180 DEGREES CONSULTING, SRCC

CASE INTERVIEW GUIDE 3.0

CASE INTERVIEW GUIDE

MCKINSEY

BCG LEK NETWORK ZS

BOD CONSULTING

ACCENTURE

NATION WITH NAMO

KEPLER CANNON

BAIN & CO

Acknowledgement

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Types of Cases

Profitability Cases

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Case Library

THEORY

In this type of case, you have to analyze the sources of **revenue** and **costs** for a company and identify ways to improve its **profitability**.
A domestic airline has been experiencing declining profitability over the past five years. Analyze this decline in profitability and suggest ways to reverse it.

PRELIMINARY QUESTIONS

- Since when is the client facing this issue and what is the magnitude ?
- Where is the client operating ?
- Is overall market demand decreasing? Is this industry-wide?
- Are all stores/products facing this issue?
- Is the market declining?
- Are the competitors driving prices down?
- Has there been a sudden hike in costs?

TYPES OF PROFITABILITY CASES

PROFIT PROBLEM

The question asks to find ways to **increase profitability** or **profitability growth**. This is the most straightforward and easy-to-identify profitability case interview question

Example: Pepsi Co is facing declining profits. Analyze and suggest ways to rectify.

LOSS PROBLEM

The question wants you to identify the **reasons** why your client is **losing money** due to losses in their business and fix the issue by giving recommendations.

Example: Swiggy is loosing money due to losses since 3 years. Analyze the issues.

MARGIN PROBLEM

The question wants you to identify the reasons why your client company is seeing **tightening margins** and wants you to address the issue.

Example: Myntra is facing tightening margins affecting their profitability. Analyze.

IDENTIFY THE CASE

Company X is facing **declining/stagnant profits**. Identify the issue and suggest ways to rectify.

FRAMEWORKS TO SOLVE PROFITABILITY CASES

- Profitability framework
- Quantitative vs qualitative
- Bull's Eye Framework
- Value Chain Analysis

Cheatsheet : Profitability

- **PROFITABILITY**
  - **Revenue**
    - **Quantity Sold**
      - **Demand Side**
        - **Marketing**
          - Product
          - Price
          - Place
          - Promotion
        - Order Frequency X Average Order Value
        - Total Customers X Revenue per Customer
        - Customer Service
        - Pricing Issues
      - **Supply Side**
        - Procurement
        - Production
        - Distribution
        - Value Chain of Producers
    - **Price per Unit**
      - Profit Margins
      - Unit Economics
  - **Costs**
    - **Fixed Costs**
      - Depreciation
      - Amortisation
      - Leases
      - Taxes
      - Salaries
      - Mortgages
      - Licensing Fees
      - Bank Fees
      - Manufacturing Costs
      - Interest/Cost of Capital
    - **Variable Costs**
      - Raw Materials
      - Utilities
      - Labour Wages
      - Packaging
      - Legal Fees
      - Outsourcing Fees
      - Shipping and Freight
      - Inventory and Warehousing
      - Customer Acquisition Cost
      - Miscellaneous Costs

Growth Cases

THEORY

This type of case study focuses on the **first half of the profitability equation** — **revenue** = price x quantity of units sold.
Your client, Coca-Cola, is looking for new opportunities to grow after years of flat growth. They have hired you to determine the best way to grow.

PRELIMINARY QUESTIONS

- What is the client's product mix?
- How long has the company been facing this issue?
- Were there any major changes during that time?
- Is the problem industry-wide company specific?
- Is the entire company facing the issue or any specific product or geography?
- What are the distribution channels and is the decline equal through all channels?
- What are the client's available funds for growth?

TYPES OF GROWTH CASES

ORGANIC GROWTH CASE

Organic growth is internal growth that a company sees from its operations. It is often considered a more sustainable form of expansion as it evolves without relying on external forces.

- Growth through existing revenue sources
- Growth through new revenue sources

INORGANIC GROWTH CASE

Inorganic growth is growth from buying other businesses or opening new locations. It involves external factors such as mergers, acquisitions, or partnerships that rapidly expand the business.

- Acquisitions
- Joint Ventures
- Partnerships

IDENTIFY THE CASE

Company X is facing **declining revenue/ stagnant growth**. Identify the issue.

FRAMEWORKS TO SOLVE GROWTH CASES

- BCG Matrix
- PESTEL Analysis
- Value Discplines Framework
- Ansoff Matrix
- Needscope Analysis

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Cheatsheet : Growth

Case Library

- **GROWTH**
  - **Revenue Growth**
    - **Increase Market Size**
      - **Domestic**
        - New Products
        - New Customer Segments
      - **International**
        - Market Analysis
        - Product Diversification
    - **Diversify Revenue Stream**
      - **Inorganic**
        - Joint Ventures
        - Mergers and Acquisitions
      - **Organic**
        - Number of Customers
        - X
        - Revenue per Customer
  - **Cost Reduction**
    - **Fixed Costs**
      - Depreciation
      - Amortisation
      - Salaries
      - Taxes
      - Land & Building Rental/Lease
      - Plant & Machinery
      - Warehousing Fees
      - Fixed Charges and Other Fees
    - **Variable Costs**
      - Logistics
      - Packaging
      - Distribution
      - Marketing
      - Post Services
      - Wages
      - Raw Material

Strategies to Enter the Market

- Nature of the Market
- Regulatory Environment of the Target Geography
- Entry barriers of that Industry

Strategies to Exit the Market

- Sale to a Private Equity Firm
- Salvages Asset and shut operations
- Dry the Company Out
- Go through an Initial Public Offering

Mergers and Acquisitions Cases

Case Library

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THEORY

IMergers and acquisitions (M&A) are high-stakes **strategic decisions** where a firm(s) decides to **acquire or merge with another firm.** Walmart is considering acquiring a company that provides an online platform for small businesses to sell their products. Should they make this acquisition?

