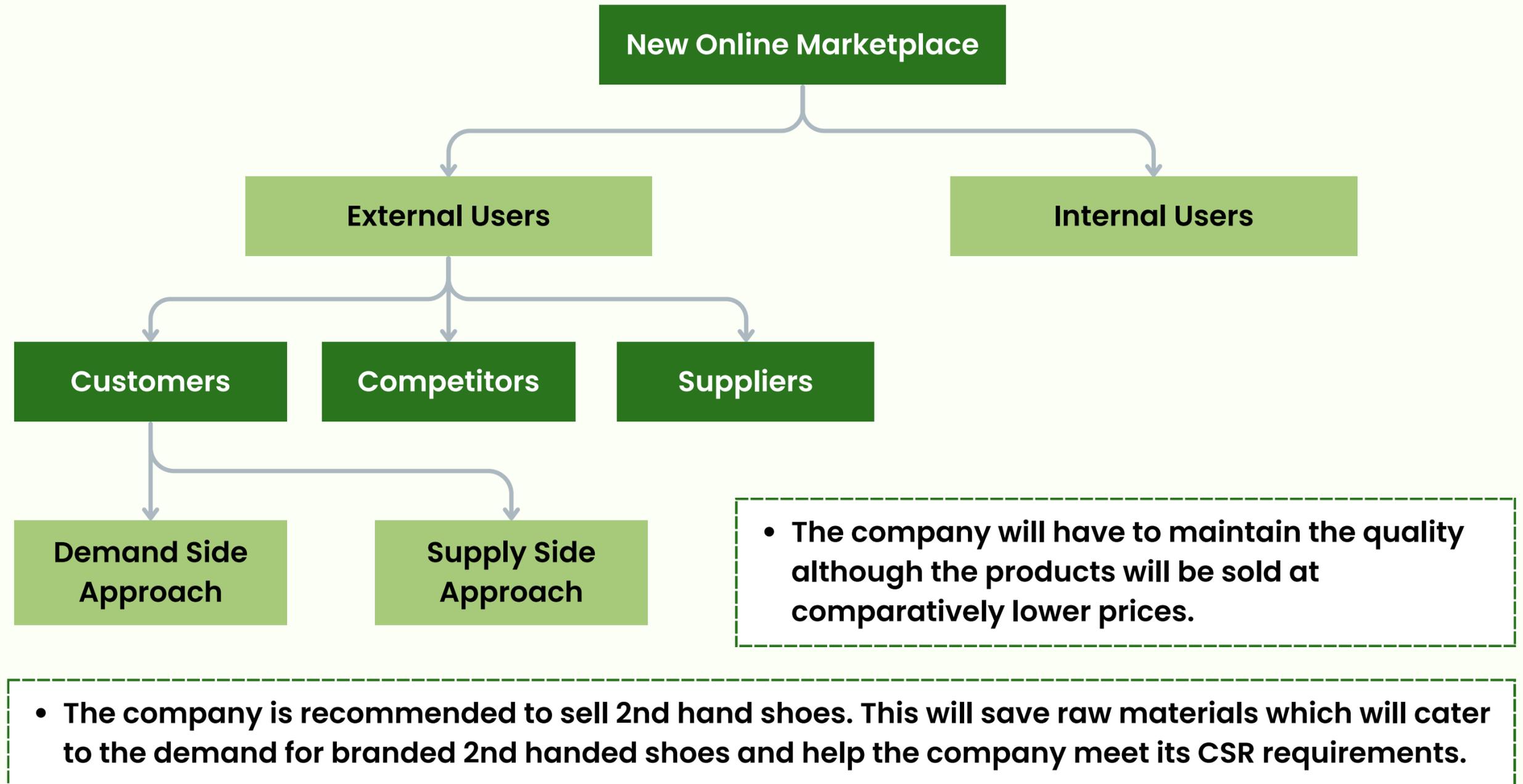
# Shoe Seller

## Case Facts

The company's major aim is the Indian markets.

The major source of revenue would be commissions.

The company will be responsible for the authenticity checks



# Entertainment Case

COMPANY

Indus Insights

CASE TYPE

Unconventional Case

DIFFICULTY LEVEL



Your Client wants to launch an entertainment TV channel in India and wants you to figure out the amount of revenue that can be generated. He does not want the exact numbers, but a broad outline of the approach.

Sure, I had a couple of questions before I could come up with a suitable framework.

Yes, go ahead.

Firstly, when you say “entertainment TV channel”, what type of channel is it? Could it be anything from sports, movies to daily show channels?

Yeah, it could be anything.

So, just for the sake of this case, could I assume it to be a channel that airs daily soap operas, such as Zee TV/Colours?

Sure.

So, I have broken down the sources of revenue into (i) advertisement revenue and (ii) commission from DTH providers, such as Tata Sky/Airtel, which charge the end-consumer per

There might be, but I think those are the main sources. Also, you could maybe focus only on the first source, that is, advertisement revenue.

Okay, so I have further divided the type of advertisement revenue the channel would get based on three slots, peak hours, from 7 pm to 11 pm, since this is the Primetime for television in Indian households, the medium engagement hours, from 10 am to 7 pm, and the negligible engagement hours, from 11 pm to 10 am, where these channels get very few viewers – most viewers during these times either watch sports, or movies during the night, or music and news, etc during the morning hours.

Go on.

Now, for each slot, I shall estimate the time given to advertisement per hour, which is around 20, come up with average number of viewers (multiply the other slots with a fraction of the same), consider each ad slot to be 15 seconds on average, estimate the amount per ad slot for primetime TV, and thus calculate the total revenue of each slot as:

Ad revenue for slot = total hours in slot \* minutes of advertisement per hour \* 4 [4 ad slots per minute if 15 seconds ad slot assumed] \* impressions \* ad charge per impression  
Does this seem fair to you?

That does sound fair. I think for this particular question, let's just assume that the revenue earned from all other slots other than Primetime are negligible and thus can be ignored. Let's just consider the ad revenue for primetime.

Okay, so for the primetime slot, as per the above formula, ad revenue =  $4 * 20 * 4 * \text{impressions} * \text{ad charge per impression} = 160 * \text{number of average impressions} * \text{ad charge per impression}$ .

Okay, seems fine.

I don't know how to estimate the charge per impression, though. Could you suggest a route?

I can only give you a word: competitors.

Oh, yeah, that makes so much sense. I could just see the benchmark set by the industry – entertainment TV channels – for per impression charge for ad slot.

Yep, you could take it as 10 INR.

Okay, I'll just plug the numbers into the aforementioned formula now.

That won't be necessary, it's fine. I don't think the exact figures matter. I think we can wrap up the guesstimate here only. Thanks!

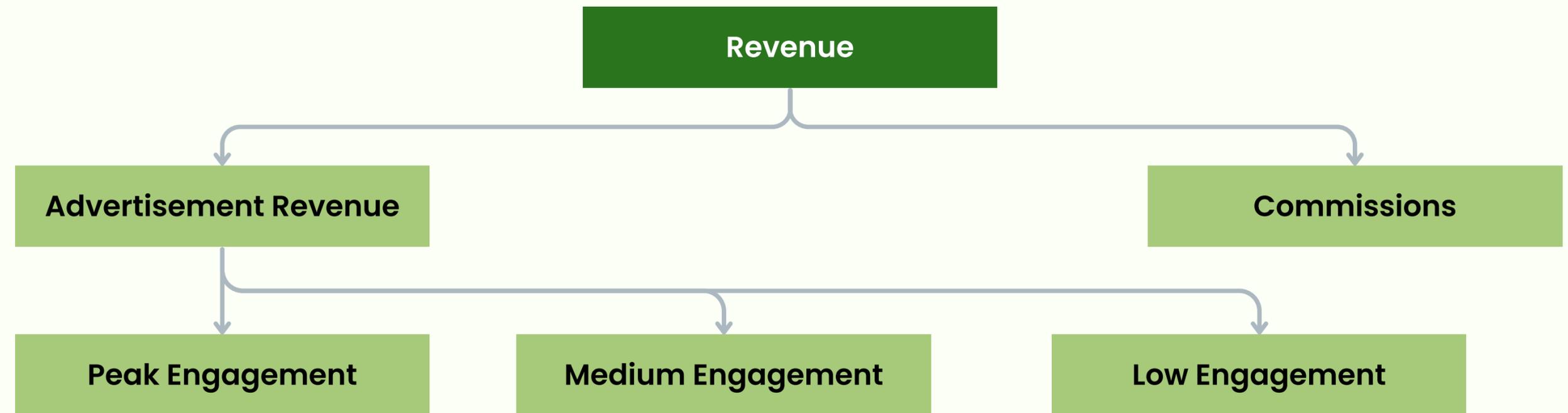
You're welcome, and thanks to you too!

# Entertainment Case

## Case Facts

The type of channel in discussion is daily soap operas like Zee, etc.

It can also range from different genres like sports, movies, etc.



- Only revenue earned from peak engagement is taken to be substantial. Revenue from other engagement periods is assumed to be negligible.

- In order to determine the charge per impression, the company can use the benchmark set by the competitors in the market.

# Tin Sheet Manufacturer

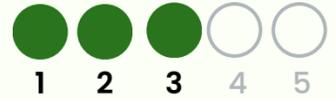
COMPANY

Boston Consulting Group

CASE TYPE

Profitability + Growth

DIFFICULTY LEVEL



Your client is a tin-sheet manufacturer, who wants to increase its net margin. How would you help?

Understood, may I take around 30 seconds to gather my thoughts and clarify some questions before I begin?

Yes, please.

Firstly, I'd like to know a little more about the client's business and their customers, and if it'd be fair to assume that our client is a B2B player.

Our client deals only in the finished product, i.e, tin sheets, and as correctly identified, our client is a B2B player with customers being businesses in FMCG, F&B, Paints, etc.

Understood, so are there different types of products as well?

Yes, the tin sheets vary depending upon the thickness, length and breadth, as demanded by the customers.

Alright. Also, by net margin do we refer to profits/revenue, and what part of the value chain does the client lie in, vis a vis its competitors?

Yes, that's correct. You can think that client receives coils, which are rolled out into rods, are stored, and a third party undertakes logistics. Similar is the value chain for competitors, but our client is the biggest player.

Thanks for the information. Lastly, what magnitude of net margin is expected and what's the timeline for the same?

Take it to be 10-15% in around 1-2 years.

Sure. Since net margin is  $1 - \text{Revenue}/\text{Costs}$ , we can improve it by either reducing costs or increasing the revenues. Is there a particular side you'd like me to focus upon?

Let's start with the costs first.

I've tried to break down the costs into a value chain, under which we can analyse each element one by one to look for factors of cost reduction. Value chain can be as follows; R&D, raw material sourcing, inbound logistics, storage, processing & manufacturing, packaging and specifications, storage again, outbound logistics (to third party distributor), and reverse logistics (if needed).

Seems like a comprehensive breakdown. Quickly expand the raw material costs for me.

Sure, it can be broken down as number of suppliers multiplied by average quantity and price. Average quantity can be affected by actual demand, wastages, theft, damages, and requirement of any kind of buffer stock.

Good job. Now, focus on actual demand

Demand would be a factor of type of end product, demand forecasting, and existing (& new) contracts. Costs can be reduced by have few constant designs, standardised products, good quality machines for reducing quantity needed and efficient manpower for better forecasting.

Great, we can keep aside the costs now. Suggest me some ways to increase revenue for our client.

Surely, should we consider an organic or inorganic route for revenue growth?

Focus on organic for now

Revenue can be broken down as number of customers x revenue per customer

List down avenues to increase both.

Surely. Since our client is a B2B player, customers can be broken down as target market x market share. Target market can be increased by entering totally new geographies, and market share can be increased by increasing geography of operation, introducing variations or new products, and using new distribution channels. Revenue per customer can be broken down as revenue per customer per transaction and number of transactions per customer. It can be increased by using strategies such as decoy pricing, upselling, and bundling.

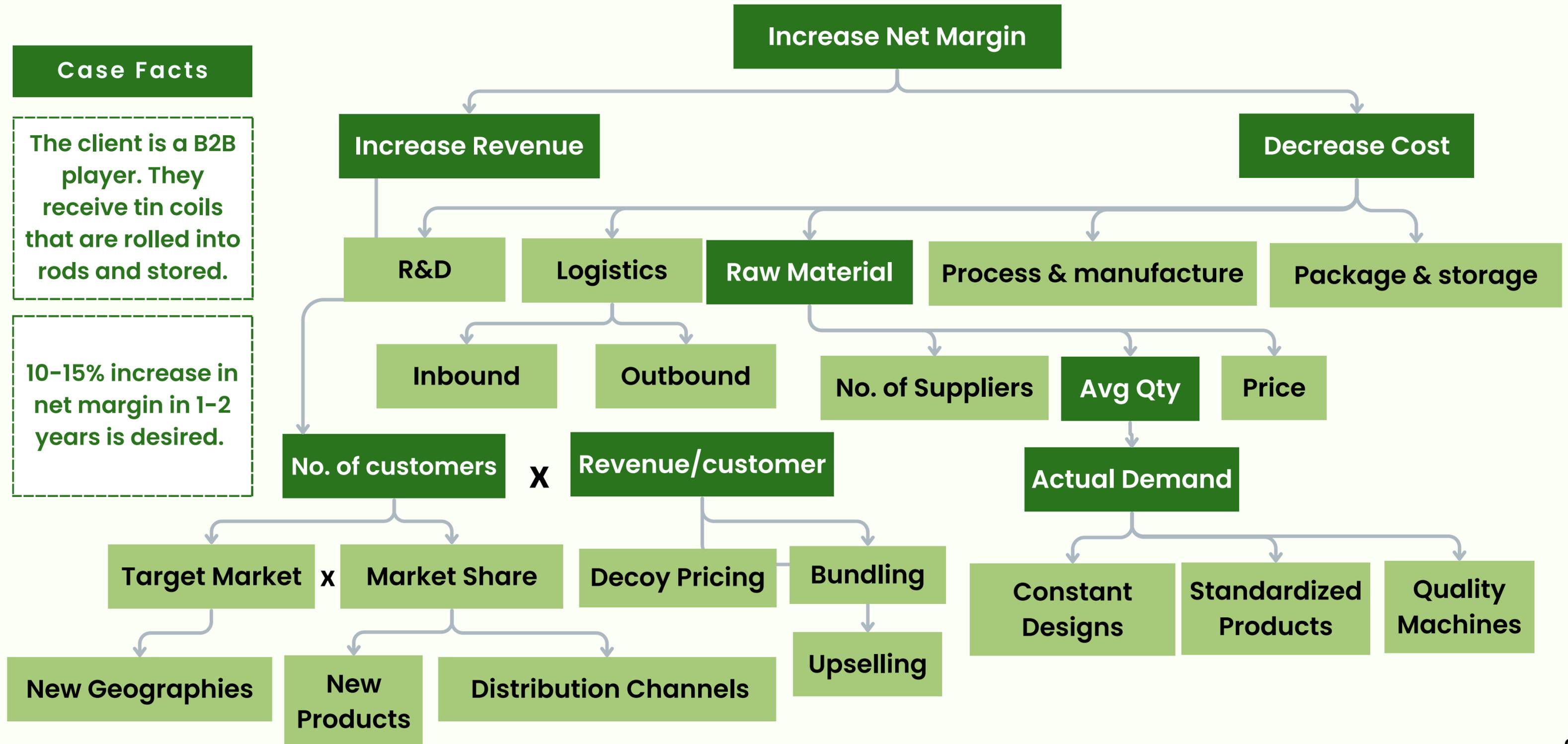
Understood, we can close the case here.

# Tin Sheet Manufacturer

## Case Facts

The client is a B2B player. They receive tin coils that are rolled into rods and stored.

10-15% increase in net margin in 1-2 years is desired.



# Cement Manufacturer

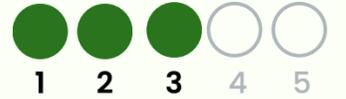
COMPANY

McKinsey

CASE TYPE

Growth

DIFFICULTY LEVEL



Your client is a cement manufacturer in north India. They had invested heavily in CAPEX, but expected sales weren't met. The overall industry works at an efficiency of 80%, but our client's capacity utilization stands at only 60%. Now, imagine it's your first case in McKinsey, and you're with the client's Plant Manager and 5 other employees. What will you do?

Oh, that sounds like a very interesting and complex scenario. Just to clarify, our client is a cement manufacturer and has committed funds to CAPEX but sales fell short. They work at a capacity utilization of only 60% vs. the industry average of 80%. It's my first case and I'm at the client's plant, what would I do?

Correct, what would be your very first steps, forget about everything else.

I believe as it's the first day, I'll discuss the problem in detail, and have the Knowledge transfer, as well as gather as much data as possible.

Good, that seems logical, now what do you think is our main objective?

I believe it's in two parts. Firstly, we have to identify the issue causing low capacity utilization, and secondly, propose strategies to remedy the same so that it's greater than (or at least equal to) the industry average of 80%

You've identified it correctly. Do note that, however, capacity utilization isn't low because the client can't produce

Then, is it because there isn't demand to absorb the production?

Exactly, now proceed.

Surely. So, the issue under sales can be broken down as the Number of units \* price. The Number of units is a function of supply, demand, and distribution. Now, even though costs aren't considered, if costs are high in turn causing prices to be very high, it can also be a driving factor resulting in units sold being less.

Interesting viewpoint. What about strategies to grow revenues?

Sure, it can be done via inorganic or organic routes. Under the organic route, we can further bifurcate it as Number of customers \* revenue/customer,

looking at target market \* market share % for the first one, and as revenue/client/transaction \* frequency of transactions for the second.

Understood sounds good. Let's focus on the distribution aspect for now under the number of units sold.

Surely. I have a clarifying question before we begin. What kind of distribution network is currently deployed by our client?

So, our client is a B2C player. It has a dealer network with which it operates. There are over 200 dealers across 50 micro markets. Competitors use a similar network but are still able to sell more than us.

So, I've broken down the strategies into 3 parts, being distribution, competitive analysis, and own network.

Under distribution, we can improve it by providing incentives to our distributors, both monetary and non-monetary.

Under competitive analysis, we can look at how our competitors' networks are spread out, which places they've targeted, their models & strategies, and their point of sales.

Lastly, through self-network, our client can open its own stores and operate using a hub-and-spoke model.

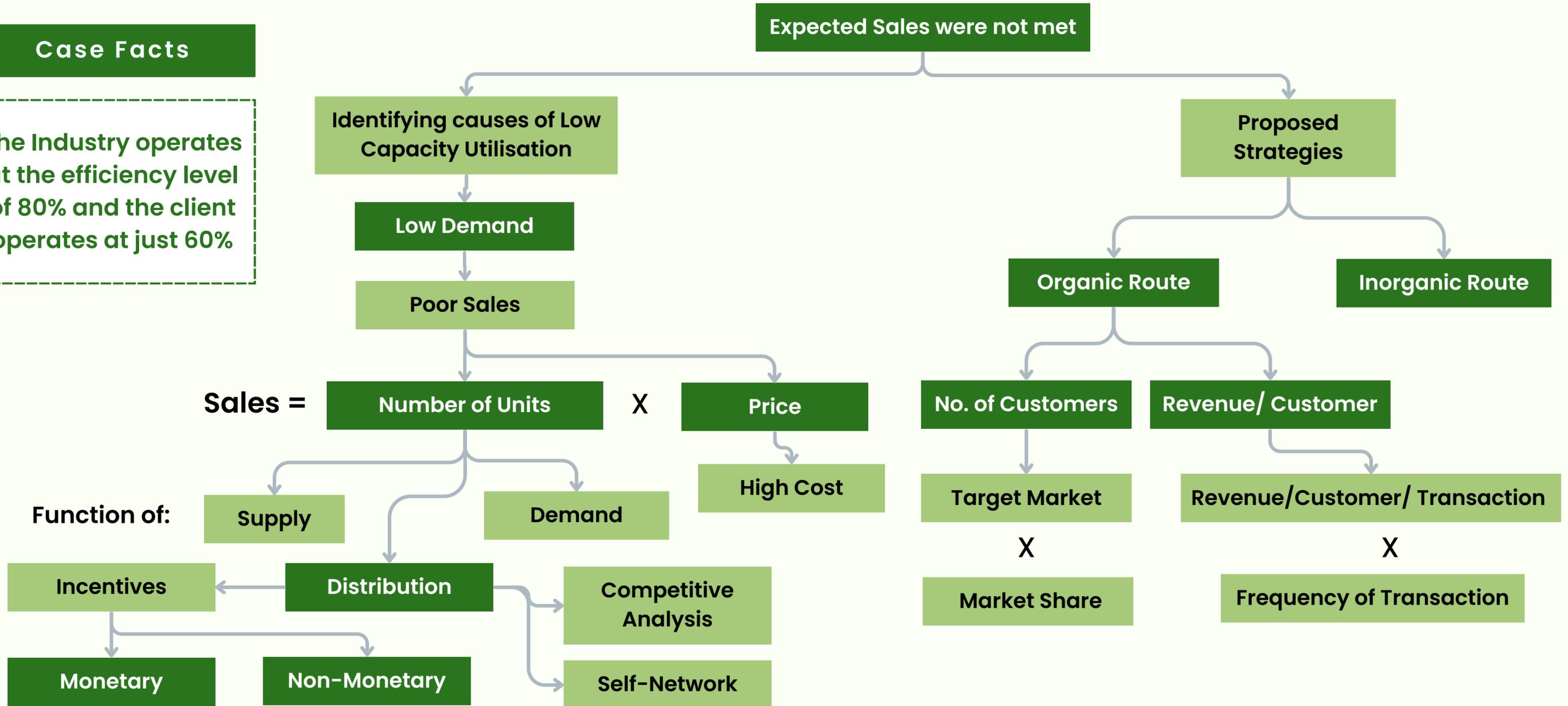
Great analysis! We can close the case here.

Thank you so much, sir!

# Cement Manufacturer?

## Case Facts

The Industry operates at the efficiency level of 80% and the client operates at just 60%



# Standalone Movie Theatre

COMPANY

MCKINSEY

CASE TYPE

Growth Case

DIFFICULTY LEVEL



Your client owns a standalone movie theatre in Bombay. He wants to grow his revenues and has come to you for help. How would you help?

Okay, it's a very unique case, heard of standalone theatre for the very first time. So, is it alright if I take around 30 seconds to gather my thoughts and ask some questions before I begin?

Yes that's correct

Who are the exact customers of the client and can I assume they have sources of revenue such as movies, advertisements, food, parking, and tickets?

You can assume them to be middle-to-upper-end classes, and yes, the sources of revenue are correct.

Also, can we consider my friend's competitors to be other movie theatre chains, multiplexes, and OTT platforms?

A hundred percent!

Lastly, what kind of increase is expected and over what time?

He wants to see a 2x increase over the next 3-4 years.

Alright, just this last clarification, since he's a standalone owner, I believe the organic route of growth would be suitable and appropriate, and not any inorganic route.

That sounds about right.

Sounds great, thanks a lot, that's all the information I needed. I have understood the situation at hand. I'll just take around 30 more seconds to structure my thoughts and come up with an approach to proceed with the case, is that alright?

For sure.

Alright, so I've broken down the organic route as growth from existing businesses or new businesses. Existing businesses would cover revenue from tickets, parking, food, advertisements, and movies. New businesses could comprise of things such as launching on OTT, home theatre screens, movie cabs, and hosting exclusive shows/concerts.

Revenue can further be broken down as  $\#customers * revenue/customer$ . Talking about  $\#customers$ , it's target market \* market share %. So, my friend can increase the target market by opening a theatre in a new geography. Or, for improving market share, he can introduce new movies/products, with varieties being hosting concerts, purchasing exclusive rights to certain shows, etc., or changing the way of provision to OTT

Very creative, and what about increasing revenue/customer?

Yes, it can be further broken down as  $revenue/customer/transaction * \#transactions/customer$ . First, upselling, bundling, quantity reduction, and decoy pricing can play a role. For the second, we can look at supply, demand, and distribution separately.

So, let's look at the supply aspect now

Okay. So the issue is in the distribution push. Do we need to focus on any aspect of distribution push?

Very well, let's deep dive into infrastructure now

So, I've broken down the infrastructure considering seats as a bottleneck. It could be written as  $\#seats * \%utilization$ . These can be improved by reducing the distance between seats as well as rows, expanding the walls of the theatre, and improving any bad quality seats.

Great analysis. But now, think of the revenue per customer per transaction. What is the very basic thing that can be done to improve revenues?

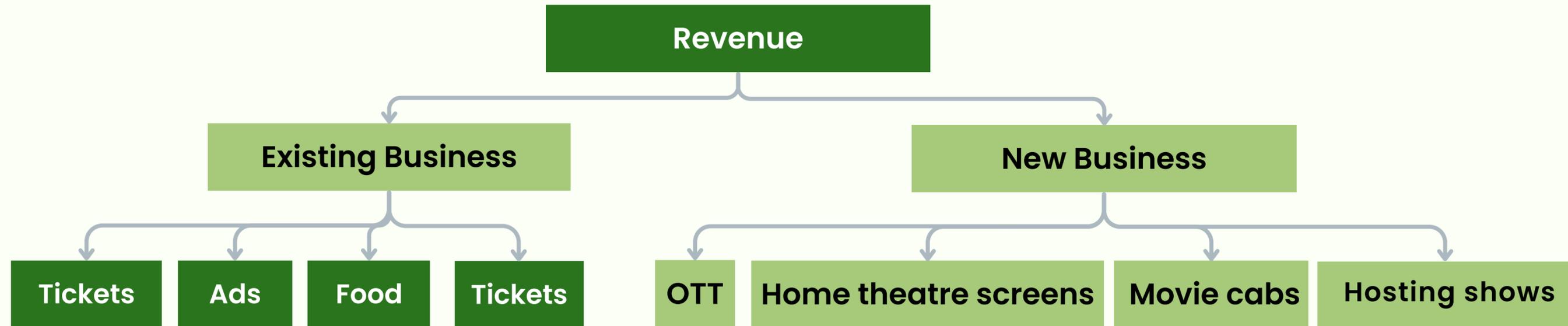
Differential pricing?

Absolutely. Good job. Now after all our discussion, you've given around 7-8 very innovative ideas. What would be the top 3 solutions as per your analysis?

In order of priority, I believe they'd be Exclusive screenings (for sports, concerts, shows, etc.) Differential pricing Increasing the seating capacity

Great, we can end the case here. It was great interacting with you.

Thanks a lot, sir, it was a pleasure to solve the case with you!



**Existing Revenue**  $\frac{\#Customers * Revenue}{Customers}$

**# Customers**  $Market * Market Share \%$

**Infrastructure**  $\#Seats * \%Utilization$

**Increasing Revenue**  $\frac{\#Customers * Revenue/transaction/customer}{Customers}$

- The market can be increased by opening a theatre in a new geography, or introducing new movies/products.
- The supply can be increased by reducing the gap between seats, expanding the theatre.

# Watch Manufacturer

COMPANY

ACCENTURE

CASE TYPE

Profitability Case

DIFFICULTY LEVEL



Your client is a watch manufacturer. They have been facing a problem of declining revenues. Identify the reasons for this decline and your recommendations for the same.

Sure, can I please ask some clarifying questions first?

Go ahead

Where is the company located? Where does it all distribute?

It's an Indian company and its distribution is pan-India.

Can I get the quants of the kind of decline that they've been facing?

The decline is pretty steep with about a 20 to 30% fall in revenues.

Okay, how long has it been since they've been facing this decline?

Two to three years.

All right. Are the competitors also facing a similar decline or are they immune to this?

They are facing a bit of decline but not as drastic as we've been facing.

Okay. My last question is what kind of products are sold and what is their price band?

The client sells basic analogue watches in the price range of Rs 1000 to 2,000.

Thank you for the answers. So, since this is a revenue-focused problem and revenue equal the number of customers x price of the product, on the number of customers side, the problem could either be on the demand side or the supply side. On the price side though, a fall in revenue could be because of a decrease in price. Which area would you like me to focus on?

Let's ignore the price. That has got nothing to do with the problem.

Understood. So, I am going to approach the number of customers by focusing on demand and supply. On the demand aspect, there could be a problem with the need, affordability, accessibility, awareness, and experience front. It is possible that people don't see the utility in the product anymore, and that's why they have stopped purchasing it.

There could be hampered accessibility by the number of stores going down or maybe, there's no online platform where they can hop on and buy the product.

Additionally, maybe they're not able to afford the watch even though there hasn't been any price change, but other factors could have led to it. For example, two years ago, during covid, a lot of people were unemployed and did not have a steady income source. On the awareness front, maybe we're not marketing the product enough and people just don't know about it. Though, at the same time, maybe our competitors are doing very aggressive marketing because they're not seeing as much of a change as we are.

On the experience front, maybe the customers are not satisfied with the kind of experience we're offering, be it the after-sales services or from the moment they walk into the showroom and are not satisfied because of which they are not recommending our products to others. Thus, Word of Mouth marketing is being hindered and on top of that, the old customers are not coming back to us either.

On the supply side, there could be a problem either on the distribution front or the production front. What would you like me to focus on?

**Let's first focus on the production aspect of supply.**

All right. I have identified a value chain and am going to discuss the same, beginning with research and analysis. So, maybe they are facing a problem with the research and development of the project because of which the production process is being hindered, Moving on to the raw materials, maybe they're not able to procure the raw materials as efficiently as they were able to do before. .

Then, for the labor aspect, maybe the labor has become more costly because of which they have had to introduce limited supply, or maybe the labor is not as easily available as before.

Next, can be the production aspect like the factories' process has been hindered. And that could be because of several reasons wherein either the machinery could be outdated or the machinery could be new but the workers haven't been trained on how to work around this new machinery. And that's why the production process is being hindered.

The powering of these machines could be hindered, which essentially means they don't have a steady power supply, which can fuel these machines and get them going. Or fewer machines are being employed which again is affecting the production process.

**Okay. But now we can focus on the need aspect of what you talked about in demand.**

Sure sir. Can I ask a question before that?

**Sure.**

You said the company has been facing a decline in revenues for the last 2-3 years. Is it because of the smartwatches which have come up around the same time?

**Why did you ask me this question?**

The sale of analog watches or the revenue from them will decline, maybe because people are investing their money in their competitors which are smartwatches that were brought into the market during the last 2-3 years.

Okay. So this was essentially the answer to this problem because of smartwatches people are no longer buying analog watches as much as they used to. What recommendations would you give to the company now?

Sir, I will divide my recommendations into two aspects - short-term and long-term.

In the short-term aspect, firstly newer attractive designs could be brought into the market. Because at the end of the day, it is also a lot about whether the customer finds the product aesthetically pleasing. Even if I don't have any use for an analog watch, I still might buy one if I feel that it will look trendy.

Second effective marketing. If you're marketing your product well, people are going to come and buy the product. And one way, how this could be done is through the use of influencers because we buy a lot of the products when we see them on our favorite influencers, models, or actors. So maybe by partnering with them, we could further the marketing aspect, if this wasn't already looked at.

Next was that we could have promo codes of the sort wherein suppose if you're buying a watch, they are going to give the customer a promo code that will get them an additional discount on their next purchase or if you've already bought a watch, say, for a man you will get an additional discount if you choose to buy a watch for a woman as well.

We could also partner with other brands perhaps. So for example, if we partnered with a sunglass manufacturer, and if we combine these two products and we sold them as a combo or, as a gift pack then maybe the sales will increase because it brings together the loyal customer base of both companies together and it boosts sales for both the companies. We're not partnering with the direct competitor, but with someone who's completely away from our field of work.

Last but not the least, Events. So you know how when you go to the Mall, sometimes all these events are happening or even in societies. So maybe the company could organize something similar, which could again boost its sales.

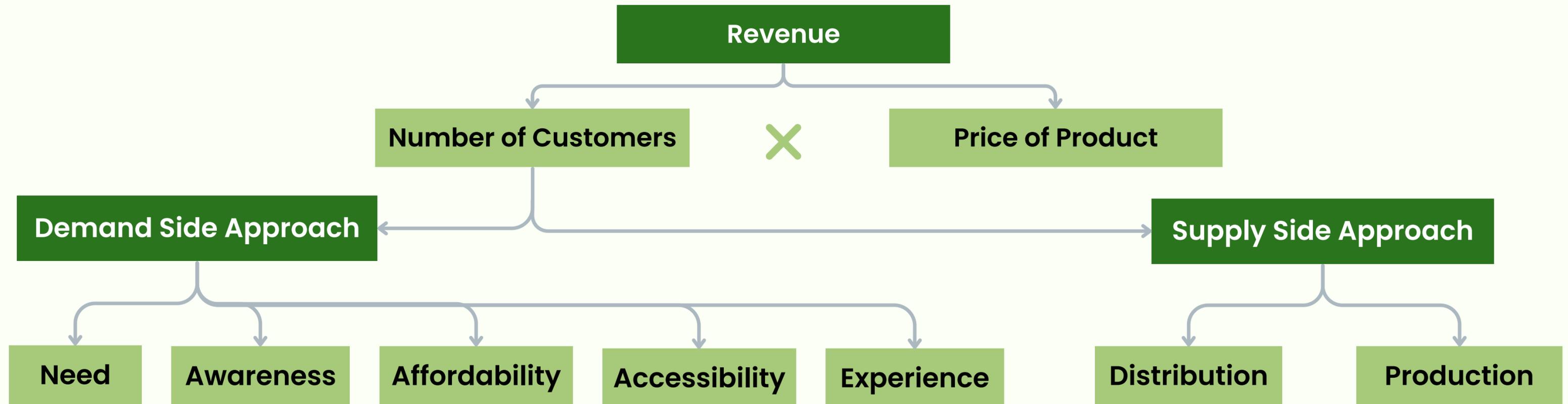
These were my short-term recommendations.

For the long-term recommendations, of course, we need to change with time and reason. So you said that they've been facing a decline in revenue for the past two-three years. Has this been, since the time smartwatches have come up?

for declining sales is the lack of Smart Watches. So maybe we could introduce a range of Smartwatches in the future  
Second, luxury analog watches. So the current range is limited to basic analog watches which are in the price range of 1,000-2,000. Now, of course, it will be a very lengthy process but maybe you could first create a niche first in analog watches by selling luxury watches as well. Because from my experience, a lot of rich people like models, actors, etc wear a lot of analog watches. You don't really see smart watches on their hands when they are posing for photos. So we just have to expand that further.

ird, enter into new market segments. Because a lot of people give their grandparents watches and grandparents won't really be interested in smartwatches. So maybe focus on people who will buy more analog watches and one of the target groups could be grandparents. So if you are not already focusing on that, direct your marketing in such a way that not only, but specifically focuses on grandparents and people might think that it's a great gift for their grandparents and will come to you and they buy it. Maybe you could introduce such watches also which will be comfortable for just that age group. So grandparents were just an example, but they could be from several age groups, right from children to the elderly.

That will be all for my long-term recommendations.



## Short-term recommendations:

- Introduce newer and attractive designs to the market.
- Use effective marketing strategies, such as partnering with influencers and offering promo codes for discounts.
- Partner with other brands to sell combo products or gift packs.
- Organize events to boost sales.

## Long-term recommendations:

- Introduce a range of Smartwatches to address declining sales.
- Expand the product range to include luxury analog watches and create a niche in the market.
- Enter into new market segments

# Industry Analysis Case

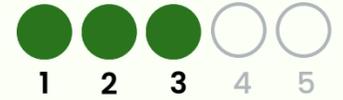
COMPANY

Bain Capability Network

CASE TYPE

Unconventional

DIFFICULTY LEVEL



Prepare an outlook of the online education industry. And what is your opinion on this industry?

So, I will list different aspects of this industry. These are growth/future outlook, government's intervention in the industry, competition and operational constraints. I will go on to elaborate on each of these.

Yes, please go ahead.

In terms of government intervention and support, there hasn't been any direct push by the government towards online education but the government is promoting education in general as a basic human right, and this plays out well for the online education industry as well.

Okay, please elaborate on other aspects as well.

So, as far as the future outlook is considered, I think it is very positive because first, government is supportive towards education, so that is a push. Secondly, COVID has given a big boost to online education as a lot of offline learning facilities are shifting to online. So, the growth aspect is very positive for a country like India.

Alright, go ahead.

If we consider the operational constraints, then there are two major things to be considered. First, access to devices, since 25% of the Indian population is below poverty line, they can't afford to buy devices for their kid to study and they might face difficulty in the same even if they are above poverty line. Secondly, internet penetration in India is quite erratic and is not uniform.

Fair, please elaborate on the last aspect as well.

So, the competitors can be divided into two categories. One that have Product as a Service (PaaS) such as Byju's. There are a lot of competitors in this space. Another category is the one that has Software as a Service (SaaS) such as Classplus where they give a platform to the educators to come and teach. There are relatively less competition in this category.

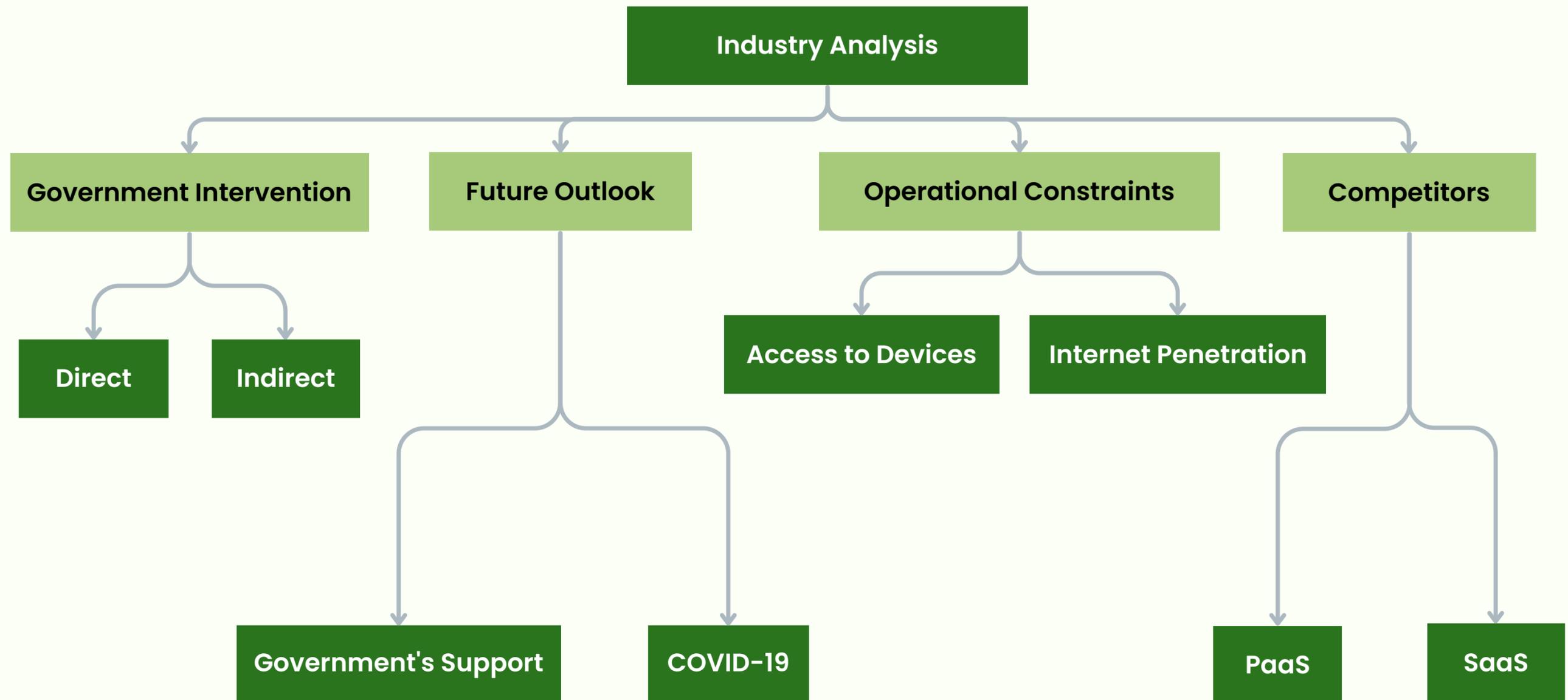
That was a fair analysis.

# Industry Analysis Case

## Case Facts

Company wants an analysis of the education industry.

The company also wants to know your opinion on the industry.



# Dairy Chain Expansion

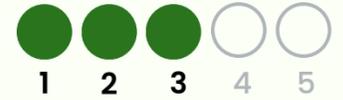
COMPANY

Bain Capability Network

CASE TYPE

Unconventional

DIFFICULTY LEVEL



Your client is a dairy chain currently operating offline and they plan to expand their operations online. What would you suggest them - should they choose to be on an aggregator platform (such as zepto, instamart etc.) or should they make their own application/website?

So, I have to devise an online expansion path for an offline dairy business. Right?

Yes, that's correct.

Alright, so I have some questions before I move ahead with the case.

Sure, go ahead.

What kind of business does the dairy have - is it a local dairy or a big company with pan India reach?

It is a local dairy based out of Mumbai.

Are there any financial constraints?

No, there are no such constraints.

What is the objective of expansion? Is it just to expand their customer base in Mumbai or spread it throughout the

country?

They want to expand their customer base only in Mumbai. Their distribution channels are in Mumbai only and they would want to use it to their maximum capacity as they are being underutilised.

Okay, so I think here are the factors that should be considered while deciding whether the dairy company should make their own platform or use existing platform such as Zepto, Instamart etc.- IT Infrastructure, financial aspect, operational Feasibility and human resources. I will analyse them one by one and compare both the aspects to decide which one to go ahead with.

Okay, sure. Go ahead.

If the business has an IT infrastructure in place for building their own application, then they can go ahead with doing so. Otherwise, they will have to list their products on other platforms.

Okay, go on.

We already know that there are no financial constraints. But when I am considering the financial aspect, I am looking at the cost-benefit analysis here. So, we will have to look at the cost the company will incur if they list their product on a third-party platform and the cost that they will incur if they choose to build a platform of their own and then compare it with the benefit that we get from the two.

Yes, that's correct.

To analyse operational feasibility, we can divide operations into three parts - production, distribution and sales. Choosing either platform will not impact the production, so from production point of view, the client is indifferent. Again, the client is indifferent in terms of distribution because the client has several small branches across mumbai and they will be able to cater to their customers customers even if they choose to build their own platform. But in terms of sales, there will be a lot of difference in the two platforms. In case of third-party platforms, they have their own customer base and its very large as compared to the client's own customer base, so if the client chooses to go ahead with third-party applications, they can avail benefits of the same. And the client will face one more issue in terms of sales if they choose to go ahead with their own application; they will find it difficult to persuade the customers to download the app for just one vendor.

Okay, please go on to analyse the last factor as well.

In terms of human resources, the major difference will be for the delivery personnel. If the client chooses to go ahead with their own application, they will have to hire their own delivery personnel which will then add to their costs. Putting all of these factors together, I think that the company should list themselves on a third-party application instead of making their own application.

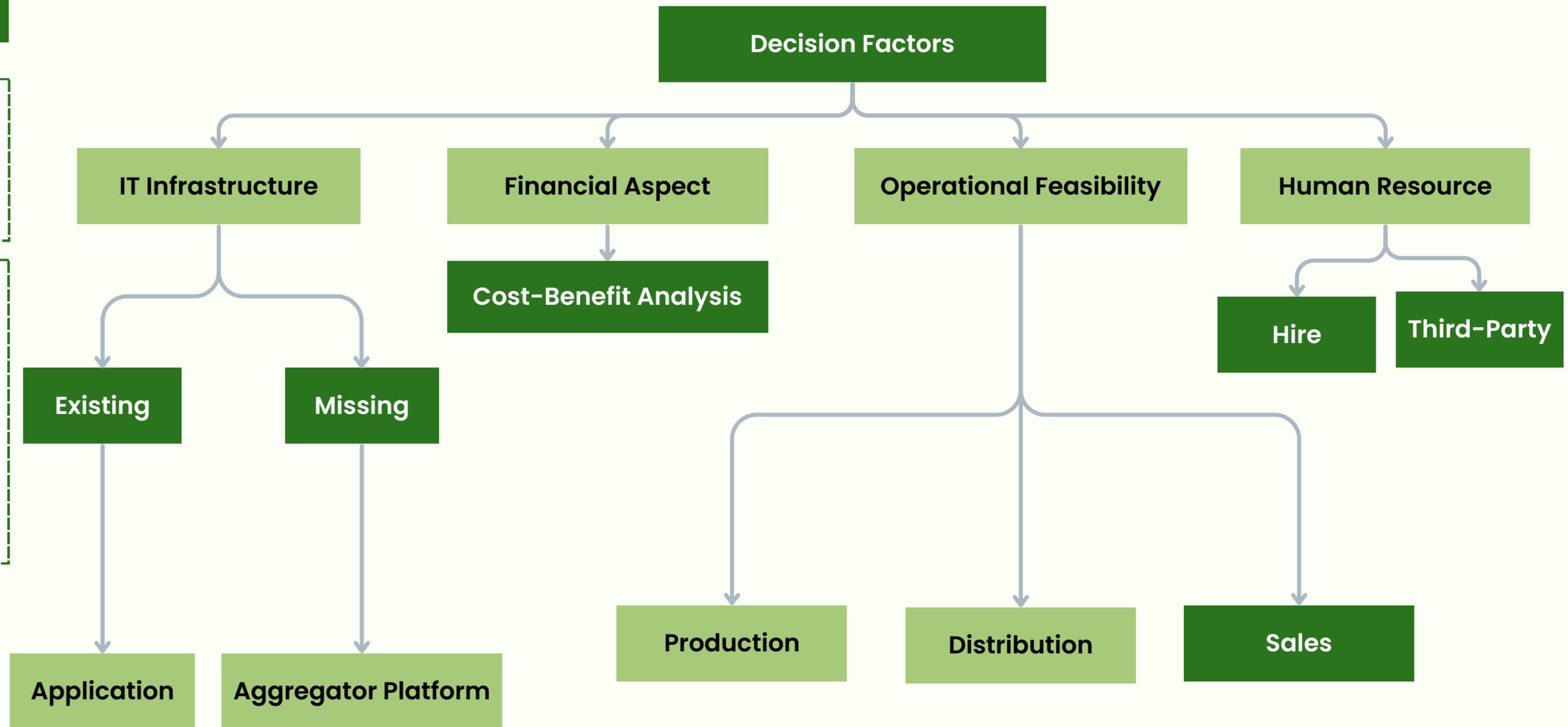
Alright, good job.

# Dairy Chain Expansion Case

## Case Facts

Company is willing to establish online presence.

Two significant alternatives - list on an aggregator platform or launch its own application



# Cement Manufacturing Company Case

COMPANY

Boston Consulting Group

CASE TYPE

Profitability

DIFFICULTY LEVEL



Let's begin with the case study round. Your client is a cement company which has been in business for 2 years. The client majorly operates in West Bengal, Bihar, Chhattisgarh and Jharkhand. It has a capacity of producing 5 million tonnes of cement but it has been able to sell only 2 million tonnes. It is suffering losses because of the same. Identify the problem leading to this.

To reiterate, my client is a cement company which has been in business for 2 years operating in West Bengal, Bihar, Chhattisgarh and Jharkhand. It has a capacity of producing 5 million tonnes of cement but it has been able to sell only 2 million tonnes. It is suffering losses because of the same. I need to find out the problem leading to this.

Yes, that's right.

Okay I have a few preliminary questions. Who are our customers?

20% of your customers are large contractors while 80% are individual units demanding in small quantities. The competitors have the same customer composition.

What are the distribution channels that we use?

Our main channel of distribution are third party dealers which have multiple brands in their shops and showrooms.

What is the state of competition in the market?

There are 4 big players having 50% of the market share and numerous small players holding the remaining 50%. Your client belongs to the second category.

What are the different products the client has?

The client just deals in generic cement.

What is the price of our product?

Our product is sold to the third party at Rs 360 and to the customers at Rs 385. The competitors sell it to the third party at Rs 380 and to the customers at Rs 400

So clearly we have a pricing advantage. Okay I would approach this through a revenue framework. Revenue = Quantity x Price Since price is not the problem, we can take up quantity. Quantity can be divided into large scale demand

and small scale demand. Are those fair assumptions?ts on other platforms.

Yes, the large-scale demand is fine. Take up the small scale demand.