PRELIMINARY QUESTIONS

- In which industry does the client operate?
- What are the client's key customer segments?
- What are the market's size and growth figures?
- What is the focus? Is it a high volume/low margin or a low volume/high margin market?
- Are there barriers to entry?
- Who are the key competitors in the market?
- What are possible threats?

TYPES OF M&A CASES

COMPANY ACQUIRING/ MERGING WITH ANOTHER COMPANY

These questions take the form of a **GTM strategy,** involving an extant business unit that is looking to **expand its offerings** and or involving the launch of a brand-new business unit.

Example: If Mc Donald's is considering to merge with Pizza Hut or Unstop is considering to acquire Internshala. Analyze if they should make this investment.

A PRIVATE EQUITY FIRM ACQUIRING ANOTHER COMPANY

These questions are usually anchored to the goal of **either growing revenues or expanding margins** through analysis of price elasticity or price in conjunction with changes in cost.

Example: A private equity firm is considering acquiring a national chain of tattoo parlors. Should they make this investment?

IDENTIFY THE CASE

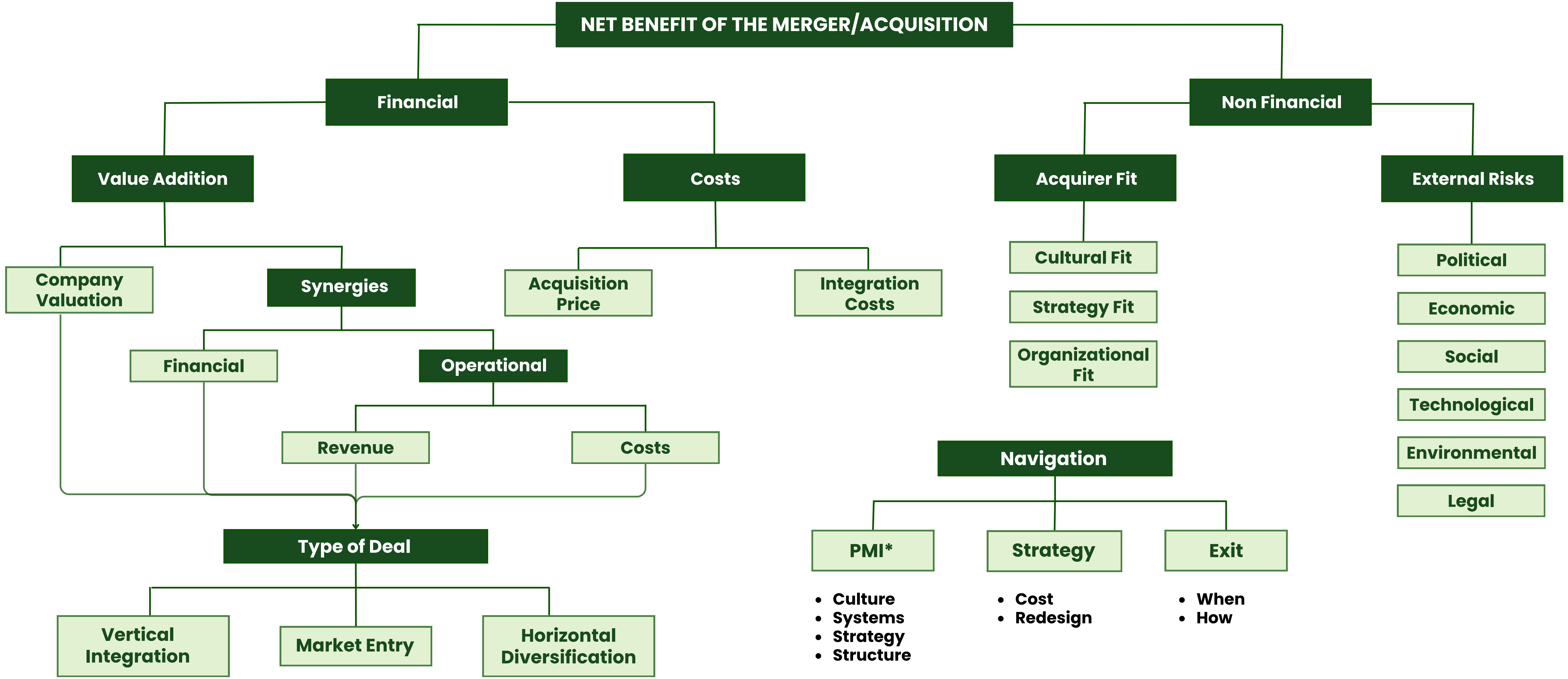
Company X is considering to **merge with/ acquire** Company Y. Should they make this decision?

FRAMEWORKS TO SOLVE M&A CASES

McKinsey M&A Framework

McKinsey 7S Framework

Cheatsheet : Mergers and Acquisition



*Purchasing Managers Index

Market Entry Cases

THEORY

Market entry cases ask a candidate to **evaluate a specific growth opportunity** and decide whether or not the company should pursue it. For this purpose, the economic and operational feasibility is ascertained.