We can approach the small scale quantity demanded through three approaches- demand, supply and middlemen. The factors affecting demand are accessibility, affordability, awareness and experience. The factors affecting supply are production costs, inventory, competitors and raw material availability. The factors affecting middlemen are costs of handling, the convenience of packaging and incentives- both personal and impersonal.

The demand and supply side are fine. Take up the middlemen approach.

Some of the factors affecting a middleman to buy a specific brand of cement are price of the product, packaging, awareness of different brands as well as expert advice from wholesalers, contractors or personal relationships. Does the third party deal more in the 4 big competitors or the numerous small brands?

The third party deals more in the 4 big competitors.

Okay, I think I have identified the problem. The problem why the third party is not promoting our product sales is because the volume with the big players is high. When such high volume is moved, the third party will earn more and they will also be able to maintain and build relationships with such big players which is always desirable.

That is fair. Okay if the client wants to raise its MRP. What price will you suggest?

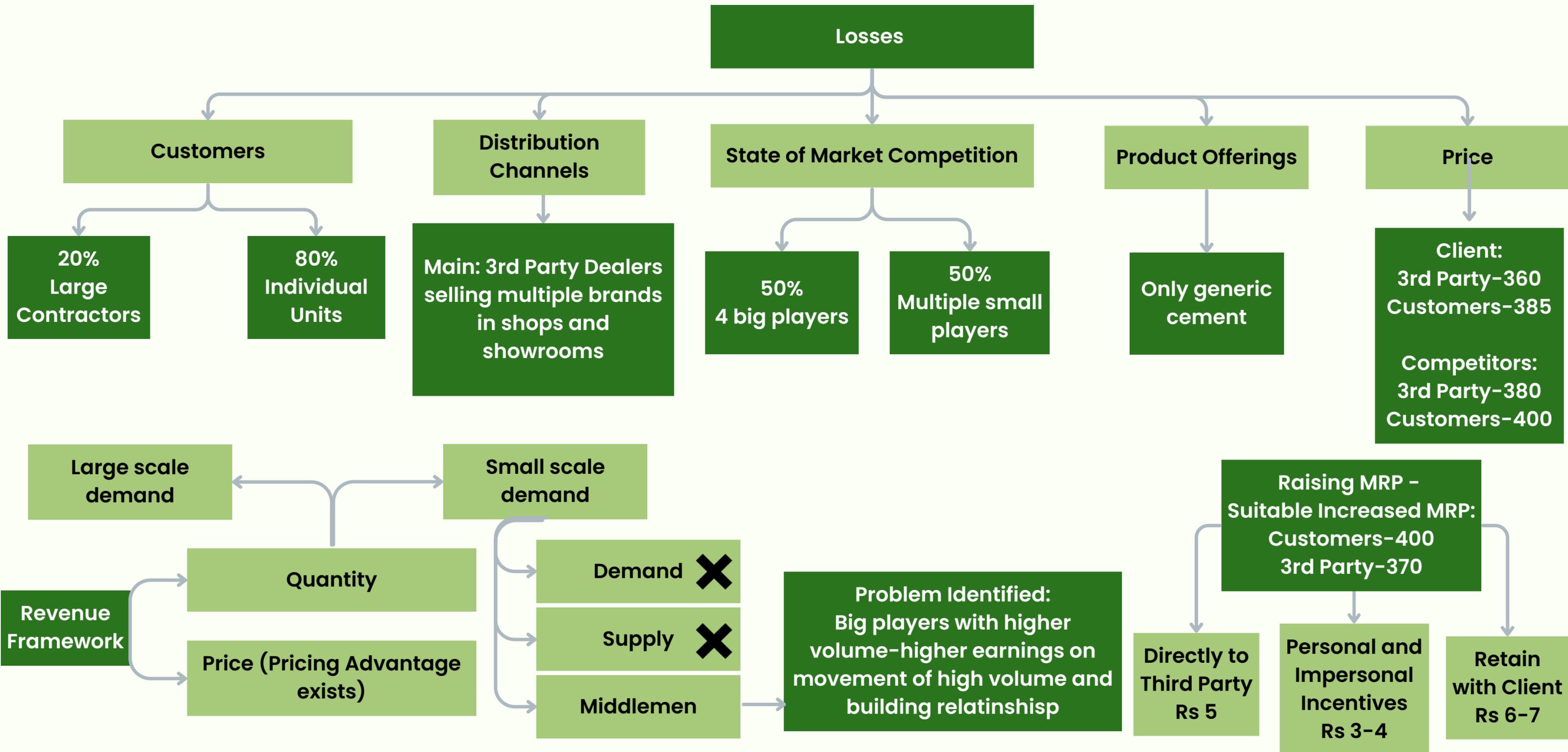
I think as our competitors are, the product should go to the customers at Rs 400 and we should supply it to the third party at Rs 370. This gets us an additional RS 15. Out of this Rs 15, I think we should give Rs 5 to the third party directly and keep Rs 10 with ourselves. Out of this Rs 10, we should use another Rs 3-4 to provide incentives to the third party both personal and impersonal.

If you are giving the third party an additional of Rs 3 then why not give them Rs 8 directly in the first place?

It is a psychological effect that a gift creates. It brings a greater sense of gratification in the other party.

Thank you, that will be all.

# Cement Manufacturing Company Case



# Amazon Warehouse Case

COMPANY

FSG Advisory

CASE TYPE

Unconventional

DIFFICULTY LEVEL



Your client is Amazon with warehouses spread across the country. The company is profitable and scaling at a good rate. But you see that the number of females working in these warehouses is less than 5%. Devise a strategic plan to correct this.

So I would like to ask a few preliminary questions to understand and delve deeper into the problem.

Sure, go ahead.

Are the warehouses spread across urban and rural areas or are they concentrated at one place?

The warehouses are equally spread across all regions. Let's introduce your first role play where you have to interview a warehouse manager.

Okay, my first question would be Is the issue that women are not getting employed or is the women turnover high?

Women are not being employed in the warehouse in the first place. But the women turnover ratio is also high.

Are the warehouses spread across urban and rural areas or are they concentrated at one place?

The management has never really given it much thought.

Okay, I can identify a few problems from this. The reason for females not being employed might be the following. Firstly, there might be a lack of awareness among both females and the organization about such job opportunities.

That seems correct. What else?

Yes, further, the HR might be biased and may have a preference for males while hiring the employees and the women turnover ratio might be high.

Why would that be so?

Due to poor accessibility like lack of transportation, lack of sanitation and daycare facilities or the environment is not supportive enough, like the behavior of male employees might not be appropriate towards females. Are these fair assumptions?

Yes they seem pretty fair. I like your HR based approach. Your second role play is to interview the HR manager.

Okay, firstly I would like to ask what the ratio is between male and female applicants for the warehouse?

There is a 60-40 divide between male and female applicants respectively.

Secondly, why do women not get employed if 40% of the applicants are women?

The work of a warehouse involves a lot of heavy lifting and carrying and this work is done better by men. The company cares about profitability and the worker composition does not play much significance in that.

Okay, I think I am ready with my solutions to increase female workers in warehouses.

Firstly, I think HR is not concerned with gender equality and for that we can show them data points of real life success stories and examples of companies or organizations which soared with increase in female workers. We should show them that women compliment men

Alright, go ahead.

Secondly, the manager said that the warehouse work included only lifting and carrying. So we can have training sessions for women to help them with this work which minimizes effort. Moreover, we can employ women in different job roles like finance, human resource management, general management etc.

That seems correct. Anything else?

Yes, third, if the company is scaling well, they can introduce technological ways of carrying and lifting like mechanical lifts or certain vehicles which increase efficiency and women can be trained for these.

Also, lastly, sanitation facilities and daycare facilities should be introduced and a positive mindset must be created which can be done through spreading awareness through tools like workshops.

Great, we can conclude the case here. Well done!

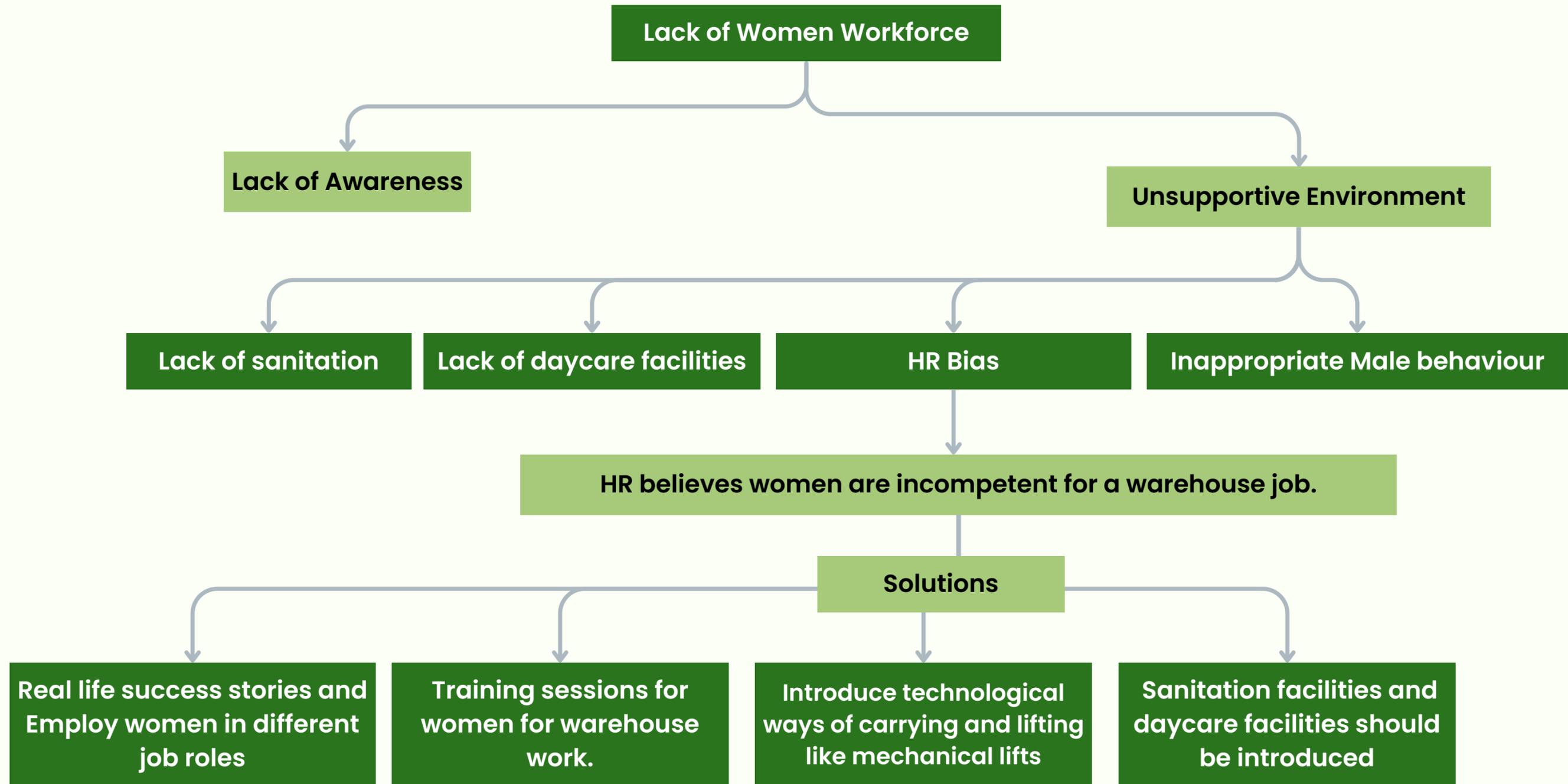
Thank you for your time.

# Amazon Warehouse Case

## Case Facts

The number of females working in these warehouses is less than 5%

There is a 60-40 divide between male and female applicants respectively.



# Private Life Insurance Player

COMPANY

Bain Consulting Group

CASE TYPE

Growth

DIFFICULTY LEVEL



Our client is a private life insurance player in India whose growth has slowed down in the past one year. Find out the problem and give solutions.

So I would like to ask a few preliminary questions to understand and delve deeper into the problem.

Sure, go ahead.

Thank You! Growth in what sense and do we have any quants for growth decline?

Growth in revenues and that has gone from 12% to 9%

Do we have any target? Where in India is the client operating? Also, who are the customers?

Yes, to take it back to 12% or higher. The client is operating in pan-India and the target customers are the 25+ years age group.

What is the growth rate for competitors and have they seen a similar decline in growth?

No, clients are growing at 12% which is the industry's average growth rate.

What kind of products does the client offer?

Just one offering, a basic life insurance policy.

My framework is based on revenue growth since that is the primary problem. For that, either organic ways like geographical expansion, increasing premium charged per customer or number of customers, or inorganic ways like horizontal or vertical expansion can be adopted. Since it is an insurance player, I am assuming that premium is the main revenue stream.

Yes, that is a reasonable assumption.

Does this framework seem fine or do you want me to focus on any particular aspect?

This framework looks fine, however, I want you to first analyze why the growth rate has fallen.

Alright, so, Total Premium = No. of Policy Holders \* Premium per Policy Holder over a period of time. Since the average premium is self-explanatory, I will be looking at the number of policy holders from the demand as well as supply side. At the supply side is the process of customer acquisition wherein the employees at the call center call people from the company's database of potential customers. They interact with the person, which would either lead to that person visiting the office/company outlet for finalization and payment or it drops off. Then, if there are any supplementary policies provided after the finalization stage.

Alright, you can move forward.

On the demand side, I will be considering the following 6 factors: need for policies, awareness for policies like whether people know about the kind of policies provided by the company, accessibility for policies like whether the outlet is located at a secluded/easily accessible place, affordability and last, experience. Do you want me to focus on any particular aspect?

This seems to be a pretty good framework. Now, let me tell you what the client actually does. There are 4 ways for sale of policies: agency demand, bank relationships, call center and online sale.

Have you seen a fall in demand for any of these?

Yes, with call centers.

Looking at the number of customers acquired through call centers, the important factors are - quality of database which should be based on the target customer group and quality of call interaction which depends on the cordiality of the sales person, call transfer from call center to sales team which is more well-versed with the nuances of the policies and negotiations and lastly, finalization steps like payment.

All the factors you mentioned are fine except for call interaction.

Alright, so this would again depend on 2 factors: no. of calls and quality of interaction.

Problem is with the number of calls.

I think the number of calls made = no. of employees\* no. of working hours per day\*no. of working days in a particular period\* no. of calls per hour

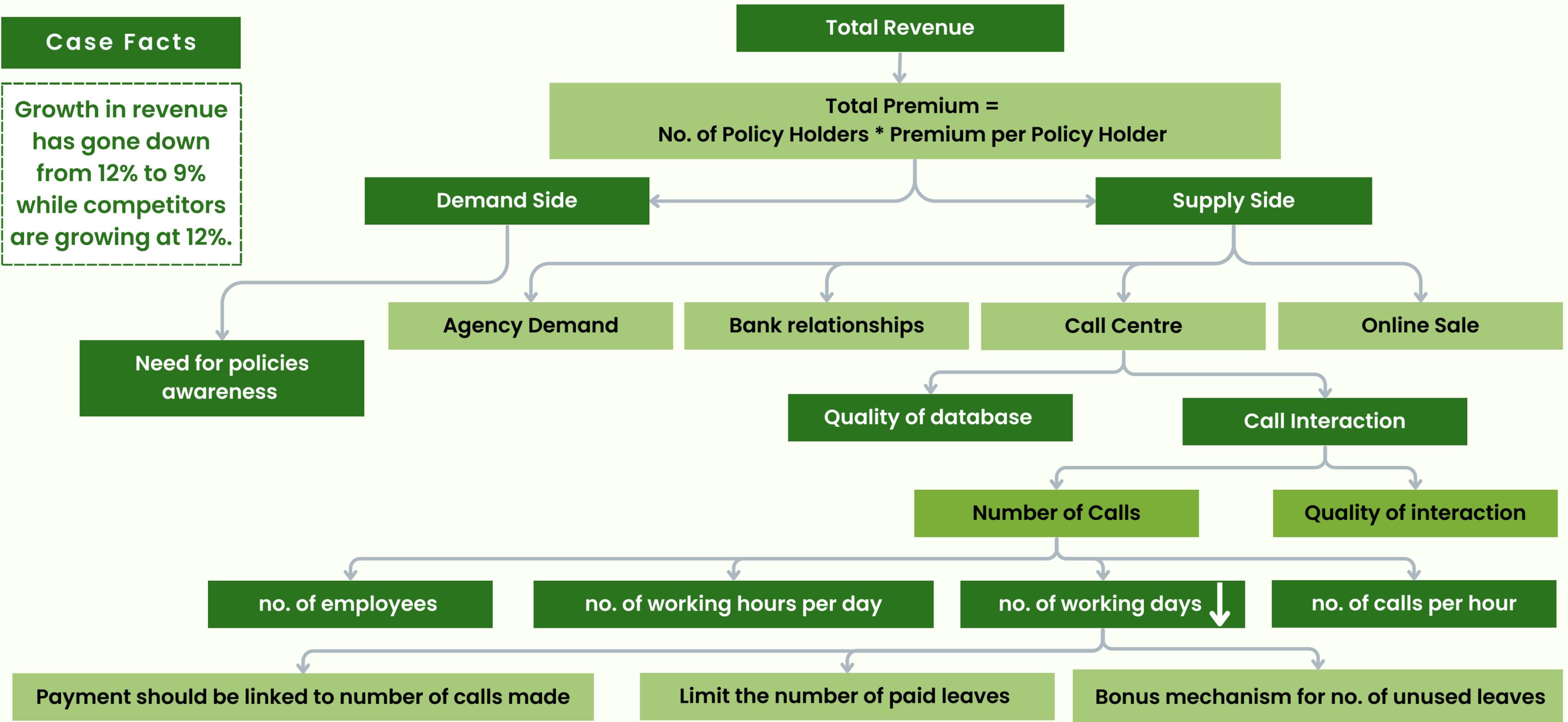
Here, no. of working days has fallen due to the recently released labour policy of no pay cut on taking leaves. Employees have been colluding amongst themselves and collectively working for only, let's say 4 out of 6 working days. What can you do to resolve this? But remember, the policy can't be changed.

So, I have 3 final solutions. Firstly, payment should be linked to the number of calls made or conversion rate of calls. Second, we could limit the number of paid leaves that an employee can take. For instance, an employee can take 3-4 leaves a month after which he/she would face pay cuts. Finally, we could launch a bonus mechanism for no. of unused leaves: for example- 5000 for 0 leaves, 3000 for 3-4 leaves and no bonus for more. That would be my final solution.

# Private Life Insurance Player

## Case Facts

Growth in revenue has gone down from 12% to 9% while competitors are growing at 12%.



# Beat China's GDP

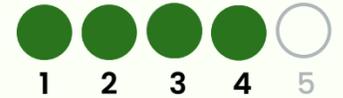
COMPANY

Kepler Cannon

CASE TYPE

Unconventional Case

DIFFICULTY LEVEL



Your client is Narendra Modi and as a consultant for the government of India, you have been approached to increase the GDP of the nation and beat China.

So, When you're mentioning GDP, I am assuming that you mean real GDP and not GDP increased due to price hike.

Yes, we need to increase the production

Fair enough. Is there any magnitude by which we want to beat China?

No, no such border to beat by.

Are there any financial or operational constraints that we have to keep in mind?

No such constraints

Okay, is there any time period in which we are looking to achieve the same?

We are looking to achieve the same in about 4 years.

And lastly, is the increase in GDP sector specific, Like do you just want it for primary, secondary or the tertiary sector

No such sector specification.

Do we just consider domestic production or should we consider exports too?

Just consider the domestic production

Okay. So, GDP is the sum total of the goods which are produced and consumed in a country. We can divide this in Two brackets: production and consumption. Since we are not looking at any particular sector as such, I will be mentioning all the three sectors: primary, secondary and tertiary. Firstly, the primary sector. The farmers should be incentivised not just in cash or kind, but also their families getting better facilities, so that they are encouraged to use modern inputs for agriculture, number one. Number two, an easier way to provide agricultural loans. And number three, rapid expansion technology compared with the USA.

Sounds good, what about the other sectors?

Coming to the secondary sector, since my parents are from a business background, I will be speaking about small and medium scale enterprises here. I feel getting access to legit finances is difficult over here. So, if a proper online portal can be made in which finance is easily available and if there is enough transparency so that every firm is aware about the credibility of other firms as well, this would really help us.

Although it might be a breach of privacy for some, by digital data prediction and other techniques we can figure out a solution. Apart from this, if we want to import machinery and other assets, we can give incentives for import substitution and promote making these in India so that from start to end in the production cycle, everything is made in India and dependency is reduced.

That is fair.

I am not very well aware about the tertiary sector but I feel like the people here are overburdened, which is why we see events happening where the longevity of the life of corporate workers is decreasing rapidly, so probably better working conditions for people working in this sector is of utmost importance because it is the people in the sector who are responsible for increasing production and in turn, money generation.

Nice thinking.

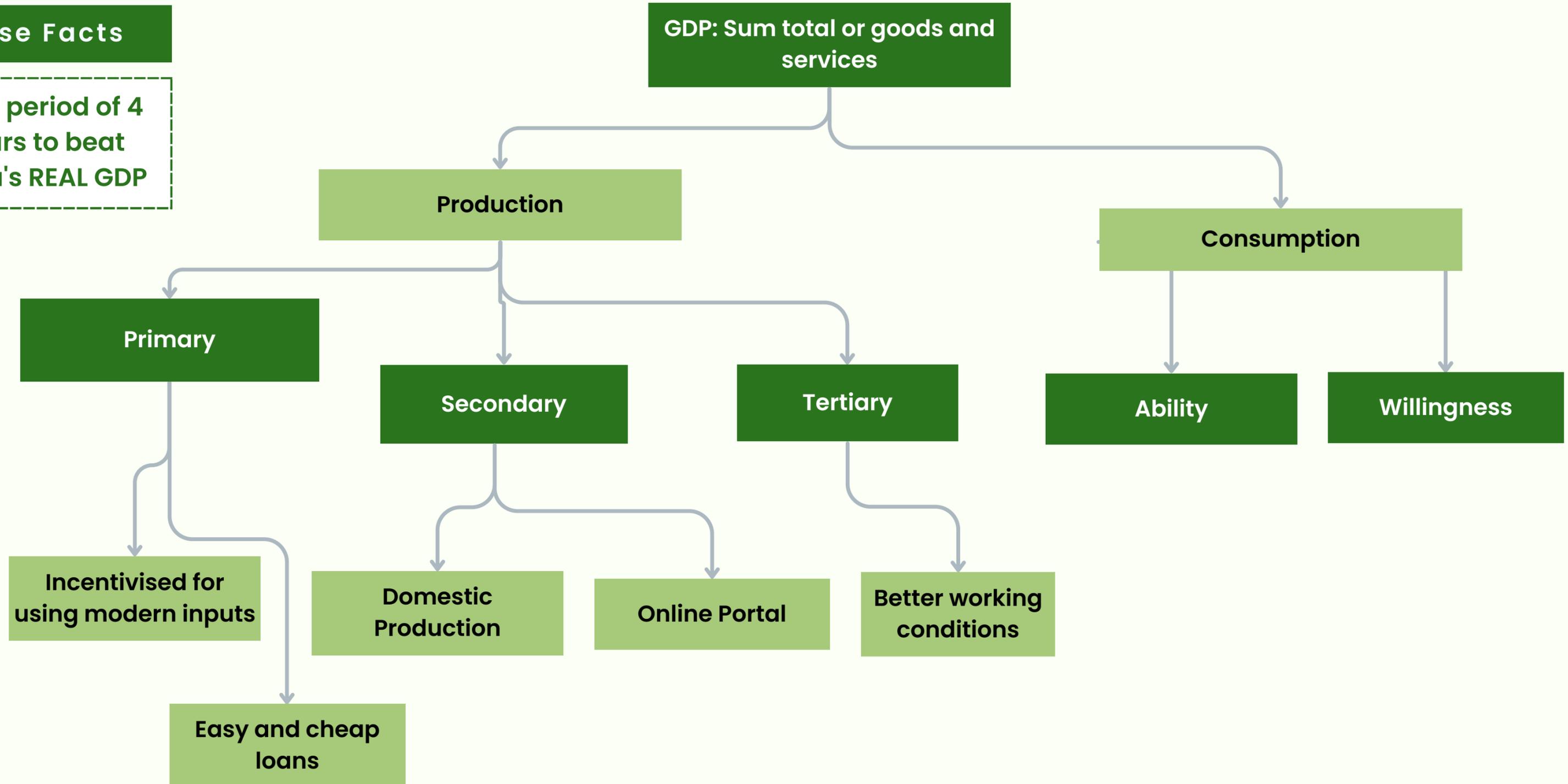
Now for consumption, from the point of view of an individual consumer. There are only two factors which can possibly affect the consumption decision that is ability and willingness. If we want to increase the ability, we have to increase the employment opportunities and increase the cash flow in the hands of the people at all levels of income. Coming to willingness, we need to promote the 'swadeshi products' of the country. We also need to market these well. That's it from my side. Do you want me to dive deeper into any of the segments?