PRELIMINARY QUESTIONS

- What geographies does the client serve?
- What is the objective of expansion?
- Who are the existing competitors?
- Are there any substitute products or potential entrants?
- Are there any location specific advantages that can save costs?
- Are there any other macroeconomic, social, geopolitical factors to consider?

TYPES OF MARKET ENTRY CASES

GEOGRAPHIC EXPANSION

Should the company **expand** their products to a **new market**?

Example: *Chipotle* is considering expanding into Europe. Should they do it?

PRODUCT LINE EXPANSION

Should the company launch a **new product under the same product line of an existing brand?**

Example: Should *TVS* launch an electric scooter?

PRODUCT SEGMENT

Should the company modify its product into **different products** to attract different customers

Example: Should *Apple* launch light bulbs?

GENERAL GROWTH STRATEGY

Market entry cases sometimes might be **hidden** as a growth case to expand into a new market.

Example: *Client Co.* is present in a saturated market. What should it do?

IDENTIFY THE CASE

Company X is looking to **enter market Y**. Should they do it? Provide reasons. If yes, how should they enter?

FRAMEWORKS TO SOLVE PROFITABILITY CASES

- Blue Ocean Strategy
- Cost-Benefit Analysis
- 4P/7P Marketing Mix
- Porter's Five Forces

Cheatsheet : Market Entry

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Case Library

- **MARKET ENTRY**
  - Operational Feasibility
  - Financial Attractiveness
    - Market Growth Rate
    - *Expected Profits
      - **Market Size (Units)
      - % Market Share
      - ***Profit/Unit
        - SELLING PRICE / UNIT
        - VARIABLE COST/ UNIT
      - Fixed Costs
    - Competetive Landscape
  - Risks

GO TO MARKET STRATEGY

Segmentation

- Geographic
- Demographic
- Behavioral

Targeting

- Segment Selection
- Segment Size
- Segment Growth

Positioning

- Product
- Price
- Place
- Promotion

Expected Profits (/Revenue)

A question can be asked on estimated revenue in the first year of establishment, here we consider the selling price per unit instead of profit per unit, other things remaining the same.

***Expected profits** = (Market size (in units) * % Market Share * Profit/unit) - Fixed costs

****Market Size (In Units) :** A guesstimate can be asked to estimate the market size of the problem statement asked

*****Profit/Unit:** This can be calculated by estimating the variable costs that will go into making the product or rendering the service in question.

Pricing Cases

THEORY

In a Pricing case problem you are asked to **set the price** at which your client's company will sell its products and services.
Apple is about to **launch** their latest version of the iPhone. What is the **optimal price** that they should set for this new product?

PRELIMINARY QUESTIONS

- What products does the company sell and where does the company stand in the market?
- What is the company's main objective?
- How does the client's product differ from the competition?
- What are the alternatives or substitute products?
- At what stage of the product lifecycle is the product?
- Are the supply and demand foreseeable?

PRICING STRATEGIES

VALUE BASED

In this method, the **maximum** amount customers would be willing to pay for your product/service is estimated by comparing it to substitutes used by competitors to achieve the same **satisfaction** level.

Example: Pepsi Co is facing declining profits. Analyze and suggest ways to rectify.

COST BASED

Under this method, you assess the costs linked with the product to determine the cost per unit. This establishes the **minimum price**, as pricing below this **threshold** would result in losses due to higher costs than revenues.

Example: Swiggy is loosing money due to losses since 3 years. Analyze the issues.

COMPETITOR BASED

Under this method, the price competitors are charging for providing a similar product/service is compared. This provides a rough range of the price that can be charged, as the aim is to be **competitive**.

Example: Myntra is facing tightening margins affecting their profitability. Analyze.

IDENTIFY THE CASE

Company X is **launching**/ wants to **change price** of Product Y. Decide an **optimal price for Y**.

FRAMEWORKS TO SOLVE PROFITABILITY CASES

- Pricing strategies framework
- Revenue Stream Matrix
- The 5 Cs of Pricing
- Customer Journey Map

Cheatsheet : Pricing

PRICING

Competitor Based

- Price Range by Competitors
- Differences in Offered Product
- Variation from competitors' prices

Cost Based

Minimum Price

Variable Cost per unit + Allocated Fixed Cost per Unit

Allocated Fixed Cost per Unit:
- Production Capacity
- Market Demand

Whichever is lower

Value Based

- Maximum Price
- Price of Substitutes
- Utility to Customer
- Necessity/Luxury Product

Demand Side Factors

- Differentiating factors from competitors
- Consumer Characteristics
- Price Benchmarking and Evaluating Willingness to pay considerations
- Total Cost of Ownership

Supply Side Factors

- All the Ways in which the product can be used
- Advantages/Disadvantages of the Product
- How different the product is as compared to others in the same domain

Selected Cases

Sky High Harvest

Solving the problem of declining sales

Case Type	Company Name	Round	Difficulty Level
Profitability Case	BCG	Partner	

Problem Statement

Your client is a tractor manufacturer. They have been facing a decline in sales for the past one year. You need to find out the reason for the decline.

Sounds Interesting. I would like to understand the company a little bit more. I would like to ask some questions.

Sure! Please go ahead.

What are the key products manufactured by the client?

Our client only sells tractors for agriculture as of now. Their main target market is the farmers.

Is there any specific model of tractors that is experiencing the decline in sales?

Their product line is homogenous.

I would like to know if by declining sales, do we mean the number of tractors or the revenue per tractor.

The client is facing a problem with the number of tractors.

Understood! Do we know where the client is operational?

The client is operational in Western India.

May I know about the clients of the tractor manufacturer? To whom do they sell in the value chain?

The client sells to large distributors and small distributors which push down the tractors to further components of the distribution channels and also to retail shops that sell directly to farmers.

So, I will try to structure the problem:
Net Revenue = Number of Products X Price

I believe the problem could be with the demand or the production side because the number of products sold has gone down. Do you think this is the right issue?

Good question. The decline is majorly due to the demand of the products.

Right, I will be using the 4P framework to address the fall in demand. So, we have the elements of product, price, promotion and place. Is it safe to assume that there are no issues with the price or the product?

The product is placed correctly with a competitive price. The product is almost similar to what the competitors are offering.

I think there might be a problem with promotion. Am I right in assuming so?

Yes, you're right, there is a problem with the promotion of the products.

We will move forward with analysing what the issues with promotion are, considering that the client is not selling enough products. I am assuming, for a tractor company, the major channels of promotion would be word of mouth, television advertisements and radio advertisements.

Yes, that is correct. Word of mouth is the major problem.

In this case, there could be two possibilities: either the competitors are promoting better than our client or there is negative PR surrounding the company. Is the problem identified correct?

The competitors are promoting aggressively. They are sponsoring village melas where farmers can see the tractors in herds and can test their functionality. Hence, they are forming a deeper connect with the product. I think you've identified the issue here. We can close the case now.

Thank you very much!

HERE'S A TIP!

Having an understanding of how an industry caters to its customers in a profitability case is extremely crucial, i.e. while breaking down a profitability case, an interviewee must be aware on how the industry adds value to a commodity through its value chain. Creating a clear, streamlined thought process would allow the interviewee to move back and forth along that line while breaking down a case.

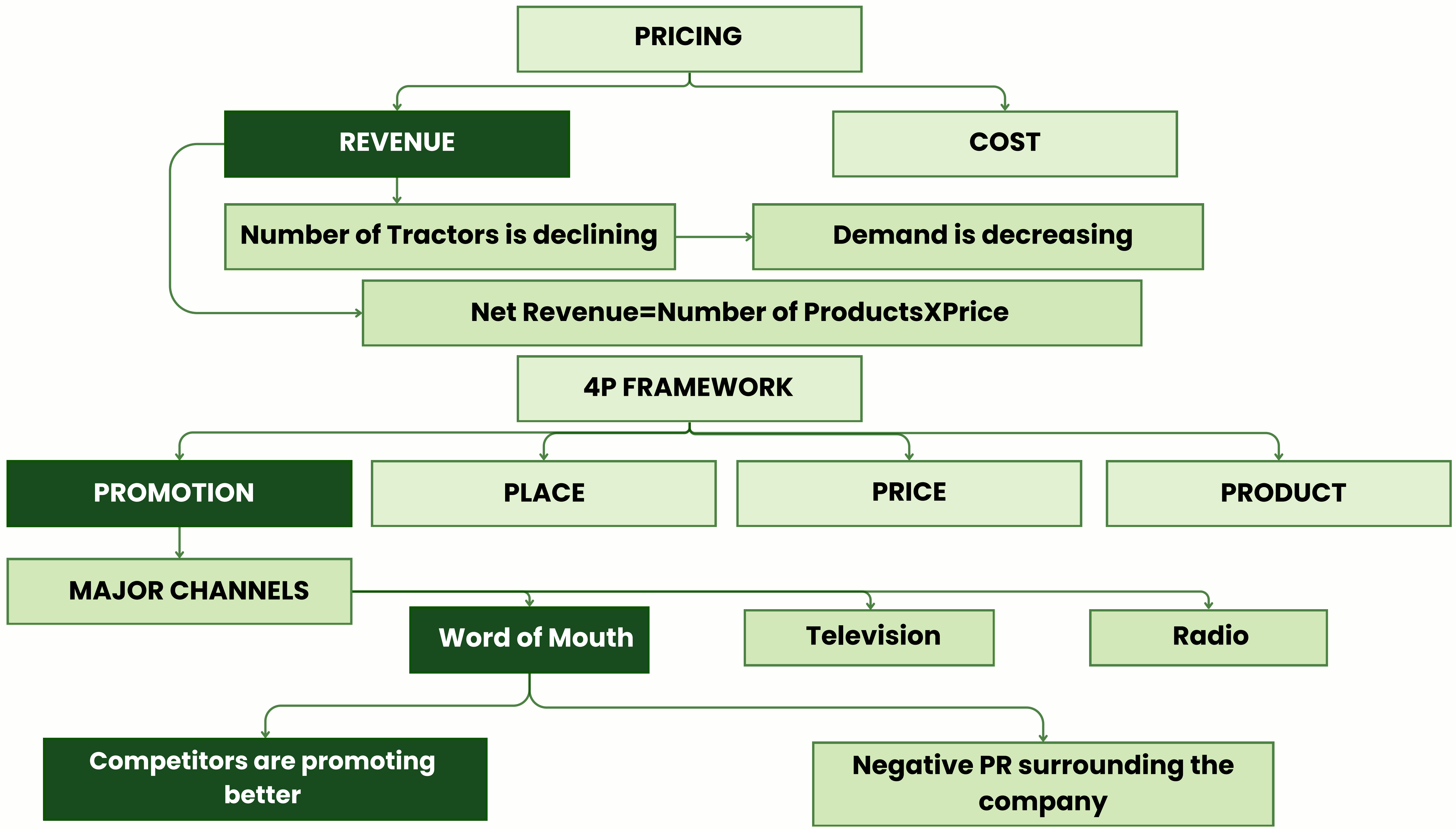
Sky High Harvest

Solving the problem of declining sales

CASE FLOW

CASE FACTS

1. The client only sells tractors for agriculture as of now. Their main target market is farmers and agriculturists.
2. The product line is homogenous.
3. The client is operational in Western India.
4. The client sells to large distributors and small distributors which push down the tractors to further components of the distribution channels and also to retail shops which sell directly to farmers.