We can end the case here.

# Increase India's GDP

## Case Facts

Time period of 4 years to beat China's REAL GDP



# Sustainability For Flipkart

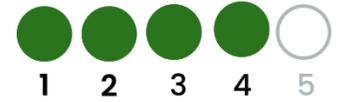
COMPANY

Bain & Company

CASE TYPE

Unconventional

DIFFICULTY LEVEL



Imagine that your client is Flipkart who wants to move towards sustainability, both environmentally and socially. How would you help them?

I would like to confirm some facts before I begin, is it alright?

Sure, go ahead.

What is the objective behind such a proposed move, and has anything similar been done historically?

Even though Flipkart has not done any similar change previously, its competitors have shifted towards sustainability, and are getting good returns or profits, hence the objective to shift towards a sustainable business

Oh, seems logical. Just one last clarification; we're talking about only the Indian operations and that too for Flipkart's main delivery business, and not any subsidiary operations or sister companies?

Absolutely correct

So, I believe we can look at the objective in two parts, first environmentally, and then social and governance POV combined. Under the environment, I'd like to break it down into sort of a value chain, and under the second one, we can look at company, customer, and products

I like the value chain part, so let's focus on that for now and circle back to the other later.

I've divided the value chain into 3 parts; prerequisites, during operations, post-delivery. Under prerequisites, I'd consider materials, suppliers, logistics plus transportation, and R&D. Under operations, I'll consider storage, packaging, inventory management, processing, tech side operations, and outbound logistics. Lastly, I'll consider reverse logistics and customer service under post delivery phase.

Looks very comprehensive, let's go one-by-one starting with prerequisites

Under materials or products, we can have clean, green, cruelty free, and products with longer shelf life. Under suppliers, we can convince old suppliers using incentives, or tap new suppliers who abide by sustainable practices and provide clean products. Under logistics and transportation, we can either shift to EVs, or move from marketplace model to inventory model.

How would a shift in model help here?

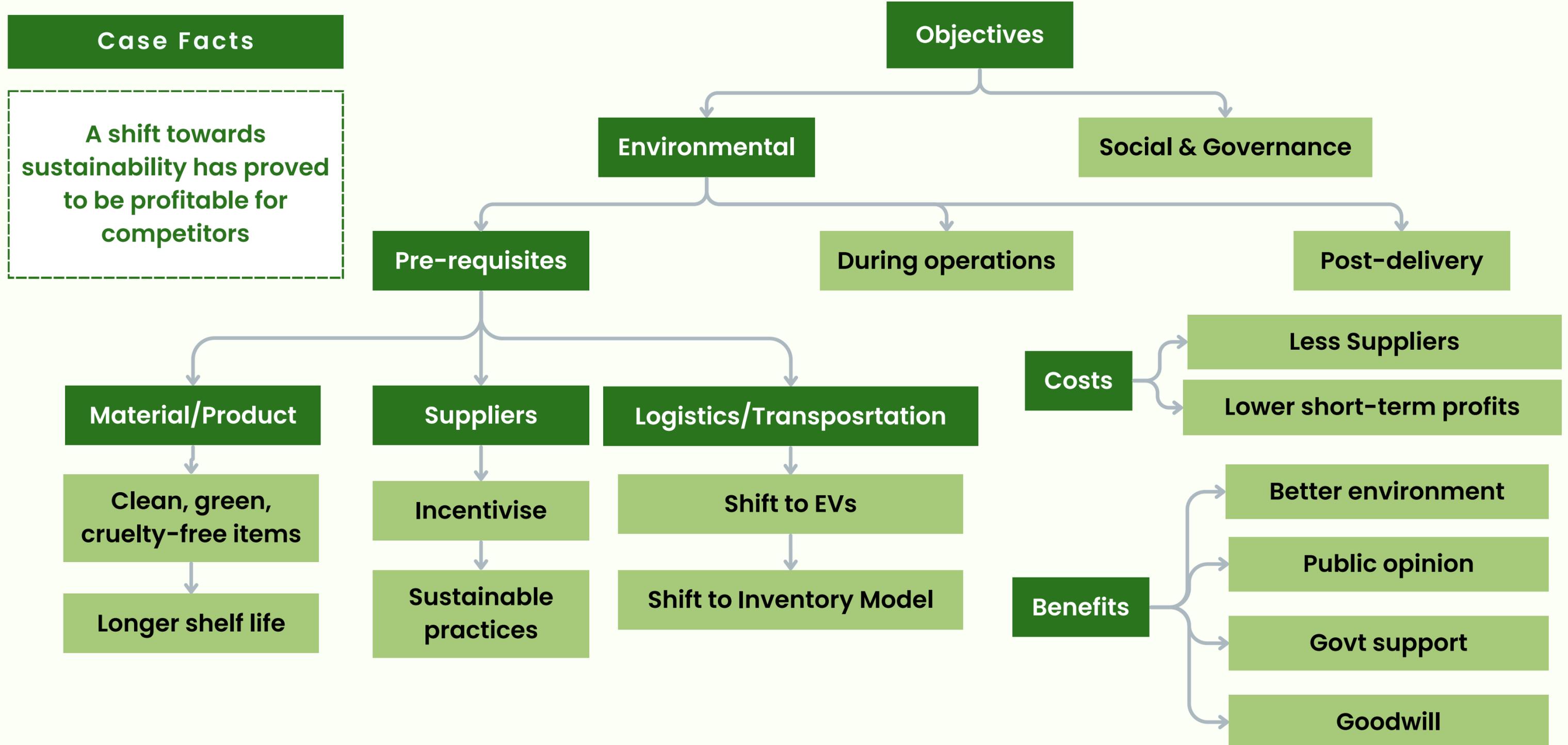
Since Flipkart is an Indian brand, it can work 100% on the inventory model, which would enable all the operations to be carried at the Flipkart's warehouses, starting from packaging to delivery and returns, which would save a lot of resources, save costs, and increase the profits made.

Good. But how do you think Flipkart would be able to undertake this change, would it simply stop selling all other products that aren't sustainable?

So, what I can propose is that there should be a 'category-wise non sustainable' product policy. Here, a cost-benefit analysis can be done for each category, in order to evaluate which products can be substituted for now. Costs would majorly include less suppliers, and lower short-term profits, whereas benefits would include better environment, public opinion, incentives for new players, government support, and better business image.

Great job! I believe we can close the case here.

# Sustainability For Flipkart



# Too Far For Pharma?

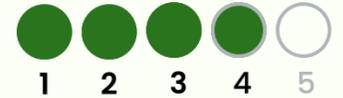
COMPANY

McKinsey

CASE TYPE

Pricing

DIFFICULTY LEVEL



Your client is a pharma company, that has made a new drug to cure hepatitis C. Our client's drug claims 0% of liver failure as compared to 20% of the other drugs available in the market. How would you price the drug?

Before we begin, can I ask a few preliminary questions?

Yes, please go ahead!

Where is the client planning to sell this drug?.

The client is planning to sell this in the US market..

How many patients suffer from Hepatitis and what are the medicines they currently use?

Currently, there are 100,000 cases per annum. For 80% of these, doctors prescribe a generic drug which is relatively cheap and costs \$1,000. To the remaining 20%, doctors prescribe a more specialized drug which costs \$20,000 per treatment.

How much time does the drug take to cure the patients?

It takes 12 months to cure.

And is there a support from insurance companies for the treatment?

Across these 100,000 cases, irrespective of the drug prescribed, there is a 20% chance of liver failure. The cost of insurance for this 20% of cases is \$300,000 per case, to undertake a liver transplant. All the costs are covered by the state.

That honestly sounds like a very heavy and complex problem. So, I'm clear on the facts, just wanted to confirm if the product is patented.

Yes, it is.

So, we can determine price using the cost-based approach, competitive analysis, value-based approach or simply using demand figures, if any. In my opinion, a value-based approach would work well, since savings in medicine and insurance costs would be value-additive.

Fair enough, how would you calculate it now?

So essentially, the Cost of insurance = (20% of 100,000) X 300,000 = 20,000 X 300,000. Cost of generic drug = 80,000 X 1,000. Cost of specialized drug = 20,000 X 20,000. So, the total cost equals  $648 \times 10^7$ , or simply \$6.48 Bn.

Right. Now how would you come to the price of the drug?

Right, for this, we can simply divide \$6.48 Bn by 100,000 drug takers, which gives us a price to be \$64,800 per drug.

Correct. But this is true given certain assumptions only, what are those?

So, the assumptions would be that

- 1) There is sufficient demand so that all 100,000 units being sold are our client's drug
- 2) Distributors can push our client's drug to everyone
- 3) Doctors recommend this drug to everyone irrespective.
- 4) Results indicating 0% failure are true and would hold till eternity
- 5) All the existing drugs cease to exist or their producers are simply wiped off the picture

Great, we can close the case here.

# Too Far For Pharma?

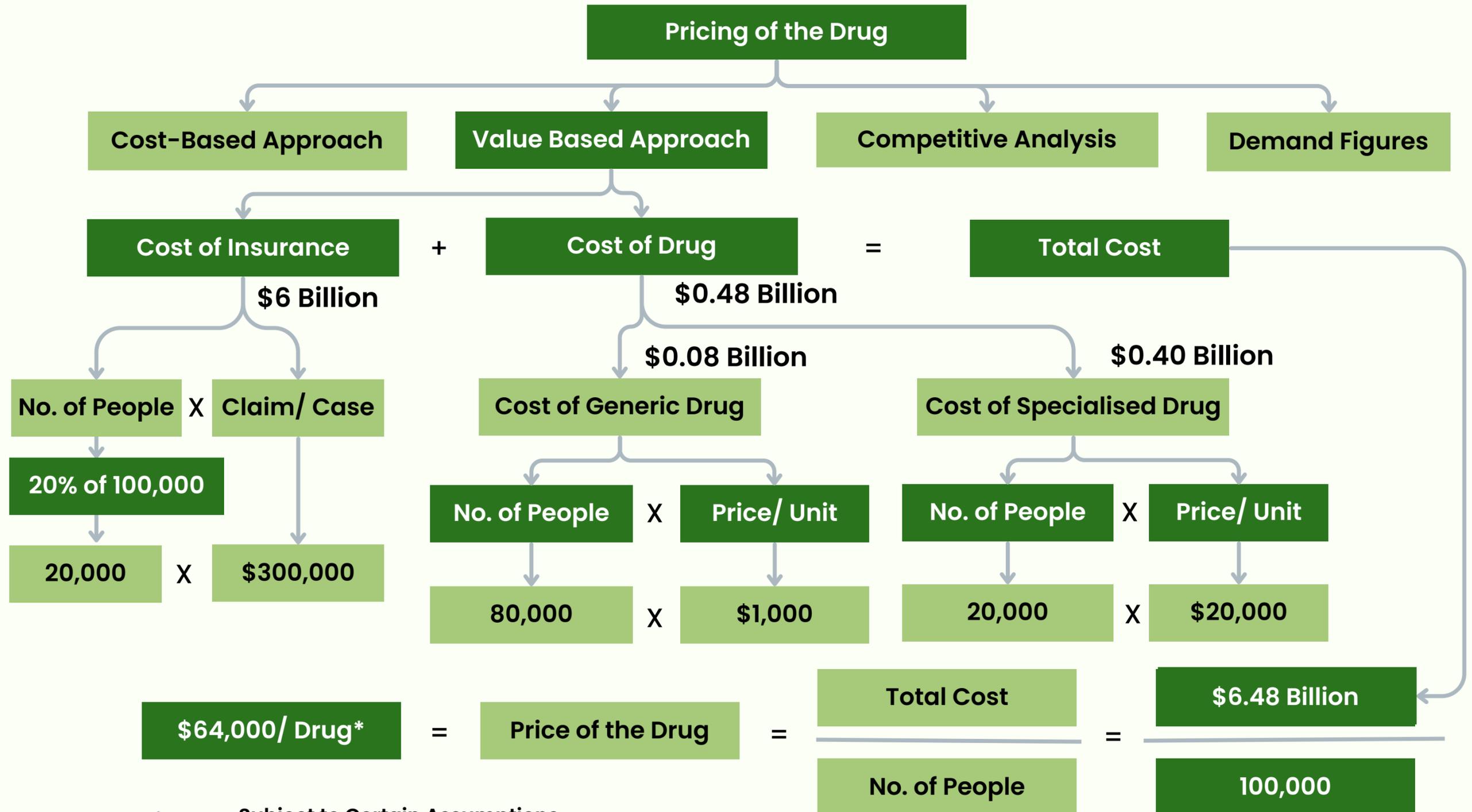
## Case Facts

Client's Drug Claims 0% Liver Failure.

Cost of Insurance is \$300,000

100,000 people suffer from Hepatitis C

80% People require Generic Drug, 20% require Specialised Drug



• Subject to Certain Assumptions

# Enter Pharma-tronics

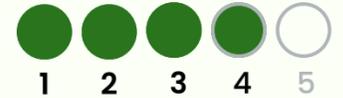
COMPANY

McKinsey

CASE TYPE

Growth

DIFFICULTY LEVEL



Your client is in the pharmaceuticals business, and to accelerate growth, they want to enter the medical implants and electronics sectors, such as BP monitors. What would you suggest?

Oh, that's interesting. Just to clarify, our client's core business is pharmaceuticals, and in order to accelerate growth, they want to enter into the medical equipment sector.

Correct

I'd like to know about our client's current customers, and products they have now and wish to enter into soon.

Sure, so customers are doctors only, and the current medicines are prescriptive. They plan to launch monitors and implants.

Alright. Also, where is the client located and which part of the value chain does it lie in?

So, our client manufactures as well as distributes across India.

Got it, lastly, I'd like to know the objective and the metric basis on which we can judge our final decision.

Good question, our objective is to attain scalability and sustainability for the new products, with the motive being profits.

Understood, so I have all the facts now. The structure which I propose would help us gauge this situation can be broken down as checking for industry, financial viability, operational feasibility, how to enter, and risks associated. Under financial, we can look at the ability to enter and attractiveness, while under operational, we can look at value chain setup, barriers to entry, and diversification possibilities.

A very comprehensive breakdown. Let's focus on the value chain now. Can you break it down quickly?

It can be as follows; demand forecasting, R&D, inbound logistics, processing and manufacturing, market testing, outbound logistics, marketing, post-sale services, and reverse logistics. Under processing & manufacturing, we can have the manpower, plant + property + equipment, and lastly utilities. Overall, under the value chain, we should look for synergies, in terms of cost reduction, attaining economies of scale, and technological synergies.

Excellent, now quickly list down how can our client enter the market.

Surely. It can enter via a joint venture, acquisition (vertical or horizontal), strategic alliance, or a PPP (private-public partnership)

Great, and what would this decision be based upon?

It'd be based on the dilution of control expected, costs involved, revenue potential, brand value & synergies, and lastly considering any regulations that might hinder the process.

Great job. That's all I wanted to know. We can end the case here.

Thank you so much, sir!

I can only give you a word: competitors.

# Enter Pharma-tronics

## Case Facts

Objective is to attain scalability and sustainability for the new products

## Entering the Medical Implants and Electronics Sector

Checking for Industry

Financial Viability

Operation Feasibility

How to Enter\*

Risks Associated

Ability to Enter

Attractiveness

Joint Venture

Acquisition

Strategic Alliance

PPP

R&D

Inbound Logistics

Outbound Logistics

Market Testing

Marketing

Post-Sale Services

Reverse Logistics

Value Chain

Barriers

Diversification

Processing and Manufacturing

Manpower

Utilities

Property, Plant and Equipment

\*Based on Dilution of control expected, Costs Involved, Revenue Potential, Brand Value & Synergies, Regulations that might hinder the process

# Mitigation for Forest Fires

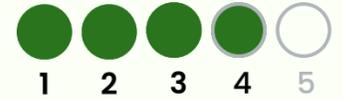
COMPANY

GDi Partners

CASE TYPE

Unconventional

DIFFICULTY LEVEL



The Chief Minister of Uttarakhand has approached you regarding the Forest fires breaking periodically and you must devise a 4 month plan for the same

Seems very intriguing sir! Just to clarify, our client is the Chief Minister of Uttarakhand, and he has approached regarding the outbreak of periodical Forest Fires, and we have to devise a 4 month plan for it, right?

Yes that's correct

Understood. If it's alright sir, may I take around 30 seconds to gather my thoughts and clarify some questions before I begin?

Yes Sure.

The reasons for the forest fires can be due to natural reasons 25% (Weather temperature, rustling of leaves, lightning etc) and 75% are due to the result of human activities (global warming, climate crisis, poor response mechanism, irresponsible disposal of cigarette butts, flame etc)

Try just focussing more on the role of the different stakeholders dealing with the manmade reasons for breakout

The different stakeholders here are  
Government: Checking the current scenario through organisation and inspection of mock drills and ensuring the accountability of different stakeholders

Seems fair, please continue.

Continuing, the other stakeholders here are district administration, forest administration, block administration, the Gram Panchayat, and the different NGOs involved.

Stakeholders seem fair, what can be the strategies that we can provide to the client in this case?

Okay sure, there are 2 ways with which we can go forward with the same; reducing the chances of occurrence of forest fires by limiting the disposal of inflammable substances and deploying a fast response mechanism for prevention.

Agreed, can you also give some plausible measures to go with these ways of reducing the occurrences and trying to limit the disposal of inflammable substances?

The mitigation strategies include:

- Identification of fire prone areas and its mapping
- Installation of preventive measures
- Provision of integrated communication networks and devices for timely flow of information, manpower and materials
- Regular training of forest staff and fire protection committee members
- Penalties and legal actions for violators

Regulations of forest areas, disposal of farm waste, maintenance of sanitation and hygiene

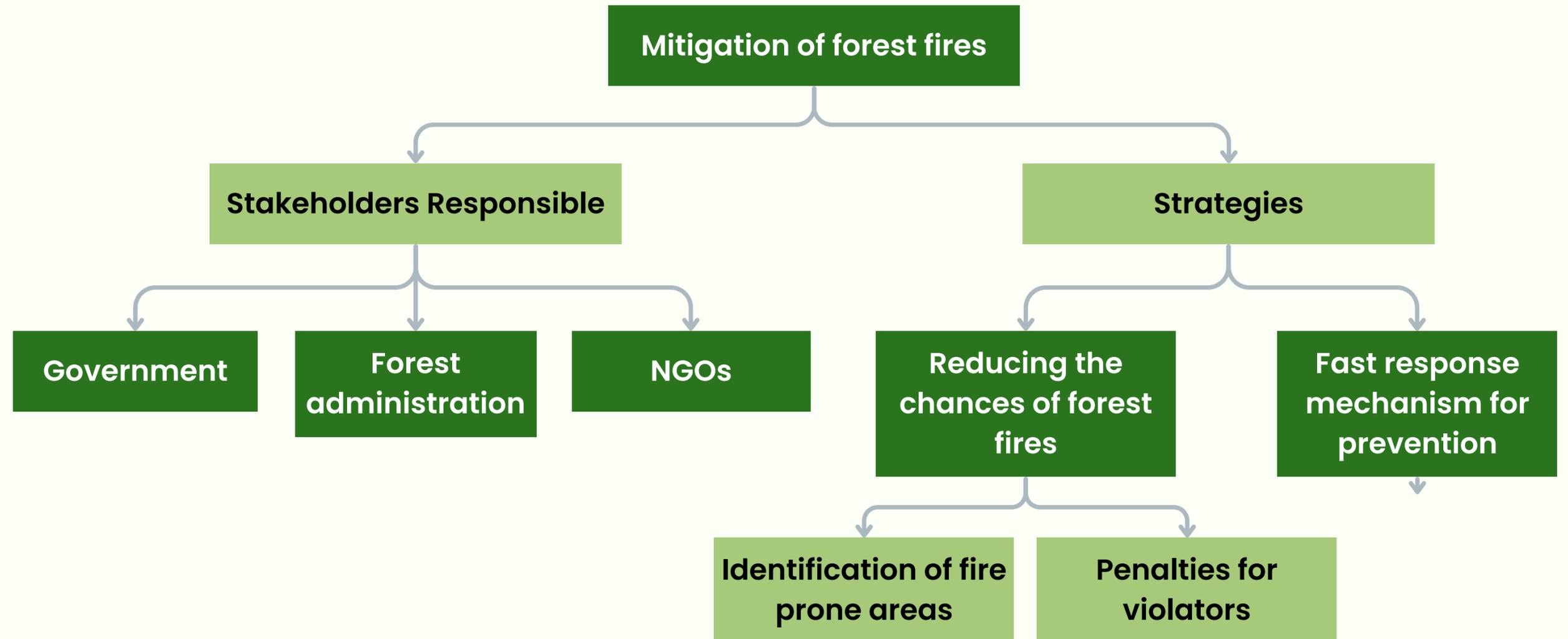
Excellent! We can close the case now.

# Mitigation for Forest Fires

## Case Facts

25% of the time, forest fires can be the result of natural causes.

75% of the time, forest fires can be the result of human activities.



- The chief minister must make sure that all the stakeholders are performing their obligations. Additionally, limiting the disposal of combustible materials can lessen the likelihood of forest fires, and a quick response system needs to be established.

# Cement Manufacturer

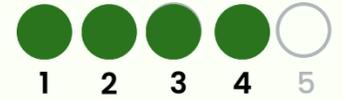
COMPANY

Boston Consulting Group

CASE TYPE

Profitability

DIFFICULTY LEVEL



Your client is a conglomerate in Calcutta, and works in the cement space too. It has 2 plants, having 5MT of total capacity in Eastern India, but unfortunately, they're able to sell only 2MT and hence, their profitability is low. How would you help them?

Sounds like an interesting case sir! Just to clarify, our client is a conglomerate, facing low profitability in their cement business. Their 2 East Indian plants have 5MT capacity, but have only been able to sell 2MT. We've to provide solutions for a turn-around.

Yes that's correct

Understood. If it's alright sir, may I take around 30 seconds to gather my thoughts and clarify some questions before I begin?

Yes Sure.

Sir, I'd like some information on the customers, i.e, if our client is B2B or a B2C player, and also, can I assume cement to be a commoditized product?

30% of their business is B2B, rest is B2C, essentially residential. And yes, consider it to me commoditized.

Understood. Next, what is the competitive landscape, and have they been facing a similar issue?

Client and their major competitors combined capture 80% of the market, rest is fragmented.

Got it, and lastly, which part of the value chain does our client lie in?

They manufacture and brand their product, and have third party distributors.

So, now the primary objective is to help our client grow its low profitability, and reach a level of sales of 5MT. Is that right?

Yes, that's correct.

Thanks a lot. Now, I have all the required information to proceed. Profitability can be defined as  $(\text{revenue} - \text{costs}) / \text{revenue}$ , or simply  $1 - \text{costs} / \text{revenue}$ . So essentially, if current revenue rises, profitability will automatically rise. Is there a need to check for cost reduction as well?

No need, you can focus only on growing their revenues.

Understood. So, revenue can be broken down as  $\# \text{units} * \text{revenue} / \text{unit}$ .

Focus on  $\# \text{units}$

Sure.  $\# \text{Units}$  can be bifurcated as  $\text{target market} * \text{market share} \%$ . Now, target market can be increased by entering new geographies, and  $\%$  share can be increased by introducing new products/varieties, exploring new areas within the existing geography, or using alternative distribution channels.

Fair enough. Quickly list what all distribution channels could they use?

Surely. Under the B2B part, then can consider contracts with builders, government collaboration (via schemes), or big construction houses. Under the B2C part, they can use their existing third-party distributors, or have their own stores and operate via the hub-7-spoke model.

Good. So let me explain the current distribution system. There are around 200 dealers, who sell in total around 20MT. So how much would be our %?