Unwaivering Allegiance

An e-commerce business's path to customer loyalty

Case Type	Company Name	Round	Difficulty Level
Unconventional	Bain & Co.	Partner	

Problem Statement **An e-commerce brand is trying to launch a loyalty programme, you are required to delve into the expected costs of the programme.**

That's intriguing! I would like to get a deeper understanding of the programme. Does the loyalty programme offer returns to the subscribers in the form of discounts, vouchers or complimentary products?

The customers get a cashback in the form of a virtual currency made by the company proportionate to their order value.

How many customers frequently visit the site in a month?

Around 10,000 - 15,000 customers buy products from the site monthly.

Alright, I'll incorporate that in my approach. First, I want to calculate the total transaction value:
Total Transaction Value = No. of Customers x Average Order Value
For the average order value, I'd like to ask the products that the e-commerce website deals in and their average price.

The company deals in clothing, and specialises in fast fashion. The average price of a single product is Rs. 1500.

Great, fast fashion relies on popular trends and social phenomena and forces people to buy clothes frequently as fashion trends change very frequently nowadays. Moreover, the purchase patterns of different income groups would vary greatly, with high-income groups buying a greater amount and more frequently than comparatively lower-income groups. Taking all these factors into consideration, is it safe to assume that 30% of people buy more than 2 items, 30% of people buy 2 items and 40% of people buy a single item in a month?

Yes, it is.

Alright, the Average Order Value = 30% of 5000 + 30% of 3000 + 40% of 1500 = Rs. 3000.

The following is a mathematical model that can be used to calculate the cost of the loyalty programme.
Cost = (Total transaction value) x (Percentage of people who have the loyalty programme) x (Percentage of customers who will redeem coupons in a month) x (Redeemable transaction value)
People who will subscribe to the loyalty programme are the ones who visit the site the most, thus the ones who buy more than two items monthly, which is 30% of the customers. Factoring in forgetfulness, lower number of transactions and other variables that might render a customer unable to redeem his coupons, we can assume only 80% of customers actually use their currency.
Is this approach okay?

Yes, that looks like a good mathematical model.

In order to delve further, I'd like to inquire about the redeemable transaction value the company is currently looking at for a single transaction.

The company will offer 100 currency points for a transaction of Rs. 2000.

Alright. The redeemable transaction value is thus 1/20 for every transaction. Compiling all the factors, our cost can be calculated.
Cost = (12,500 x Rs. 3000) x 30% x 80% x 1/20
= Rs. 4,50,000

Great, we can close the case now.

HERE'S A TIP!

Usually when calculating the expected costs of a pilot project at any scale, while delving deeper into the case, the cost incurred in fulfilling the Average Order Value(AOV) must always be kept in mind. Thus, these cases would usually involve making a guesstimate on what the AOV would be, what the size of the market would be and what the company would incur on fulfilling that order.

Unwaivering Allegiance

An e-commerce business's path to customer loyalty

CASE FLOW

CASE FACTS

1. An e-commerce brand is trying to launch a loyalty programme.
2. The customers get a cashback in the form of a virtual currency made by the company proportionate to their order value.
3. Around 10,000 - 15,000 customers buy products from this site monthly.
4. The company deals in clothing, and specialises in fast fashion. The average price of a single product is Rs. 1500.
5. 30% people buy more than 2 items, 30% of people buy 2 items and 40% of people buy a single item in a month.

MARKET ENTRY

- **FINANCIAL ATTRACTIVENESS**
- **OPERATIONAL FEASIBILITY**
  - **COSTS**
- **RISKS**

Total Transactional Value=No. of CustomersXAOV

Average Order Value(AOV)=30% of 5000+30% of 3000+40% of 1500=Rs. 3000

Cost=(Total Transaction Value)X(%age of people with the loyalty programme)X(%age of customers who will redeem coupons in a month)X(Redeemable Transaction Value)

Cost = (12,500X3,000)X30%X80%X1/20
=Rs.4,50,000

Potato Potahto

Why is a snack company facing declining profits in Middle East?

Case Type	Company Name	Round	Difficulty Level
Profitability Case	Bain Capability Network	Partner	

Problem Statement

Your client is a potato snacks company in the Middle East. They're facing a gradual decline in their profits over the last five to six years. And you need to find out why. Additionally, it was a gradual decline.

I have some clarifying questions. For how long has this decline been observed? Is this company-specific or industry-wide?

Assume that the decline has been witnessed for a year and is related to the company only.

Profit has two aspects: Revenue and Cost. To address the declining profits, I would start by breaking down the cost structure. First, I'd look into the value chain, examining each stage from mining sites to production, logistics, and storage.

Good. Let us keep the focus on cost-side only. Are there any other costs?

I'd consider various departments like finance, operations, and HR. Additionally, we should discuss the external factors, such as legal and environmental costs. I'll use the PESTLE framework to guide our discussion, focusing on relevant areas like legal implications.

Kindly elaborate.

Certainly, I'd further dissect each stage of the value chain into sub heads. in operations, we could look at costs related to equipmen, labor, and raw materials. In finance, we could break down costs within the value chain by considering expenses related to financial, personnel, software and technol used for financial operations, and any external services such as auditing or interest payments. For the HR department, we might analyze costs associated with salaries, recruitment processes, training programs, and employee benefits.

You mentioned the PESTLE framework. How is that being used?

I think two factors, the legal and environmental costs should be considered. When it comes to legal costs, I'd examine the contracts, compliance issues, and any potential lawsuits. Environmental costs include regulatory compliance and sustainability initiative.

Alright great, we can end the case here.

Potato Potahto

Why is a snack company facing declining profits in Middle East?

CASE FLOW

CASE FACTS

1. A potato snacks company is facing a gradual decline in profits.
2. Assuming that the decline is related to the company only.
3. Find the exact reason for this decline in profits of the company

- **Profitability**
  - **Cost**
    - **Value chain can be segmented into the following:**
      - **Operations**
        - Equipment
        - Labor
        - Raw Materials
      - **Finance**
        - Software and Technology used
        - Personnel expense
        - Auditing or Interest payments
      - **HR**
        - Recruitment and Training
        - Salaries
        - Employee benefits
      - **Legal**
        - Contracts
        - Compliance issues
        - Potential lawsuits
      - **Environmental**
        - Regulatory compliance
        - Sustainability initiative
        - Remediation costs
  - **Revenue**

Statistically Speaking

So, how do you become the President of a Department?

Case Type	Company Name	Round	Difficulty Level
Unconventional Case	Bain Capability Network	Partner	

Problem Statement

You are running an election for the President of the Statistics Department. How do you run a successful campaign?

Sir, this is a very interesting problem since I ran for the elections as the President of the Statistics Department. I would like to express how I ran the campaign for the department position.

Yes, please go ahead.

I would like to divide my strategy into three critical time periods. First, there's the "Strategy and Planning" phase. This is followed by the "Execution" phase. Finally , we have the "Post-campaign" phase.

That sounds good. Please walk us through each phase.

Yes sir. Let us start with the first phase. In the first phase of Strategy and Planning, I focused on reaching out the departments for their concerns. I made coalitions with candidates across the years. I decided on messaging and selection of channels.

Wonderful. What about the second phase?

In the execution phase, I took several important steps to secure the win. I leveraged my past experience and highlighted my achievement. I ran online polls and posted memes as an effective method of campaigning for the youth. I customized my messaging to fit my audienc. I leveraged endorsement from active members. I shared budgets and balance sheets. I gave confident and positive speeches.

What happened post-election?

Once I was elected, my efforts were not over. I ensured a thumping victory. I had defeated politically active members. I thanked the department members and I ensured inclusivity by appointing different department heads from different groups.

Congratulations for your victory. The case was very comprehensive. Well done.

Statistically Speaking

So, how do you become the President of a Department?

CASE FLOW

CASE FACTS

1. Imagine you're running for the position of President of your Statistics Department.
2. What strategies are you using to secure a win? An exhaustive approach is critical.

Phases

Phase 1: Strategy

In the first phase of Strategy and Planning, the candidate focused on reaching out the departments for their concerns. The candidate made coalitions with candidates across the years. The candidate decided on messaging and selection of channels.

Phase 2: Execution

Candidate leveraged his past experience and highlighted his achievement. He ran online polls and posted memes as an effective method of campaigning. He customised his message to fit the anudience. He shared budgets and balance sheets. He gave confident and positive speeches.

Phase 3: Post-election

Once he was elected, his efforts were not over. He ensured a thumping victory. He had defeated politically active members. He thanked the department members and he ensured inclusivity by appointing different department heads from different groups.

Where are the Kids?

Can we get the youth interested in elections?

Case Type	Company Name	Round	Difficulty Level
Unconventional Case	Nation with Namo	Partner	

Problem Statement

Elections often face apathy from certain sections of society like women, the elderly etc. How would you increase youth participation in election?

An election can be divided into three phases. First, there is pre-campaign phase. Second is during the campaign. Finally, we can discuss the post-campaign phase.
I want to introduce the three A's : Awareness, Accessibility, and Assessment.

There is a nice use of alliteration. Please discuss what you would do in the pre-campaign phase?

AWARENESS : In the pre-campaign phase, awareness is crucial. Various organisations can conduct outreach programs, set up voter enrollment booths, and collaborate with influential media personalities. Connecting with individuals who resonate with the youth can provide compelling reasons to vote.

What initiatives would you suggest during the campaign to enhance accessibility?

ACCESSIBILITY : During the campaign, the focus should be on accessibility. Election timings play a significant role and conditions hindering participation should be addresse. Basic amenities like water and food supplies could be provided for those standing in line. Considering not all elections are on holidays, implementing holidays during election days is essentia. Creating women-centric and student-centric booths, especially in areas like Malika Ganj and Kamala Market, could make a difference.

That makes sense. How do you propose evaluating the impact of these efforts in the post-campaign phase?

ASSESSMENT: In the post-campaign phase, it's crucial to assess the youth voter turnout. Collecting data on the number of youth who provides valuable insights for further planning and preparation.

Interesting. What are the potential uses for this data?

The data collected post-campaign helps in understanding the effectiveness of the initiatives. It allows for a detailed analysis of the youth voter turnout, enabling adjustments and improvement in future strategies.

Are there specific measures you would recommend to address urban apathy?

To address urban apathy, targeted efforts should include engaging with urban communities through tailored campaigns, leveraging social media platforms, and collaborating with local influencers. Creating a sense of civic responsibility and emphasizing the impact of individual votes on local issues could resonate.

All right, that was a good attempt.