Client is able to sell 2MT, that means 10% of the output sold by dealers.

Correct. Now, from the east Indian side, goods are transported, off-loaded at various locations, stored and sold.

Understood. I believe that we can break down the distribution network as  $\# \text{distributors} * \# \text{units} / \text{distributor} * \text{price} / \text{unit}$

Right, now how can the client improve the sales here?

Starting with  $\# \text{distributors}$ , client can provide monetary incentives such as commissions, discounts on bulk buying, etc., and non-monetary incentives such as bonus on targets, financing facilities, etc.

Let's focus on the margins available to the distributors. It costs our client Rs. 340 to make one bag of cement, which is given to distributors at Rs. 360, and they sell it in the market at Rs. 380. But, for our competitors, they provide one bag at Rs. 380 to the distributor, which is sold at Rs. 400 in the market. What is the issue you can identify? And what can be done?

This seems to be counter-intuitive at the face of it. Is it okay if I take around 20-25 seconds to think this through?

Ha ha, go ahead take your time.

I've thought of the following two options. First, our client can provide one bag at Rs. 350, so that distributors now have higher per unit margin as compared to competitors, but this might not drive up the demand. Secondly, we can keep the price we provide to the distributors at Rs. 360 only, but ask them to sell our cement at Rs.40 per bag. This tackles a twin problem; it provides higher margins to distributors, and at the same time, customers in the Indian context especially perceive costlier goods as goods of better quality. So, for something as crucial as cement used for building their houses, people wouldn't compromise on quality. So, distributors would push our cement, and demand would also rise.

Excellent! We can close the case now.

# Cement Manufacturer

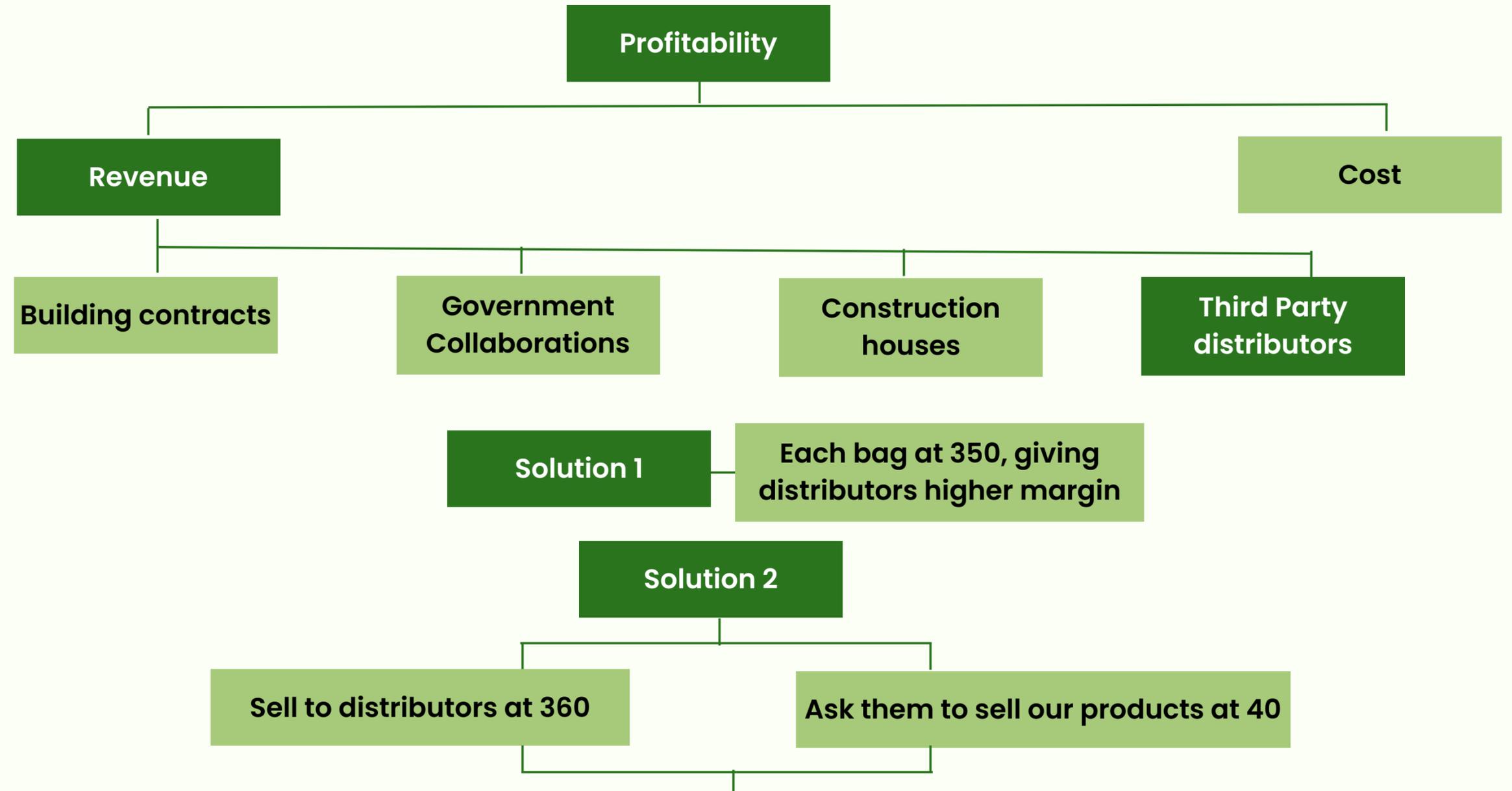
## Case Facts

30% of the business is B2B, the rest is B2C

Client and major competitors hold 80% of the market

Cost is 340, gives to distributor for 360, who sells it at 380

10% of the output is sold by dealers



It provides higher margins to distributors, and at the same time, customers in the Indian context especially perceive costlier goods as goods of better quality. So, for something as crucial as cement used for building their houses, people wouldn't compromise on quality.

# Investment Case

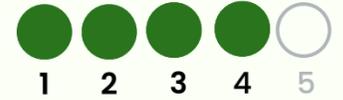
COMPANY

Bain Capability Network

CASE TYPE

Unconventional

DIFFICULTY LEVEL



You are a HNI and you have 300 million dollars to launch a program to completely eradicate the primary education dropout rates in India. How will you use the money and are 300 million dollars even enough for this?

Okay. So, to reiterate, I have to decide whether 300 million dollars are enough to complete eradicate primary education dropout rates in India and if yes, how should this amount be used?

Yes that's correct.

Okay! So before proceeding further, I would like to ask some preliminary questions.

Sure, please go ahead.

So, while considering the dropout rate in this case, what all age groups are we primarily including?

We will take the dropout rate to be the percentage of students primarily in the age group of 4-22 years who withdraw from school or their undergraduate college before completing their education..

What is the time horizon for this program?.

We plan to eradicate the problem in the next 3 years with the program we will be launching.

Is there any specific investment avenue where we would like to allocate the resources for this program?

No, we are open to all the possible options that can help in eradicating that problem.

May I take 2 minutes to structure my approach?

Yes, please take your time

So I will like to start by narrowing it down to the regions where I will primarily allocate the resources. The population can be segmented into urban and rural, out of which the rural population majorly faces this problem and within the urban population as well, students who hail from families below-poverty-line and the girl child, in general, have to encounter this problem.

Sounds reasonable, kindly go ahead.

Now I will delve deep into the various reasons for dropout. Although there can be numerous reasons for the same but I feel some of the major ones are lack of education to fund education, kids acting as a secondary source of income for the family, the families not being able to understand the ROI from education and lack of quality education. Is there any specific reason I should consider for this case?

Let's assume that it is the lack of quality education which is leading to the dropout rates

Okay. For lack of quality education there could be various factors that can be further categorized as internal and external factors. To begin with internal factors, there could be a problem with the quality of teachers that are present in the system or the curriculum that is being taught to the students. For external factors. It could be lack of infrastructure, unavailability of resources like textbooks and stationery, in general. Which factor should I consider as the major cause of this problem?

For this case, let us consider that it is the quality of teachers that is leading to this problem.

Sure! There can be multiple reasons for poor quality of teachers in the system which can be in the selection process itself or during the tenure as an employee. To begin with the problem in the selection process, it can be lower level of

educational qualification required, the interview test is not designed well or the salary offered is not at par to the applicants expectations. Coming to the problem during the tenure, it could be lack of incentive, whether monetary or non-monetary, to render high-quality services or the lack of a proper training program for the staff. Which is the primary cause in this case?

The primary reason for the lack of quality teachers is that we do not have a proper training program.

Okay, so as an answer to the first aspect of this question, I would like to allocate the resources to put in place a robust training program for the teachers. For doing so, I will study the past as well as ongoing programs, if any, that have been launched to tackle this problem and understand the reason for their failure before chalking out the final plan.

Launching a robust training program specially for the teachers is fair enough but what about the costing?

For the cost, should I go for a proper guesstimate or just the ballpark figures would suffice?

There is no need for a guesstimate, just a rough estimate would serve the purpose.

Okay. To get a rough idea of the number of teachers, let me begin with an estimate for the number of students. It would be safe to assume that there are 20% students in India, which takes the number to 26 cr. Assuming the number of students per teacher ratio to be 26, we arrive at 1 crore teachers in the country.

Makes sense, kindly continue.

Out of these 1 crore teachers, let me assume that 40% are in rural areas and out of the ones in urban areas 40% are serving the students from BPL families and female students, so we have about 64 lakh or 6.4 million teachers to focus on for the training program.

Fair enough, go ahead

Taking the cost of a training program for each teacher to be around \$40, which includes an offline training session for the group followed by online modules for individuals, we have an approximate cost of \$256 million dollars for a nation-wide training program. This implies that \$300 million would be sufficient to fulfill this purpose of ours.

Perfect! I think you have incorporated all the factors that could have been considered, great job on that. Now we can end this interview.

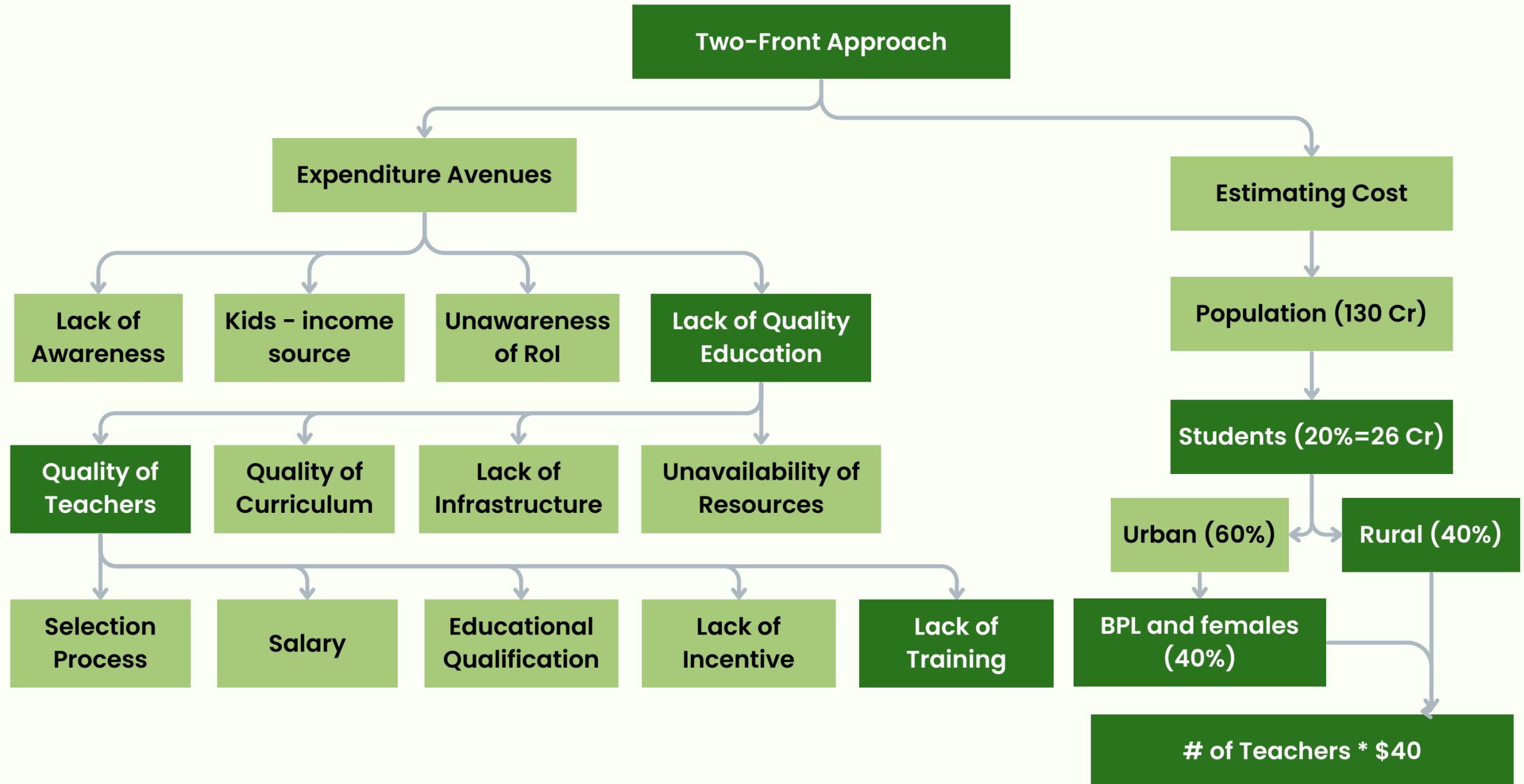
# Investment Case

## Case Facts

Primary education dropout is a problem in rural areas and female students or students from BPL families in urban areas

Assuming the teacher : student ratio to be 1:26

Cost of training a teacher is USD 40



# Buckets and Buildings

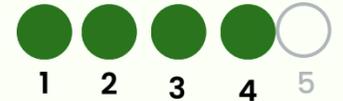
COMPANY

Bain Capability Network

CASE TYPE

Unconventional Case

DIFFICULTY LEVEL



There is a building with 100 floors and you have an unlimited supply of glass balls. How will you determine the first floor from where the ball will break? Just let me know the approach you would follow.

Understood, are there any major constraints we need to consider in the approach?

Nothing in particular. Just that you have to do this in a minimum number of attempts.

Alright. I will structure my approach and will get back to you in a few seconds.

Sure.

So, we can start by dividing the floors into sets of 10. The first set will include floors 1 to 10, next from 11 to 20, and so on till 100. We can set up a threshold floor in each set. For eg, the last floor of each set. We can go to the 10th floor, drop the ball and see if it breaks. Accordingly, we can have 2 cases:

Case 1- If the ball breaks: We can now drop the balls from a lower floor to see from where they start breaking. We will then try the ninth floor, eighth floor, and so on till we reach the floor from where it does not break.

Case 2- If the ball does not break: We now move to the next threshold floor i.e. floor 20 and repeat the same steps till we find the floor. We will have to follow a hit-and-trial method but dividing into groups will help reduce the number of attempts.

Alright, sounds good. What will be the number least and the maximum number of attempts?

Least number of attempts will be two when the ball breaks from the first threshold floor (floor 10 in our case) Maximum number of attempts will be 19 (if the ball breaks from the 92nd floor). We will have to drop the balls from 10th, 20th, 30th, 40th, 50th, 60th, 70th, 80th, 90th, 100th floors and then from 99th to 91st floor where the ball does not break.

Sounds comprehensive. Let's move on to another question.

Suppose you have two buckets measuring 5 litres and 3 litres respectively. How will you use them to measure exactly 4 litres of water? Again, just focus on the approach.

Alright. I will structure my answer and get back to you in a minute. Would that work?

Sure.

In order to measure exactly 4 litres, we can follow the following steps.

Step 1: Fill the 3 litre bucket

Step 2: Transfer this to the 5 litre bucket

Step 3: Fill the 3 litre bucket.

Step 4: Fill the remaining part of the 5 litre bucket with the 3 litre bucket. Now the 5 litre bucket is full and 3 litre bucket has one litre water in it.

Step 5: Empty the 5 litre bucket

Step 6: Transfer the one litre from 3 litre bucket to 5 litre bucket.

Step 7: Fill the 3 litre bucket and transfer to the 5 Litre bucket. It now has  $1+3=4$  Litres of water.

Sounds good. We can end here.

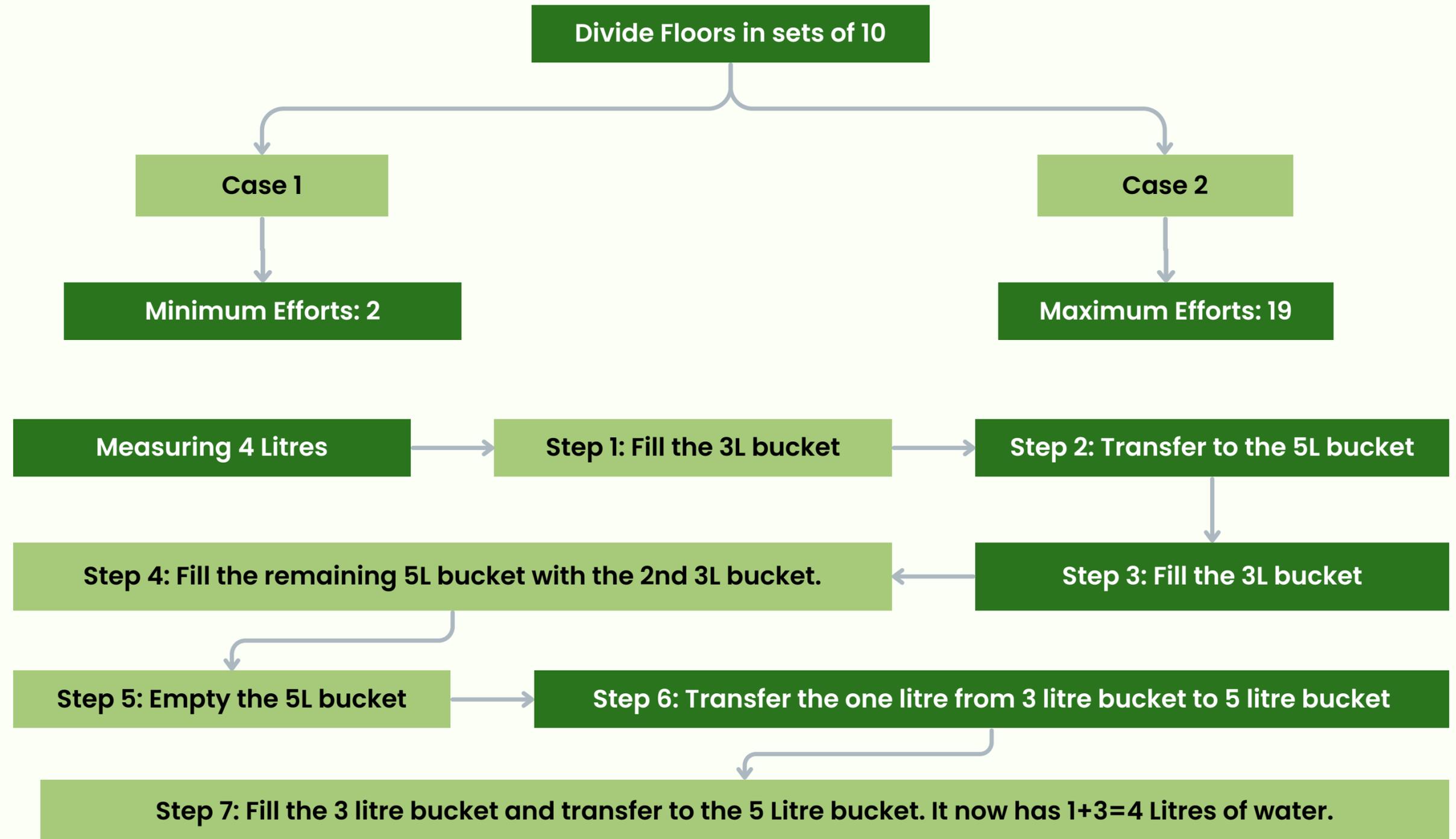
Thank you for your time..

# Buckets and Buildings

## Case Facts

There are no major constraints while presenting the approach.

The problem has to be solved in the minimum number of efforts.



# Brain Teaser

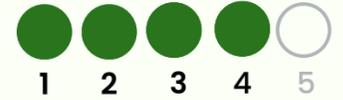
COMPANY

Bain Capability Network

CASE TYPE

Unconventional

DIFFICULTY LEVEL



You have two special eggs, each of which breaks when dropped from a particular floor or a floor higher than that floor of a 100 storey building. What is the maximum number of attempts required to be sure that you have found that specific floor?

Is there any specific information I need to be careful about?

Nothing as such, it's just that you have 2 eggs and if both of them break before you find out that particular floor, the problem remains unsolved.

Alright, can I take a few minutes to structure my thoughts?

Sure, please take your time.

So, we will start by dividing the floors into sets of 10. The first set will include floors 1 to 10, next from 11 to 20, and so on till 100. We start dropping the egg from the highest floor of each set i.e. 10, 20, 30 and so on until the egg breaks. Once the egg breaks let's say at 40 we realize that the particular floor that we are looking for lies within the range of the last 10 floors i.e. 31-40 in this case. We start dropping the egg from the first floor of that range until and unless we reach that particular floor, i.e. we start dropping the egg from floor 31. We will have to follow a hit-and-trial method but dividing into groups will help reduce the number of attempts.

Alright, sounds good. What will be the maximum number of attempts to be sure about that floor number?

Maximum number of attempts will be 19 (if the egg was supposed to break from the 100th floor). We will have to drop the egg from 10th, 20th, 30th, 40th, 50th, 60th, 70th, 80th, 90th, and 100th floors and in the worst case scenario, it breaks when dropped from the 100th floor, which takes the count to 10 attempts. Then we start dropping the egg from the 91st to 99th floor where the egg does not break. Which implies that it will break from the 100th floor, which takes the final count to 19 attempts.

That's the correct answer. I am impressed by your approach. Great job on that

Thank you sir.