HERE'S A TIP! This case is a very typical case asked by Nation with Namo. It is also a recurring case. Similar cases can be prepared for other non-active participants of elections. The strategies need to be tailored to that particular group.

Where are the Kids?

Can we get the youth interested in elections?

CASE FLOW

CASE FACTS

1. An election has three phases : pre-campaign, during the campaign and post.
2. We have to address the problem of youth apathy in elections.
3. The data collected post-campaign helps in understanding the effectiveness of the initiatives. It allows for a detailed analysis.
4. Targeted efforts should include engaging with urban communities through tailored campaigns, leveraging social media platforms, and collaborations.

Factors for Expansion

Accessibility

In the pre-campaign phase, awareness is crucial. Various organisations can conduct outreach programs, set up voter enrollment booths, and collaborate with influential media personalities. Connecting with individuals who resonate with the youth can provide compelling reasons to vote.

Awareness

Election timings play a significant role and conditions hindering participation should be addressed. Basic amenities like water and food supplies could be provided for those standing in line. Considering not all elections are on holidays, implementing holidays during election days is essential.

Assessment

In the post-campaign phase, it's crucial to assess the youth voter turnout. Collecting data on the number of youth who provides valuable insights for further planning and preparation.

Sole Mates

Should a Sneaker manufacturer expand into other sectors?

Case Type	Company Name	Round	Difficulty Level
Product Expansion Case	LEK Capability Network	Partner	

Problem Statement

Your client is a sneaker manufacturer in the footwear industry and they are trying to expand into other sectors. Decode the factors that must be considered by the company to expand into a new sector. What products do you think they can enter into?

I have some preliminary questions.

Please go ahead.

What are the company's current production capabilities?

You can mention the generalized factors that any sneaker manufacturer will consider so there is no kind of restriction for the production capacity.

So the factors we can consider for this company are:
Market size: We need to find out the market size to:

- Determine the total number of potential customers in the youth market.
- Segment the youth market into subcategories estimate the potential market share for each subcategory.

Market attractiveness: We need to find out the market attractiveness to:

- Assess the overall growth potential of the youth market.
- Evaluate the profitability of the youth market compared to other market segments.

Consumer perception: We need to find out the perception of consumers regarding sneakers, hence we need to:

- Conduct market research to understand how young consumers perceive the sneaker manufacturer's brand and products:
- Identify the brand's strengths and weaknesses in the youth market.

Operational feasibility and financial feasibility of the company: We need to find out the operational and financial feasibility to:

- Assess the company's current financial resources and capabilities to undertake an expansion into the youth market.
- Develop a detailed financial plan that outlines the costs and potential revenue associated with the expansion.

Is this the right approach to continue with?

Yes, you may go ahead

Competitors: We need to identify the key competitors in the youth sneaker market and analyze their strengths, weaknesses, marketing strategies, and market share to:

- Develop strategies to differentiate the sneaker manufacturer's products and marketing approach from those of its competitors.

Government policy and scenario: We need to find out the current government policies and scenario to:

- Research and understand any government regulations or policies that may affect the company's ability to operate in the youth market.

Alright, we can conclude this here and hop on to the second part of the problem statement now.

I think the company can enter into footwear related products like sneaker cleaners, sneaker cases, socks, sole protectors and cooling and comforting insoles.
At the same time, the company can enter into the clothing line and other accessories like caps, armbands, etc. but I think that would require a lot of strategic planning and heavy backing of monetary resources so I think we should stick to footwear related products only.

Well explained. I am satisfied with this answer. We can end the case here.

HERE'S A TIP!

While sharing your ideas, it is helpful to pause and ask the interviewer if you're going in the right direction. This keep the interviewer a glimpse into your collaborative nature and allows for you to receive constructive feedback.

Sole Mates

Should a sneaker manufacturer expand into other sectors?

CASE FLOW

CASE FACTS

1. The assumption is that there are no constraints on production capacity.
2. We have to determine the factor that lead to product expansion.
3. Sneaker-related products : Sneaker cases, sneaker cleaners, socks, sole protectors, cooling and comforting insoles.
4. The company can also consider entering clothing line, or accessories like armbands or caps etc. However, this requires strategic planning.

Factors for Expansion

- **Market Size**: Determine the total number of potential customers in the youth market.
- **Market Attractiveness**: Evaluate the profitability of the youth segment compared to other segments.
- **Consumer Perception**: Conduct market research to understand how youth perceives the brand. Identify strengths and weaknesses.
- **Feasibility**: Assess the financial and operational capabilities followed by development of the financial plan.
- **Competitors**: Develop strategies to differentiate the sneaker manufacturer's products and marketing approach from those of its competitors.

Don’t Sugarcoat it!

Sugarcane no more sweet for the client?

Case Library

Case Type	Company Name	Round	Difficulty Level
Profitability Case	Nation with Namo	Partner	

Problem Statement

Your client is a sugarcane factory in India. The company is facing stagnant profits. You need to find the reasons for the problem.

Okay, I would like to ask some preliminary questions.

Yes Sure.

Where is the client located?

It is located in Rohtak.

Is the decline seen in the overall sugarcane industry or in just this one factory?

It's just this factory.

Right, so if profits are stagnant it means that there are 3 possible cases:

1. Revenue and cost are increasing proportionally.
2. Revenue and cost are decreasing proportionally.
3. Revenue and costs are constant.

If revenue increases and cost decreases, profit would increase and that is definitely not the case.

Fair. You may explain all the three cases.