# Guesstimates

# Guesstimate: Number of diapers used in a year in India

## Clarifying Questions

-Should Adult Diapers be considered?  
-No

Total Population of India = 140cr

Infants (1-3yrs)  
7cr (5%)

Rural (75%)  
5.25cr

Urban (25%)  
1.75cr

Assumption: Children above 3 years of age rarely use diapers

Diapers used on an average

- 0-1 Year - 8 per day
- 1-2 Year - 6 per day
- 2-3 Year - 3 per day

### Age wise kids in Rural Areas

0-1Yr	1-2Yr	2-3Yr
1/3	1/3	1/3
1.75cr	1.75cr	1.75cr

### Age wise kids in Urban Areas

0-1Yr	1-2Yr	2-3Yr
1/3	1/3	1/3
0.58cr	0.58cr	0.59cr

### Kids using diaper in Rural Areas

0-1Yr	1-2Yr	2-3Yr
50%	30%	10%
0.87cr	0.52cr	0.17cr

### Kids using diaper in Urban Areas

0-1Yr	1-2Yr	2-3Yr
80%	60%	30%
0.46cr	0.34cr	0.17cr

## Actual usage of diapers

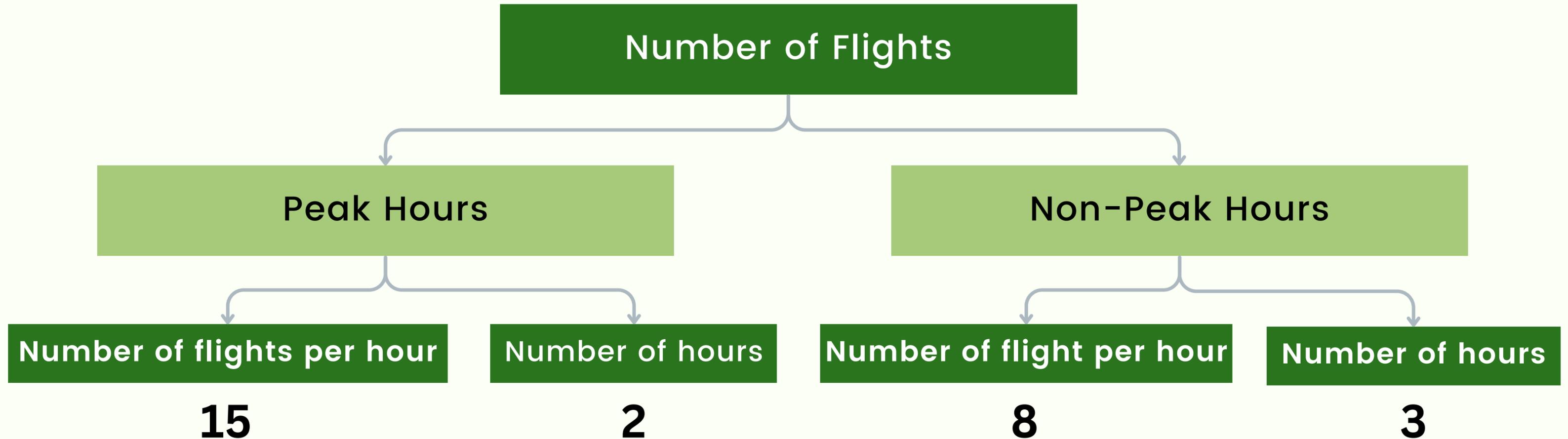
- 0 to 1 Year -  $(0.87cr + 0.46cr) \times 8 = 10.64cr$
- 1 to 2 Year -  $(0.52cr + 0.34cr) \times 6 = 5.16cr$
- 2 to 3 Year -  $(0.17cr + 0.17cr) \times 3 = 1.02cr$

## Total Diapers used in a day

$$10.64cr + 5.16cr + 1.02cr = 16.82cr$$

$$\text{Total diapers used in a year} - 16.82 \times 365 = 6140cr$$

# Guesstimate: Number of Flights taking off from IGI

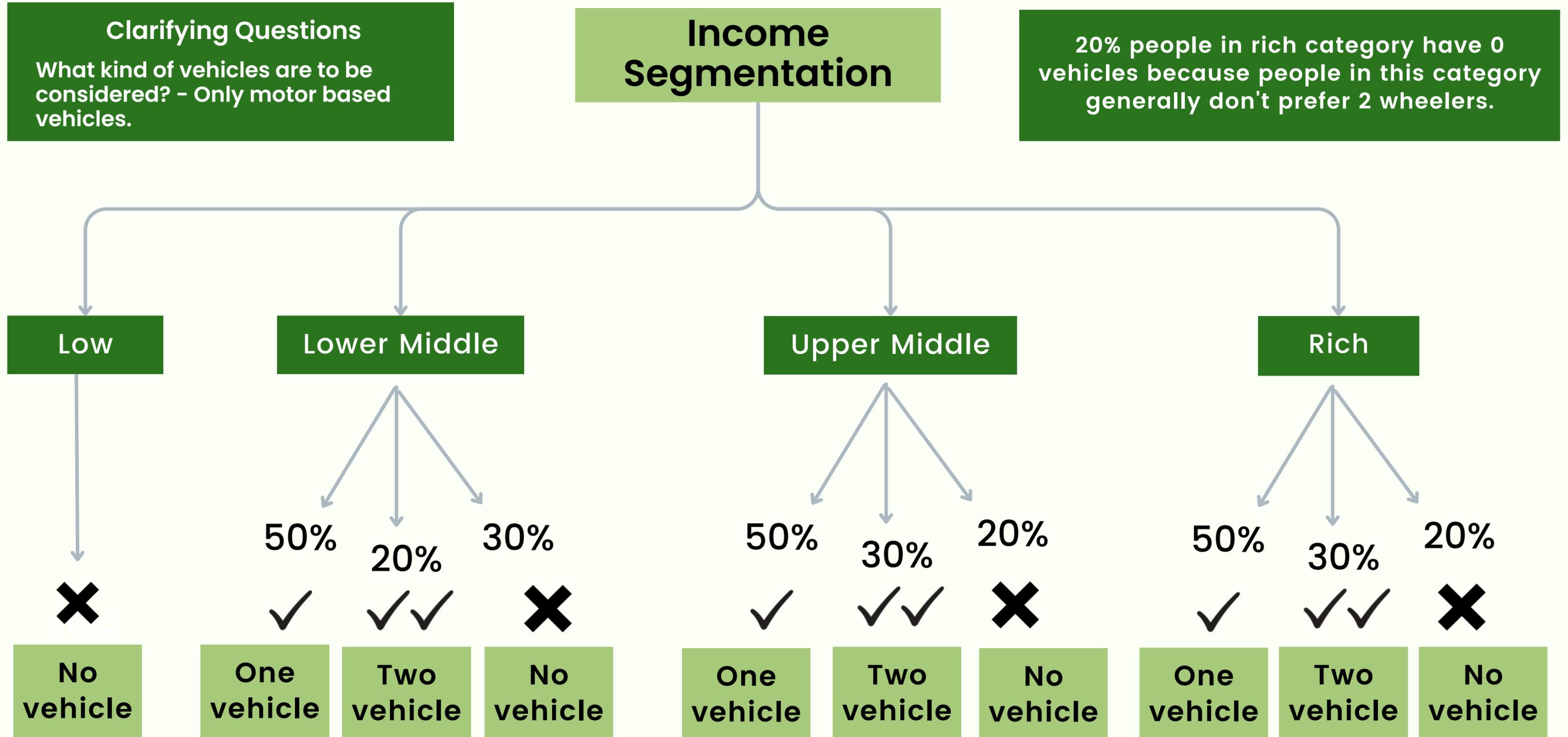


Clarifying question -  
Can we assume it to be a normal day? Yes

Approach: there are three runways in IGI, one is for take off, another for landing and the last one is used for both. The entire operating hours in a day are bifurcated into peak and non peak hours.

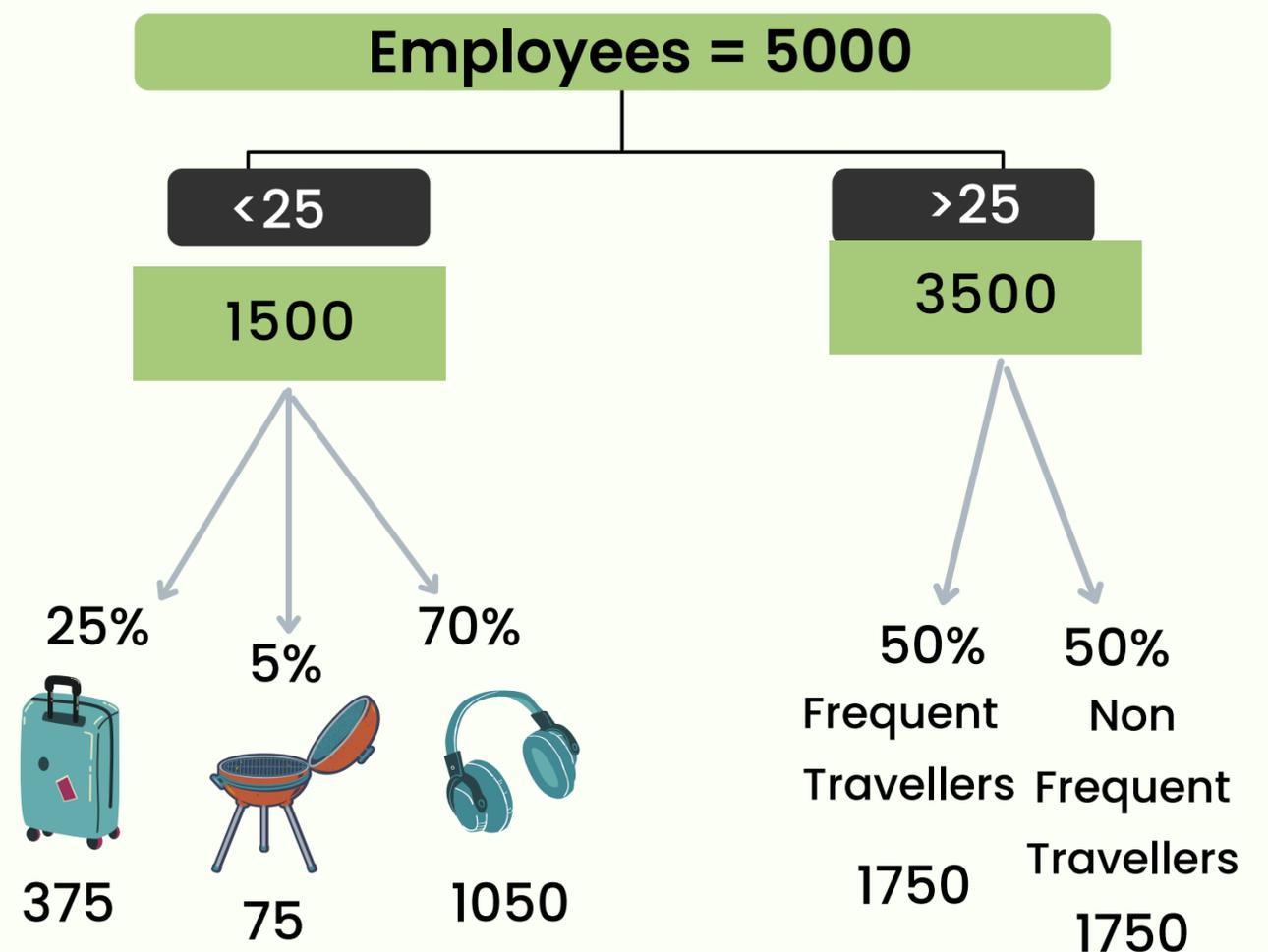
Calculation:  
Total number of flights =  $1.5 [(15*2) + (8*3)]$

# Guesstimate: Number of 2 wheelers sold in India

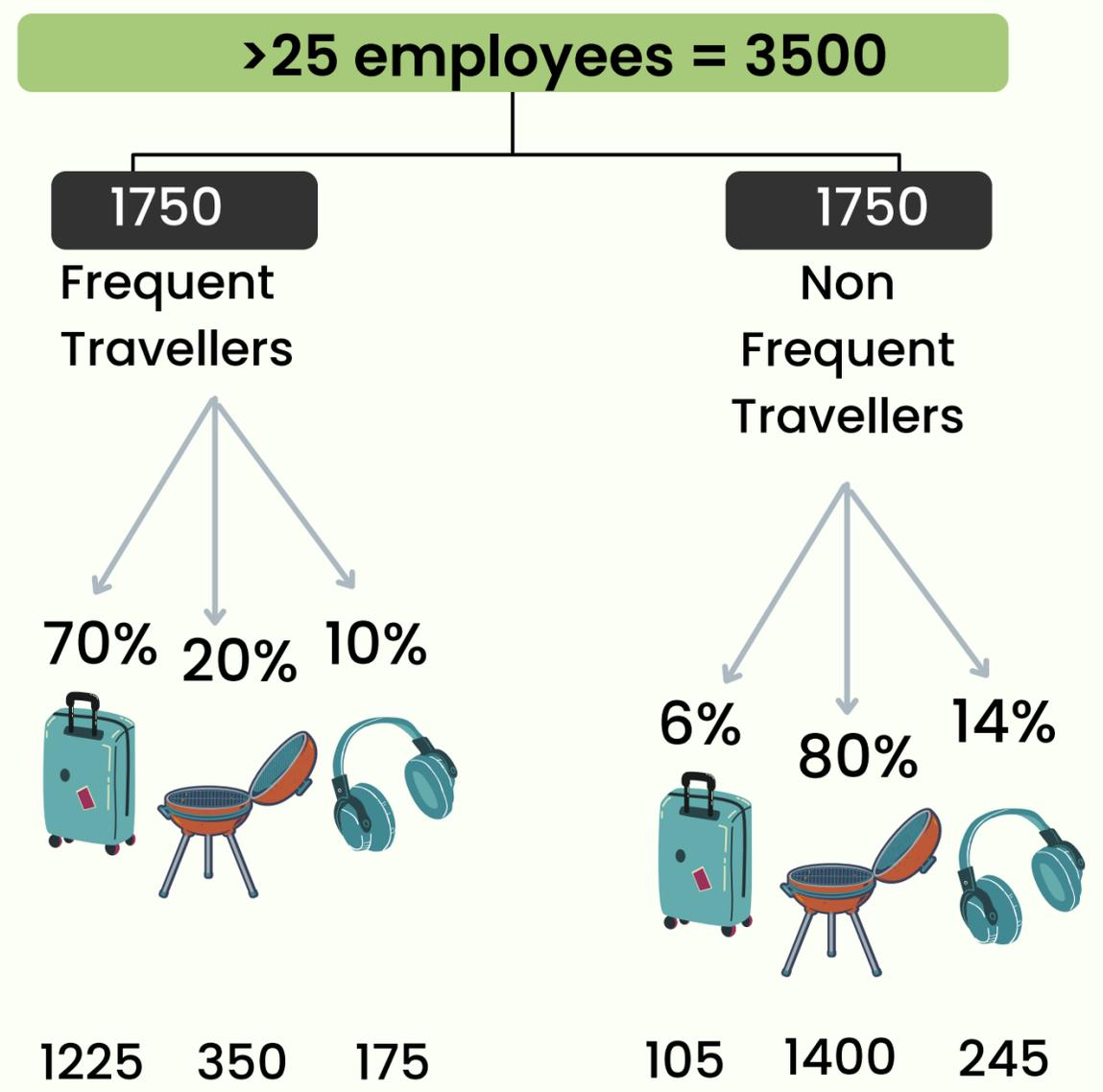


# Guesstimate: Diwali gifts given to employees

You are given that there are 5000 employees at XYZ company and the company has to give out Diwali gifts to all their employees. The options are a headphone, a suitcase or an electric grill - one gift per employee. Estimate the quantity of each which would be required.



People who aren't married do not need many appliances, and do not travel much. Even if they do travel, they already have a suitcase. So the segment would prefer headphones.



-  = 35%
-  = 40%
-  = 25%

Assumption: Griller is a regular well equipped daily appliance. However, if it is used only for recreational purposes, its preference could be lower and thus percentage of suitcase would be higher.

# Guesstimate: Total Sales of Tata IMG in Delhi NCR Region

## Clarifying Question

Tata IMG has its sales, both online and offline. Would you like me to consider both?

- Consider just the online sales.

Population of Delhi - 3 Cr

## Approved Assumptions:

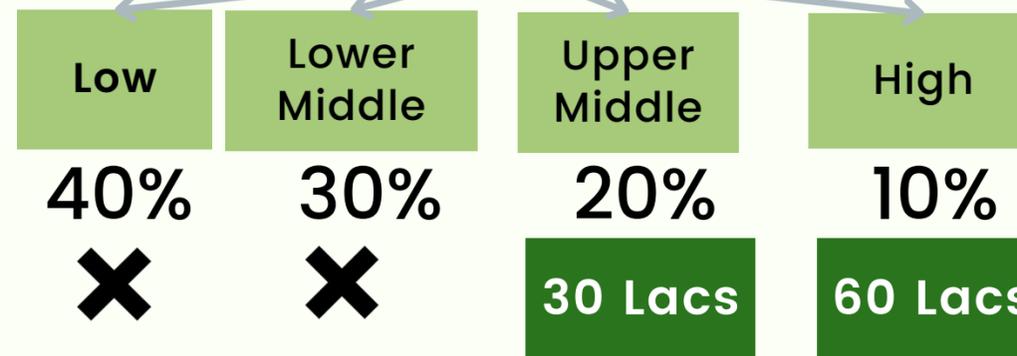
Only upper middle and high income groups are in consideration

Internet Penetration in higher middle and high income groups = 95%

Health App Penetration = 50%

There are 5 popular health applications making Tata IMG's market share 20%

## Income Segmentation



Internet Penetration  
= 95% of 90 Lacs  
= 86 Lacs

Health App Penetration  
= 50% of 86 Lacs  
= 43 Lacs

Tata IMG Market Share  
= 20% of 43 Lacs  
= 8.6 Lacs

## Medium

Online    Offline



## Total Sales

No. of Customers  
= 8.6 Lacs

Average Order Value/Ticket Size  
= INR 1200

Average No. of Orders per customer per month  
= 2

206  
Cr  
  
40  
Lacs

# Guesstimate: Number of People Travelling in Domestic Flights in India

## Clarifying Questions

What time period should be considered?  
Typical day in India

## Classification of cities in India

Tier 1

Tier 2

Tier 3

10 tier 1 cities in India with 100% of them having airports with 2 terminals and 3 runways each.

3 for each state, making a total of  $(28 \times 3 = 84)$  90 cities in India and 90% of them have airports with single terminals and 3 Runways.

Tier 3 cities is 4 per state (120) cities with 30% of them having airports with single terminals and two runways.

Total number of Runways in India =  $(10 \times (2 \times 3)) + 90\% (90) \times 3 + 30\% (120) \times 2 = 60 + 243 + 72 = 375$

Assumption: Runways operate at 75% efficiency, and runs for 18 hours a day, with 5 minute intervals between consecutive flights

Total number of flights in a day in India =  $75\% (18 \times 60 / 5) \times 375 = 75\% (216) = 162 = 160 \times 375 = 60,000$

Assumption: 70% of flights in India are domestic, while 30% of flights are International flights

Total number of domestic flights = 42,000 domestic flights daily

Assumption: 70% of flights are occupied, with average seating capacity of a plane is 180

Total number of people travelling in domestic planes = Average occupied seats in a plane \* Total number of domestic flights daily =  $70\% (180) \times 42,000 = 126 \times 42,000 = 52,92,000$

# Guesstimate: Market Size of Washing Machines in India

## Clarifying Questions

What type of washing machines should be considered? - Fully automatic machines

Population of India = 1.4Bn

Rural

Urban

60%



840 Million

560 Million

40%



Assumption: Considering purchasing power, we can rule out the rural areas. For the urban areas, it has been assumed that there are 4 members in every household

Number of Households in Urban areas:  
 $560 \text{ Million} / 4 = 140 \text{ Million}$

## Income Segmentation

BPL	Poor	Middle	Rich
20%	30%	30%	20%
28 Mn.	42 Mn.	42 Mn.	28 Mn.



## Conversion Rate

Middle	Rich
40%	100%
16.8 Mn. Machines	28 Mn. Machines

Assumption: Considering purchasing power, BPL and poor households can't afford a washing machine

Product Life Cycle = 10Yrs

Total Machines purchased =  $(16.8 \text{ Mn.} + 28 \text{ Mn.}) / 10$   
 = 4.48 Million Machines

Assumption: Considering that washing machine is a durable good, it'll be purchased once and used throughout its product cycle

Note: Population Growth Rate = 5%. Therefore, number of washing machines sold yearly will grow by 5%.

# Guesstimate: Market Size of Baby Care Products in India

## Clarifying Questions

What time duration should be considered?  
Consider a period of 1 year

Total Population = 1.4 Bn. Life Expectancy in India = 60 years. Hence, population belonging to 0-2 years old =  $1.4 \text{ bn} * (2/60) = 46 \text{ Mn. (approx.)}$

Target Population in India = 46 Million

Rural

60%

27.6 Million

Urban

40%

18.4 Million

Assumption: Every age group has an equal contribution towards the total population.

## Income Segmentation in Rural Areas

BPL	Poor	Middle	Rich
40%	30%	20%	10%
11.04 Mn	8.28 Mn	5.52 Mn	2.76 Mn
✗	✗	✗	✓

## Conversion Rate

Rich
60%
1.656 Mn.

## Income Segmentation in Urban Areas

BPL	Poor	Middle	Rich
20%	30%	30%	20%
3.68 Mn	5.52 Mn	5.52 Mn	3.68 Mn
✗	✗	✓	✓

## Conversion Rate

Middle	Rich
80%	100%
4.4 Mn	3.68 Mn

Total babies:  $1.656 + 4.4 + 3.68 = 8.736 \text{ Mn.}$  Assuming that every baby requires 650 gm of products every week, total market size =  $8.736 * 650 * 52 = 295 \text{ Million Kgs}$

# Guesstimate: Market Size of Lipsticks in India

## Clarifying Questions

What time duration should be considered?  
Consider a period of 1 year

Target Population in India = 1400 mill

Males

60%

840m



Female

40%

560m

Rural

70%

392m

Urban

30%

168M

Assumption:  
I won't consider  
BPL and LMC  
populations in  
rural areas and  
the BPL  
population in  
urban areas.

## Income Segmentation in Rural Areas

BPL

10%

39.2 Mn



Poor

20%

78.4 Mn



Middle

30%

117.6 Mn



Rich

40%

156.8 Mn



Total = (352.8 + 151.2) = 504Mn

0-18 (20%)

20%

20.16 Mn.

18-50 (60%)

60%

181.44 Mn.

Above 50 (20%)

20%

20.16 Mn.

## Income Segmentation in Urban Areas

BPL

10%

16.8 Mn



Poor

20%

33.6 Mn



Middle

30%

50.4 Mn



Rich

40%

67.2Mn



Assumption:  
We'll then  
assume the life  
of lipstick to be  
1 year.

This implies, 20.16 Mn. + 181.44 Mn. + 20.16 Mn.  
Total market size = 221.76 Lipsticks.

# Guesstimate: Number of Samosas sold in SRCC Canteen

## Clarifying Questions

Can I consider it to be an average day? Yes  
 Can I include only 'undergraduate students' for calculating the figure? Alright

## SRCC COURSES

B.Com Hons.

800

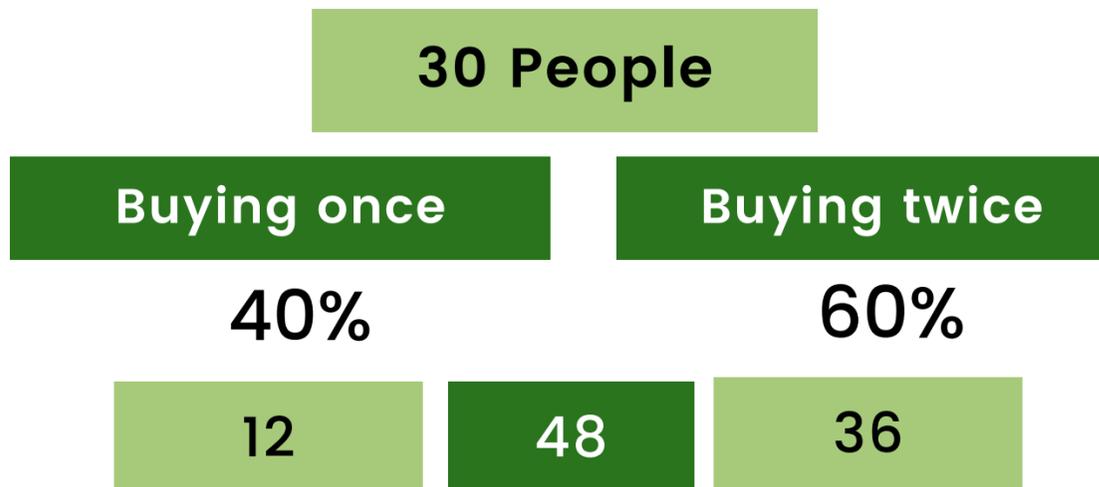
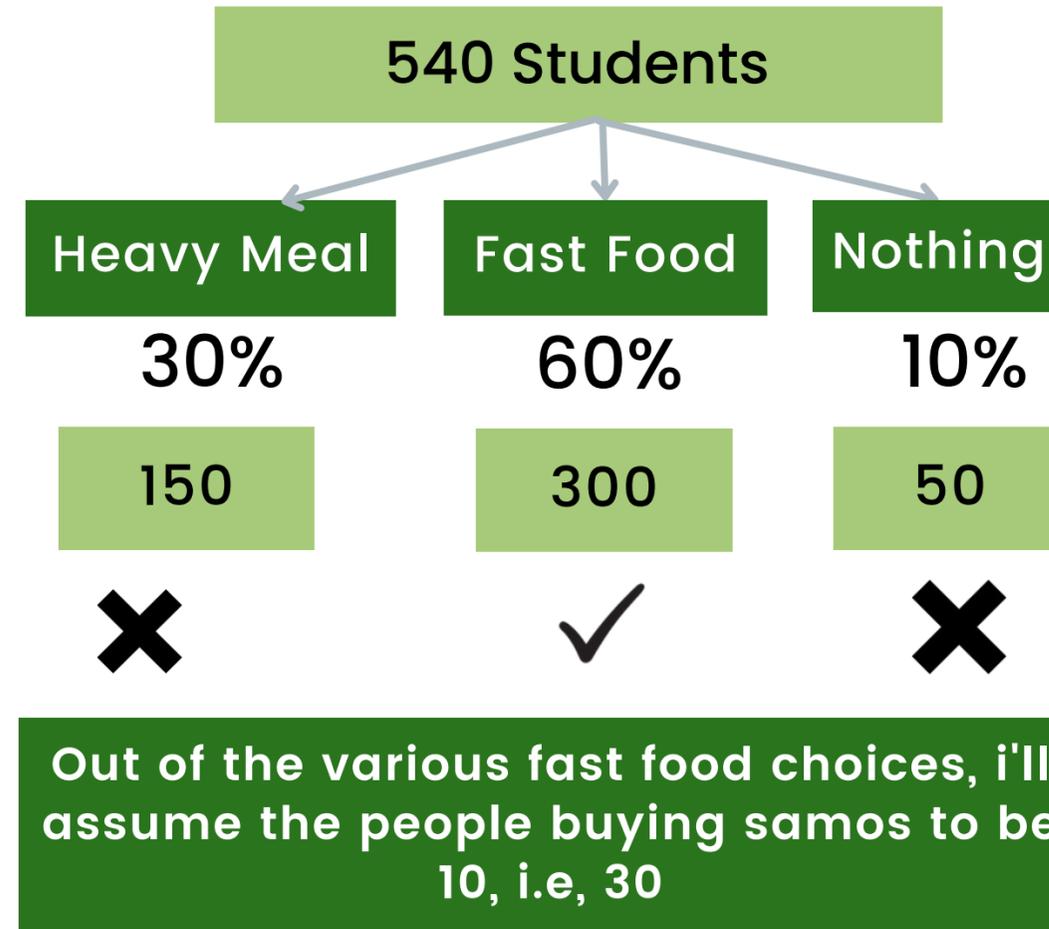
Eco. Hons.

200

1000 X 3 Batches  
 = 3000

## Assumptions:

- Only 60% of students turn up to college in an average day
- Since samosa's price in our canteen is just 10 rupees, we can assume that everyone who wants can afford it.
- People going to canteen is assumed to be 30%



People turning to college on a specific day = 1800

Students visiting the canteen = 540

Assumption: Out of 1800 students going to college, around 30% ( $1800 \times 30\% = 540$ ) would be going to canteen

Since samosa is a small item and is always available, we can ignore the supply side constraints of non-availability and seating capacity

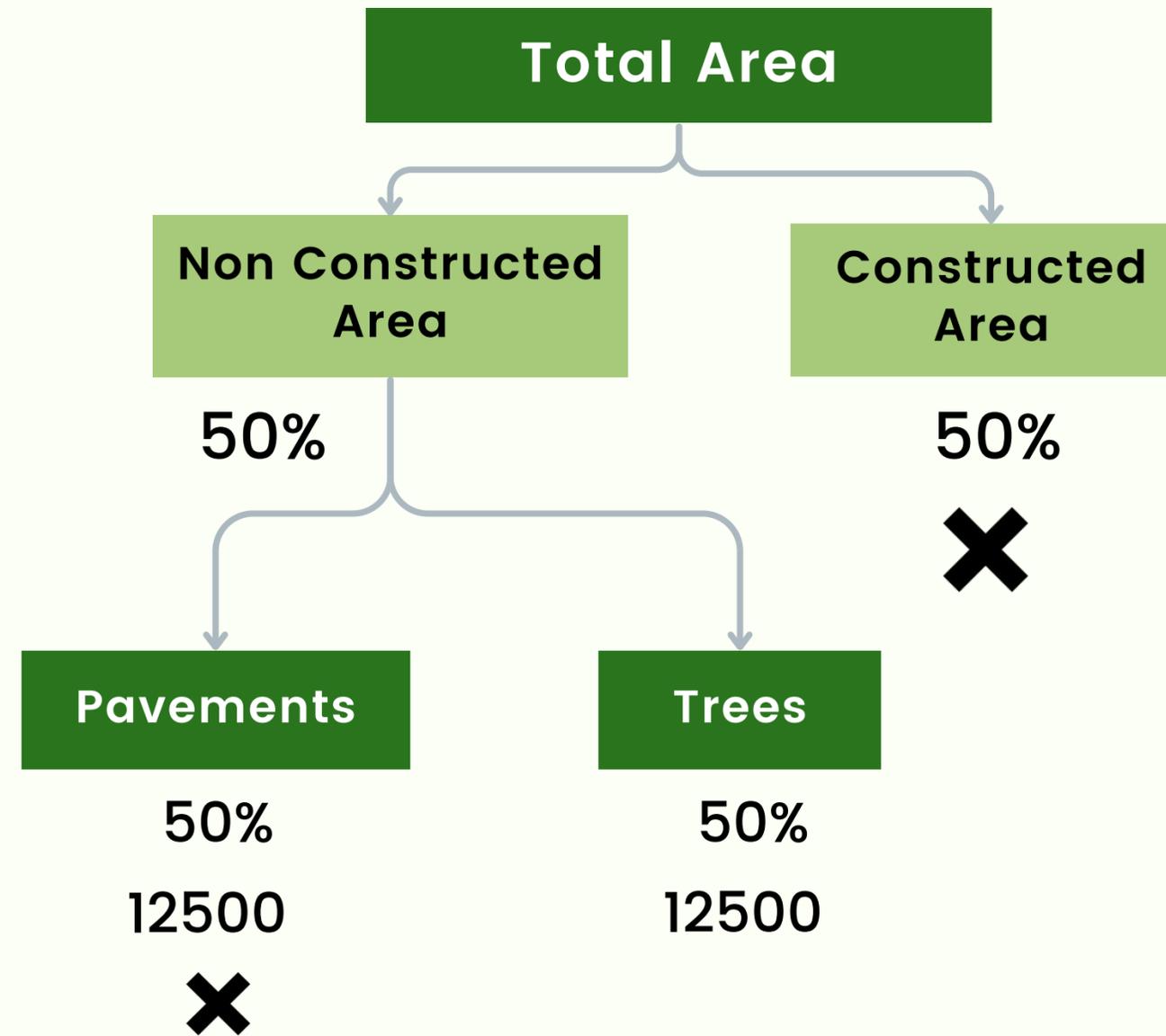
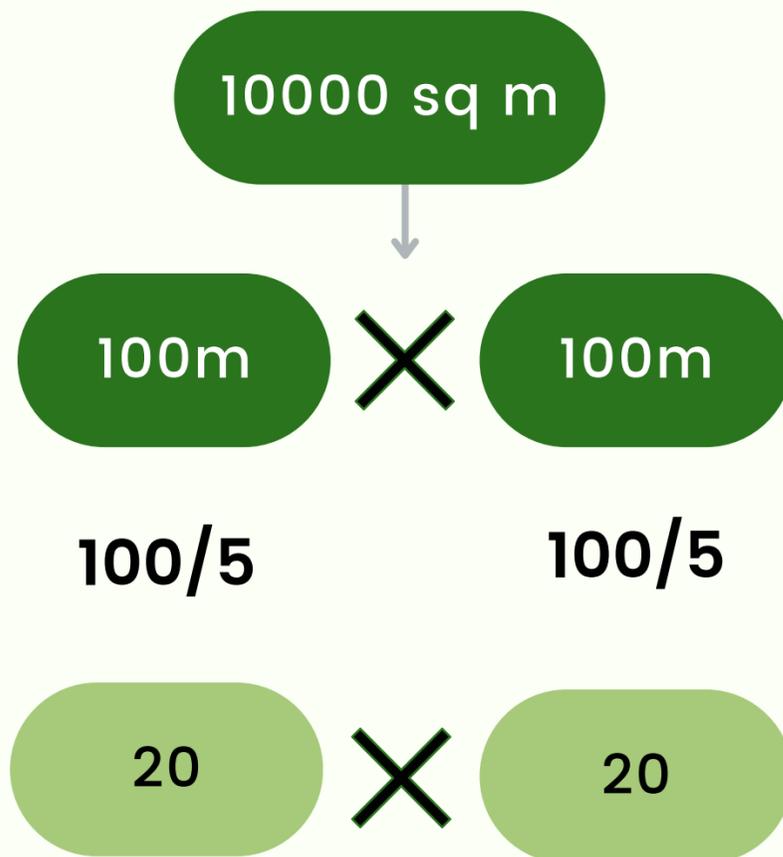
# Guesstimate: Number of trees planted in SRCC

Assumption: SRCC is square in shape and each side is 200 metres. So, the area would be  $200 \times 200 = 40,000 \text{ sq. m}$

Assumption: For ease, the total area is taken to be 50,000 sq. m

The diameter of each tree is taken to be 2.5M and the distance between 2 trees is also 2.5M

It is assumed that the trees will be planted uniformly, and the space taken by each tree will be 5m.



Assumption: The trees are planted uniformly in the square.

Assumption: Out of this, 2500 sq. m is considered to be unused.

Thus, the number of trees planted in SRCC is 400.

# Guesstimate: Market Size Of Laptops in India

Target Population in India = 140 Cr

Urban

30%

42 cr

Rural

70%

98 cr

Income Segmentation in Urban Areas

BPL

10%

✗

LMC

30%

✗

UMC

40%

16.8 cr

Rich

10%

4.2 cr

Assumption: Not considering BPL and LMC population from urban population. Assuming 5% of rural population can buy laptops, we get 4.9 cr people that can buy laptops.

Total number of people that can buy laptops  
 $= (21 + 4.9) = 25.9$  cr

Total number of people that are willing to buy laptops  
 $= 25.9 \times 50/100 = 12.95$  cr

Assumption: Only 50% are willing to buy out of total number of people that can buy laptops.

AGE DIVIDE

0-18

20%

25.9 L

19-50

60%

543.9 L

50+

20%

103.6 L

Assuming the life of a laptop to be 5 years, the total number of people who will buy a laptop will be divided by 5 to get the total market size.

Total number of people who will buy laptop at a given point of time  
 $= 673.4$  lakhs

TOTAL MARKET SIZE

**134.68 lakhs**

# Guesstimate: No. of people that would be present at Chandigarh railway station in a day

Assumption: Since there is a fee of Rs. 300 for parking for more than 6 minutes (from personal experience), there will only be people who come to pick up and drop off people. We can eliminate visitors.

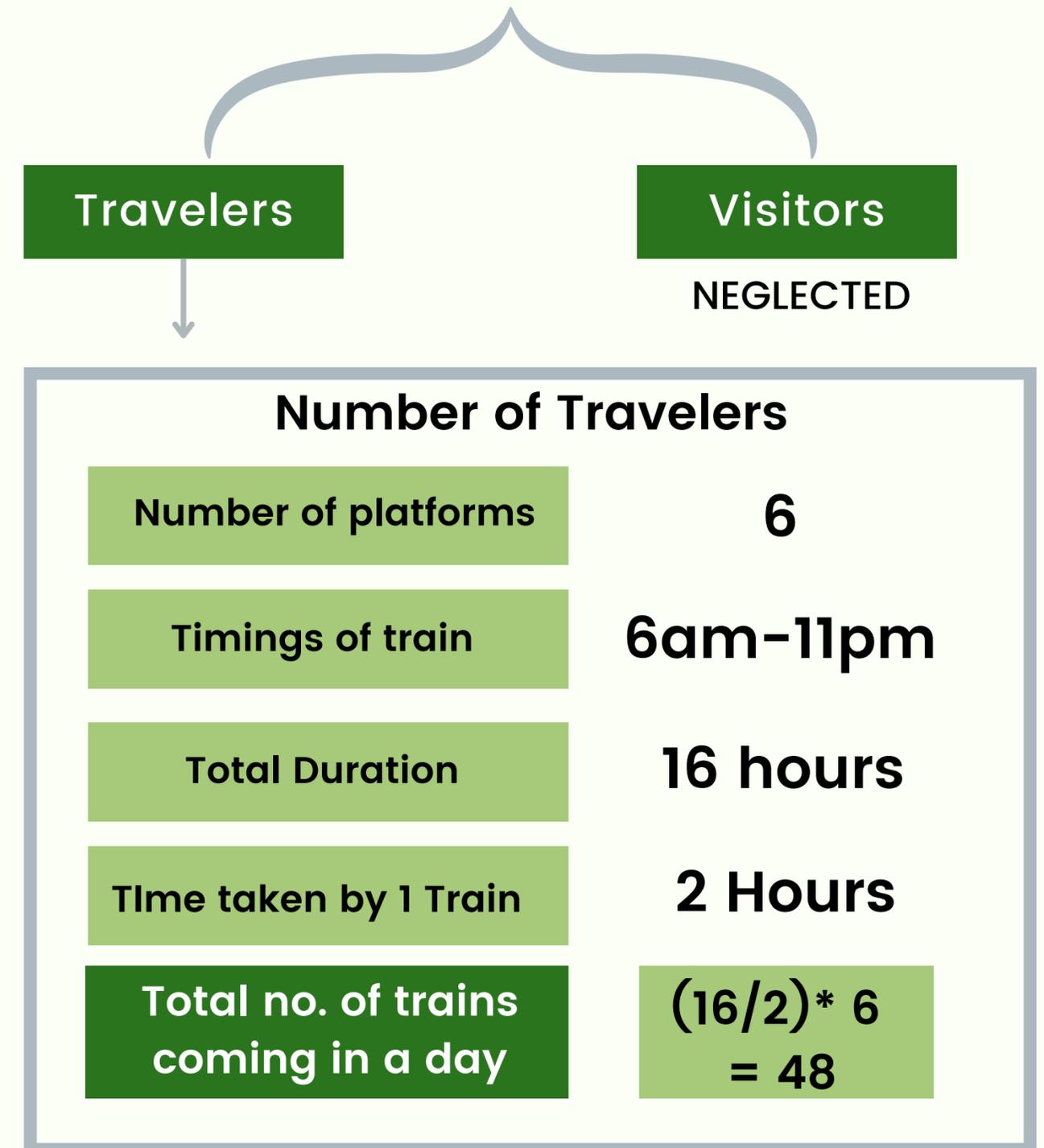
For calculating the number of travelers divide the number of platforms, from personal knowledge, making the assumption that the station is not too big so it has only 6 platforms.

Assumption: Time taken by a train to come in, carry all the passengers and move along followed by another train based on personal experience is assumed to be 2 hours.

Assumption: The average number of passengers is assumed to be 1000 per train

**TOTAL NUMBER OF PEOPLE PRESENT AT CHANDIGARH RAILWAY STATION IN A DAY = NO. OF PASSENGERS X NO. OF TRAINS**

$$48 \times 1000 = 48000 \text{ PEOPLE}$$



# Guesstimate: Calculate the no. of pads sold in India

## Clarifying Questions

1. Are we considering all types of pads like reusable pads, organic pads, regular pads, etc.
2. What should be the tenure (monthly or yearly)?
3. Any particular segment of sales to focus on?

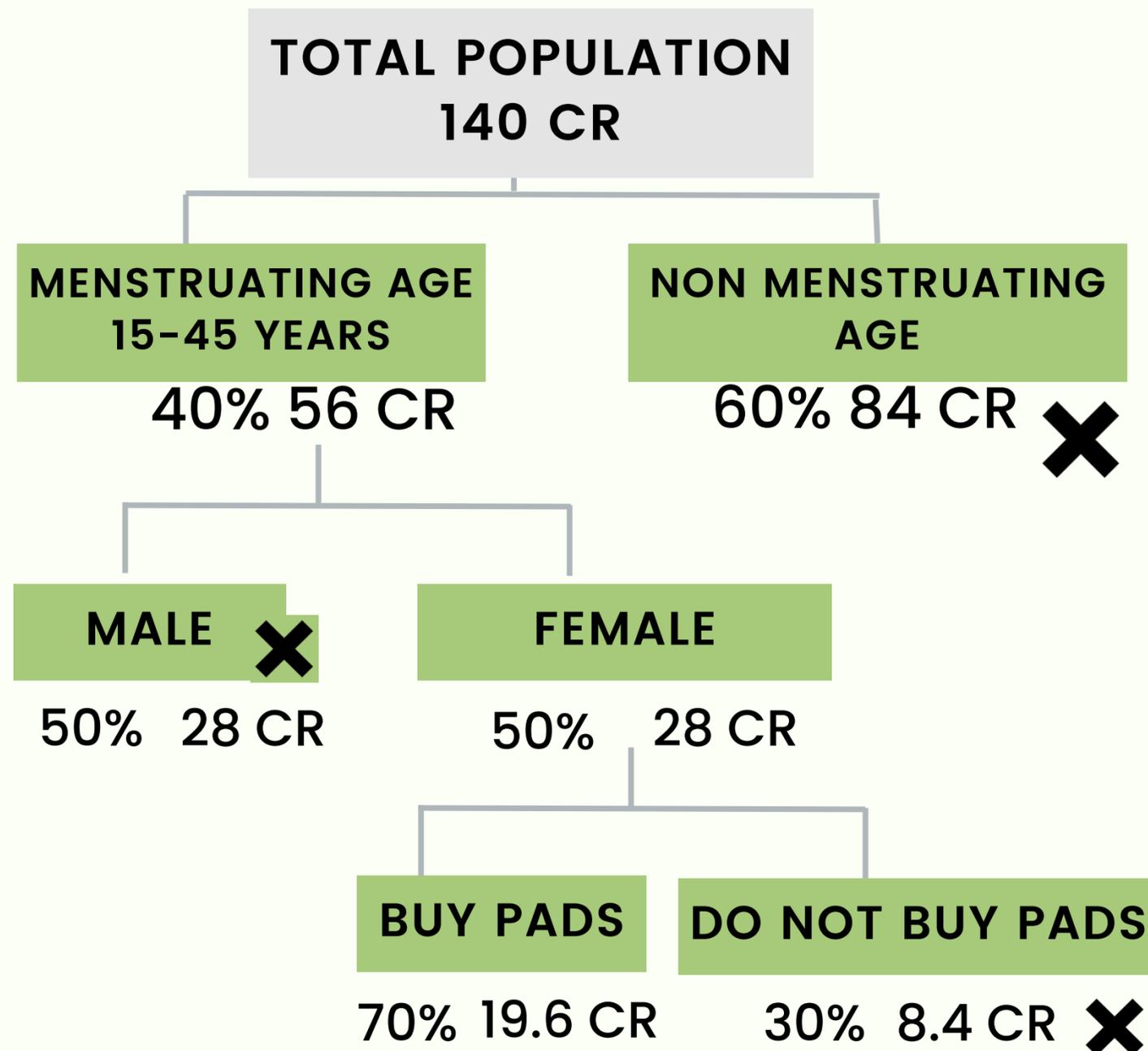
*Kindly consider all kinds of pads. Calculate annual sales. Consider sales through all channels.*

Assumption: considering that not all females menstruate. The age bracket would be 15-45 given the average age of starting periods and menopause.

Assumption: 30% of the total female population will not be able to use pads. Stating two factors – 10% of them have some medical reasons and 20% of them still use cotton clothes and do not have access to pads

Assumption: periods last for average 5 days. 2 pads will be required by each women. So, 10-12 pads are required once a month. Total number of pads required in a year  $12 \times 12 = 144$  pads

TOTAL NUMBER OF PADS SOLD IN INDIA = NO. OF PADS USED IN A YEAR BY ONE WOMAN X NO. OF WOMEN WHO BUY PADS

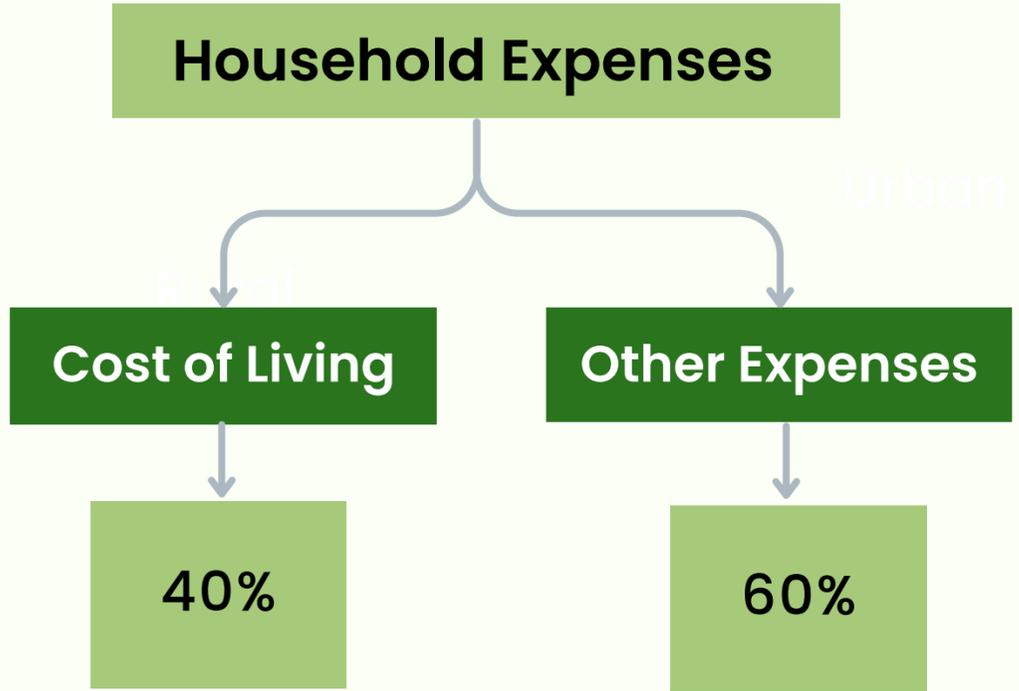


$144 \times 19.6 \text{ CR} =$   
**28.22 BN**

# Guesstimate: Monthly expenses of a Partner level employee

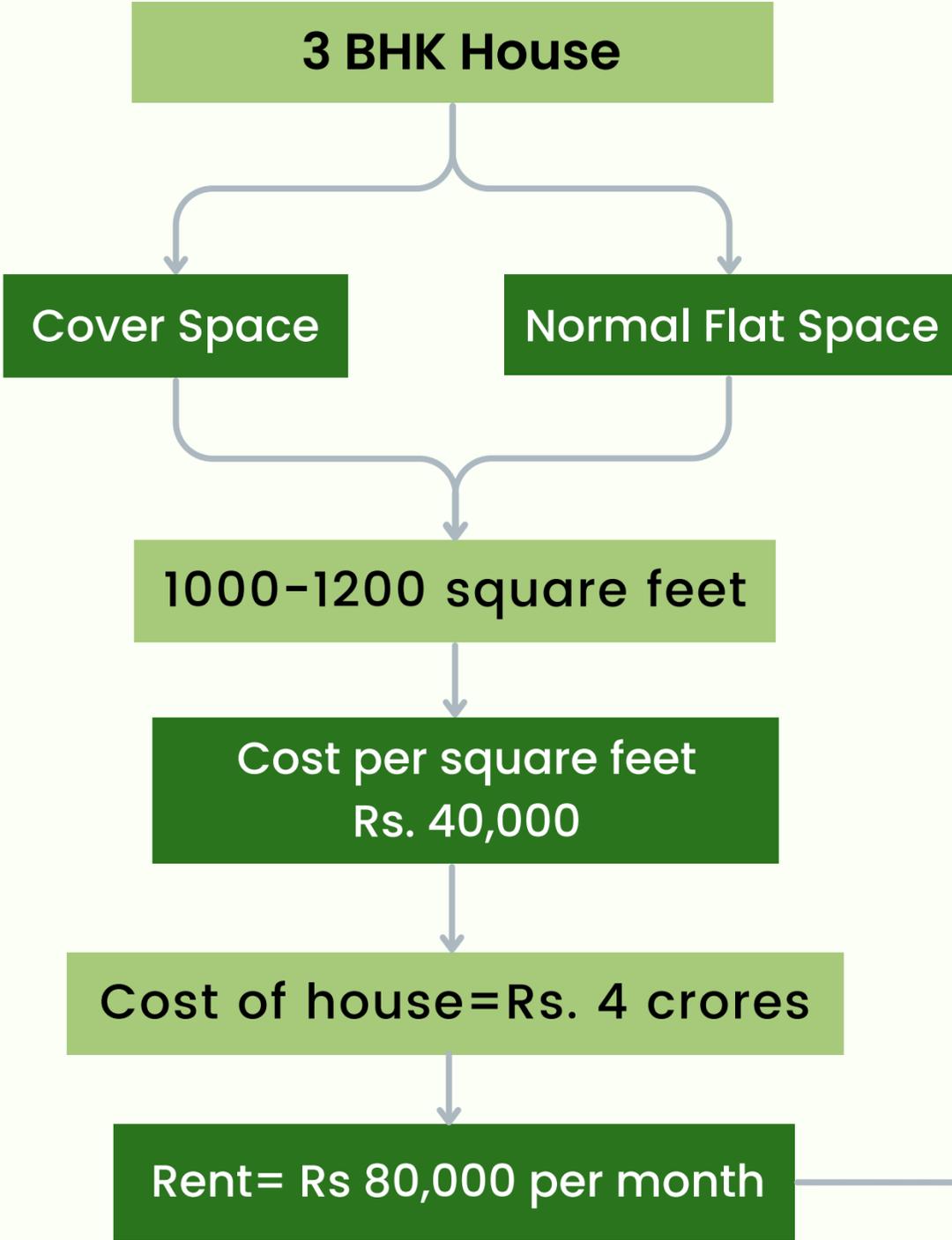
## Clarifying Questions

What state and what kind of a locality do you live in?  
 -Average Mumbai middle class household.  
 How many people are there in your family?  
 -4 people  
 What is the composition of your house?  
 -3 BHK



## Assumption

So since there is no quantitative data in any form, the interviewee took an expense side approach for calculating this guesstimate. In expenses, the cost of living - rent or imputed rent is the basic measure.



**Total Expenses:  
Rs 2 Lakh per month**

Other Expenses= Rs 1,20,000 p.m.

# Case Cheatsheets

**Pricing | Profitability | Market Entry | Growth |  
Mergers and Acquisitions**



# PRICING: CHEATSHEET

## PRICING STRATEGY

### Cost Based

### Value Based

### Competitive

1. Fixed Cost
2. Variable Cost
3. Profit Margin
4. Breakeven Point
5. R&D
6. Logistics Price
7. Elasticity

1. Willingness to Pay
2. Opportunity Cost
3. Supply- Demand
4. Tradeoff Target
5. Segment Product
6. Worth Alternate
7. Substitutes

1. Industry Structure
2. Market share
3. Type of Market e.g Monopolistic
4. Current Average Price
5. Discount Schemes

## FACTORS AFFECTING PRICES



### COMPETITION

- Price Benchmarking
- Product Differentiation
- Competitor Price



### CUSTOMER

- Target Segment
- Consumption Behavior
- Rationality
- Willingness



### SUBSTITUTES

- Availability
- Future substitutes
- NPV of Substitutes



### PRODUCT

- Additional features
- Uniqueness
- Radical invention



### COSTING

- Manufacturing
- Logistics
- Marketing Cost
- Price Elasticity
- R&D

## PRICING MATRIX

PRICE  
HIGH  
LOW

SKIMMING	PREMIUM
ECONOMY	PENETRATION

LOW

HIGH

QUALITY

### ECONOMY

It is an gateway to extend the target segment and to establish more profitable relation with the customers

### PENETRATION

It is a tricky scenario where objective is to pull more and more customers to takeaway competitor's market share.

### SKIMMING

It is an practice of marketing and selling the product at highest price buyers are willing to pay and charging lesser price as time passes by.

### PREMIUM

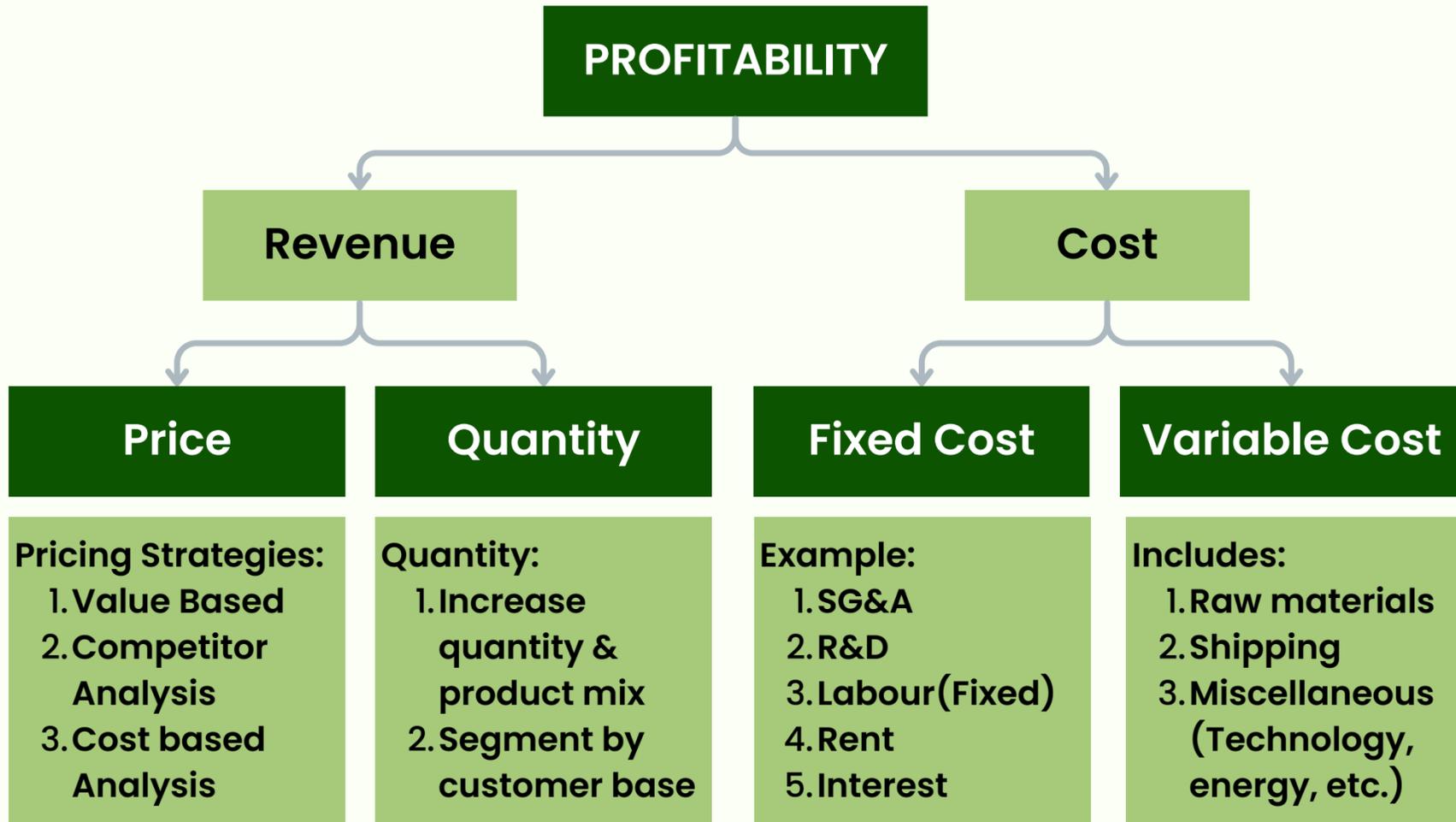
When product's high price is matched by its high quality, it is an image of money worth product for its high quality  
Example:

## KEY QUESTIONS TO ASK

- Which Industry is being specifically mentioned?
- Objective of Client whether to penetrate into the market or to increase the profitability?
- USP of products making it stand out in the Market
- Product- New product or existing product or Radical invention



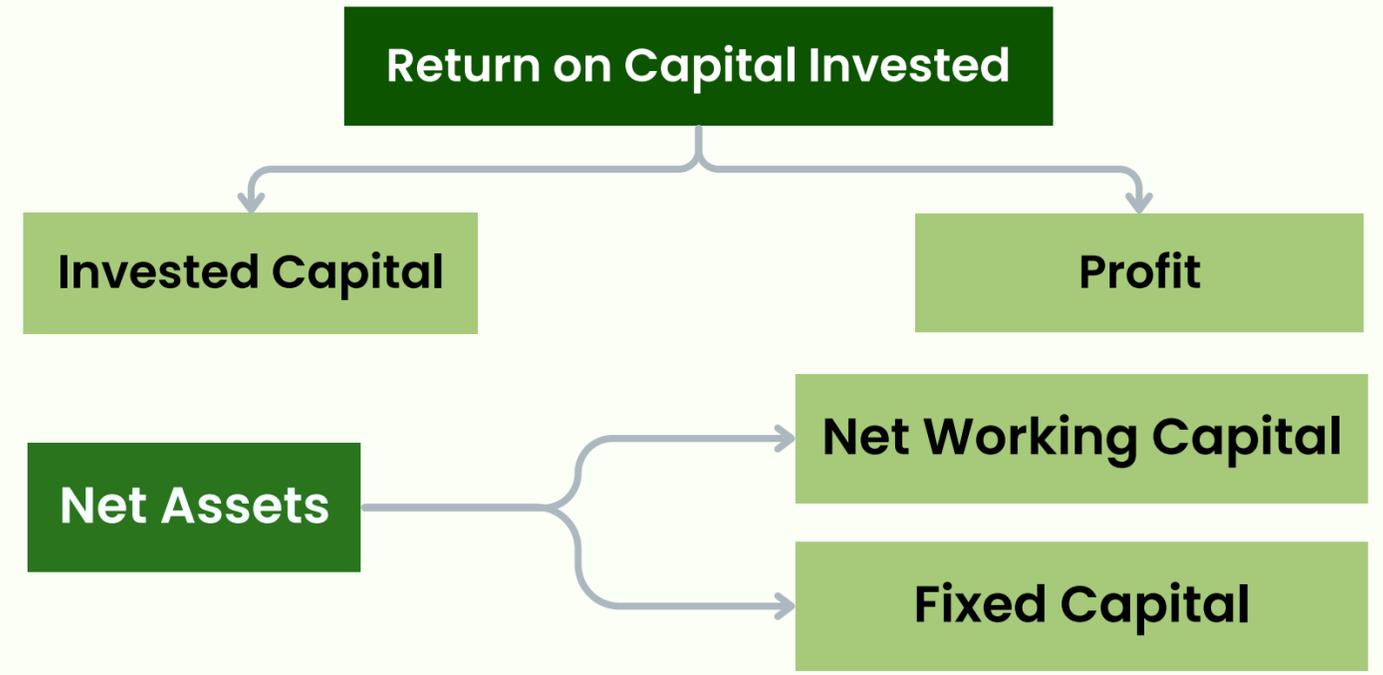
# PROFITABILITY: CHEATSHEET



**Factors to consider before responding to falling prices:**  
 Market power, Competitor pricing, Customer, Price sensitivity, Price discrimination and Product differentiation

**Segment:**  
 Product & Product line, Distribution channel, Region, Customer type

## Expanded Profitability Framework



**Net Working Capital = Cash + Accounts Receivables + Inventory – Accounts Payable**

		Products		Contribution to operational performance	
		Existing	New	Low	High
Markets	Existing	Market Penetration	Product Development	Market Penetration	Product Development
	New	Market Development	Diversification	Market Development	Diversification
		Strategic Importance		High	Low



# GROWTH CASE: CHEATSHEET



### KEY QUESTIONS TO ASK

- Specific target/goal to achieve
- Growth in terms of revenue/profit/market share?
- Current Capabilities of client
- Competitive Landscape

### KEY FACTORS TO EVALUATE A GROWTH OPPORTUNITY

- Impact
- Ease Of Implementation
- Cost
- Timing
- Differentiating factor to create value

### MATHS TIP

Simpler Ways to Calculate Growth Rate:

Multiply growth rates. For e.g., 20% then 30% growth =  $(1.2 \times 1.3) - 1$

Compound Growth

10% growth for 5 years =  $5 \times 10\%$

### MARKET DEVELOPMENT

- Attracting competitors' customers
- New geographical markets
- New demography

### MARKET PENETRATION

- Competitive Pricing
- Tapping more distribution channels
- Improving product
- Increased Promotion

### RELATED DIVERSIFICATION

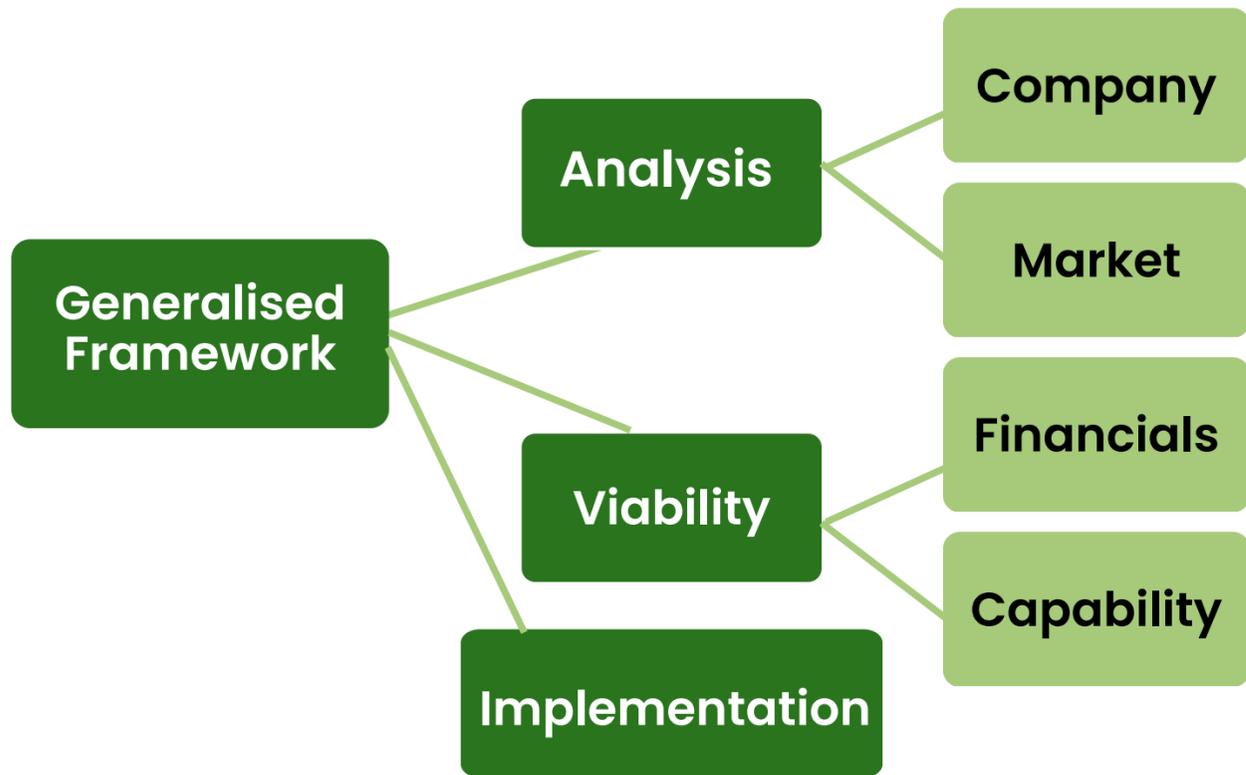
- Entering into new market, with new product line with similar product mix.

### PRODUCT DEVELOPMENT

- Product line extensions
- New products replacing old ones
- Bringing innovative and quality products



# MARKET ENTRY CASE: CHEATSHEET



**COMPANY**

- Internal Motivation
- Product Portfolio
- Customer Segment
- Distribution Channel

**CAPABILITY**

- Distribution channel
- Production capacity
- Local knowledge

**FINANCIALS**

- Financial Situation
- Expected RoI
- Raise capital or internal Funding

**MARKET**

- External Motivation
- Geographical area
- Growth Rate
- Trade Barriers

## Five Forces Analysis



## Type of Entry



**IMPLEMENTATION:**

- Create a timeline for the entry, consider various methods to enter such as Joint Venture, Exporting, Licensing, Acquisition.
- Providing an implementation strategy might earn you brownie points

**WITHDRAWAL:**

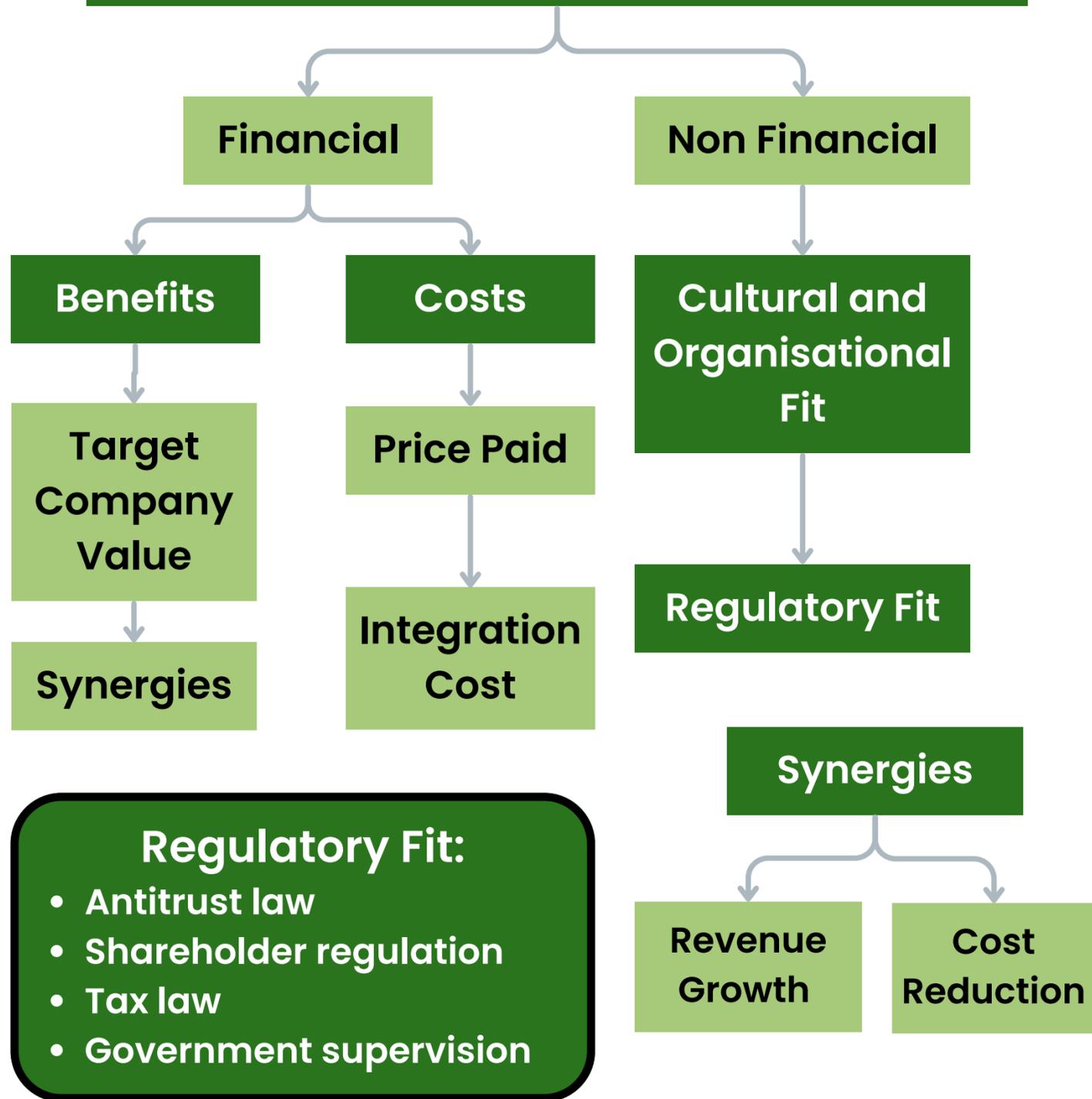
- Ask if there is any other potentially attractive market
- Explain the financial repercussions of not entering
- Have a plan with the next best alternative ready



# MERGER & ACQUISITIONS: CHEATSHEET

## Cultural and Organisational Fit

Should a company buy another company?



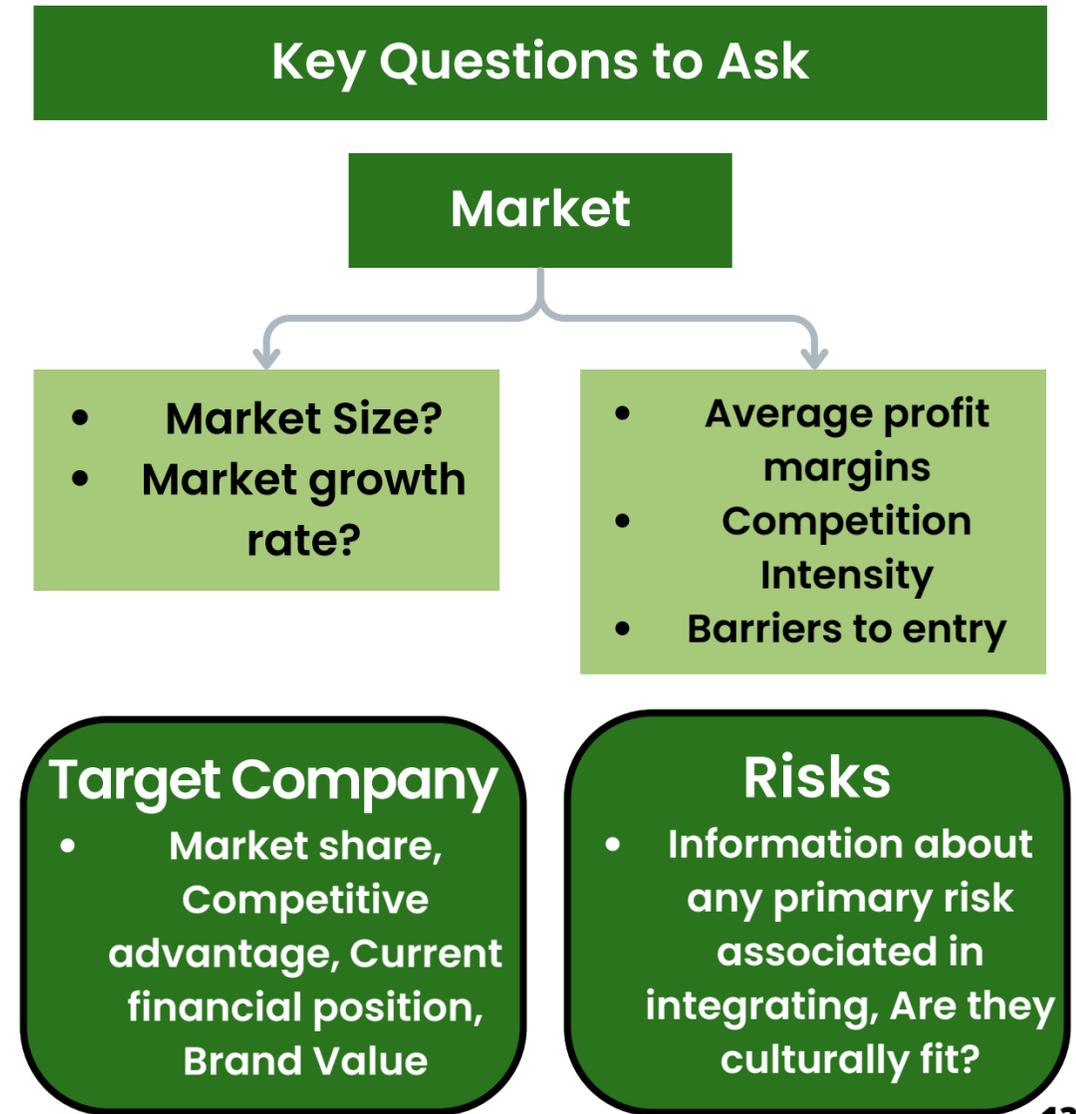
**Organizational Factors:**

- Differences in organizational structures, Differences in KPI measurement, reward systems

**Cultural factors:**

- Local working rules and regulations, Languages/ mode of communication, International cultural differences

- Product Complements (Patents, components)
- Sales Channels (Cross selling, new channels)
- Expertise Expansion (R&D)
- Reduced operational overlap
- Reduced operational overlap



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## DIRECTORS

ANANYA TANEJA

ATISHAYA JAIN

KAVYA AGGARWAL

HARISHRAJ SRINIVASAN

## JUNIOR CONSULTANTS

ANAYATA TANEJA

PRIYAL AGGARWAL

ARINDAM KANORIA

RAJ KAMAL VIJ

ARSHIYA GUPTA

RIYA

ARYAN AGARWAL

SANIYA SURI

DHRUV WADHWA

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