Sure, I would start with the 1st case, that is, that the revenue and cost are increasing proportionally. The client might have started using a chemical pesticide which is expensive but doing wonders for them. So the revenue is increasing but the cost also increases.

For case 2, the client might have cut down the cost by procuring cheaper raw materials, but that might have also led to a decline in the revenue because of quality degradation.

For the 3rd case, that is, the revenue and cost are constant, and the company might have stopped experimenting with new growth strategies.

Right. What should the client do to increase the profits?

I want to ask one question before answering that. Does the client manufacture only sugarcane or is there any byproduct that comes with sugarcane?

Yes, there is a by-product, molasses.

Okay. Is the client selling molasses?

It is possible but the client doesn't have the marketing network or the know-how, therefore it's just a waste by-product right now but can be sold.

What other products can molasses be used in?

It can be used as a raw material in products like paper and vinegar.

Right. So since Rohtak is a semi-urban area, if we start using molasses to generate and sell vinegar additional revenue could be generated as vinegar is present in almost all mid-income and high-income households.

Fair. Should we take-up the production or outsource the production and selling of vinegar?

Since molasses is the by-product and we have a manufacturing unit of sugarcane in place, taking up the production and sale of vinegar should not be a problem.

Yes, great answer. We can end the case here.

HERE'S A TIP! While everyone would give generic suggestions using the existing frameworks and structures, one must try to stand out by atleast bringing in one unconventional aspect.

Don't Sugarcoat it!

Sugarcane no more sweet for the client?

CASE FLOW

CASE FACTS

1. The client is based in Rohtak and declines in profit is only seen in that company and not in the industry.
2. With sugarcane, the client produces a by product- molasses, which is waste product right now.
3. Molasses can be used as a raw material to manufacture products like vinegar and paper.
4. Rohtak is a semi urban area and has a good market of mid-income and high-income households.

Stagnant Profits

- **Revenue and cost are increasing proportionally** → **Client started using a chemical pesticide which is expensive but doing wonders for them.**
- **Revenue and cost are decreasing proportionally** → **Cost cutting through procuring cheaper raw material that led to revenue decline due to quality degradation.**
- **Revenue and cost are constant** → **Client has stopped experimenting with new growth strategies leading to constant revenue & cost.**

How to increase profits? → **Use by-product: Molasses** → **To produce vinegar**

A manufacturing unit of sugarcane is in place so taking up the production and sale of vinegar should not be a problem.

TRUCKload of Gasoline

Is EV only environmentally friendly or do I make money too?

Case Type	Company Name	Round	Difficulty Level
Profitability Case	LEK Capability Network	Partner	

Problem Statement — **Your client is a trucking company deciding between adopting an electric fleet or a gasoline fleet. As a consultant, determine the optimal choice.**

I would like to ask some preliminary questions.

Yes Sure.

What kind of service does the company provide? Is it B2C or B2B?

Why do you ask this question?

As B2B would transport heavy goods from business to business and B2C would have smaller packages.

It is a mixed scenario and you shouldn't be concerned with whether it was B2B or B2C.

Where is the client located?

The company is based pan-US.

Is there a possibility of partial fleet adoption? Or does it have to be only electric or a gasoline fleet?

It is up to you on the basis of the cost and financial calculations that you do

What are the primary objectives for adopting the fleet? Is it profitability or is the company willing to minimise its profit for some greater cause, like to minimise the carbon emissions?

It is purely profitable.

Is the volume/capacity of each electric truck and gasoline truck the same?

You may ignore any such factors.

Is it safe to assume that revenue won't be affected by fleet choice, and concentrate on the costs?

Right. You may go ahead.

I would initiate a break-even analysis focusing on fixed & variable costs. For the fleet, the fixed cost would be the no. of trucks x the cost per truck. Variable costs would include gas/electricity cost, insurance, and driver-related expenses.

You may focus only on gas/electricity costs for the variable cost.
To go ahead with the calculations, here are some numbers:

Parameter	Electric Truck	Gasoline Truck
Initial Cost	$50,000	$41,000
Fuel Efficiency	300 miles	25 miles/ gallon
Fuel Cost (per unit)	$24	$3/ gallon
Annual Distance travelled	45,000 miles	45,000 miles

Alright, I have identified an incremental fixed cost cash outflow for the electric fleet, that is, $9,000 per truck ($50,000 - $41,000). By comparing the fuel costs, I calculate that the gasoline truck incurred $5,400 annually (25/45000 * 3), while the electric truck only took $3,600 (24/300* 45000).

The incremental fixed cost for the electric fleet would be covered in 5 years, with continuous savings of $1,800 each year, making the electric fleet more profitable in the long run.

Are there any problems that might arise from the electric fleet?

There could be potential supply problems for the electric fleet.
For the supply side it could be either raw material (that is electricity supply) or the truck itself. It could also include electricity costs, lithium shortages, and the transition for drivers. I don't think that there would be any demand side problem because of the electric fleet.

Okay. What would your final recommendation be?

I would suggest the client to adopt an electric fleet. To mitigate the main risk of ensuring continuous electricity supply, I would suggest setting up proprietary electric stations for the fleet to recharge itself

Thank you, we can close the case here.

HERE'S A TIP!

The cost of educating the drivers and helping them through the transitioning period could have been factored in. Management of fleet and lack of adequate infrastructure could have been considered too.

TRUCKload of Gasoline

Is EV only environmentally friendly or do I make money too?

CASE FLOW

CASE FACTS

1. The primary objective for adopting the fleet is purely profitable and the company is not willing to minimise its profit for a cause.
2. It is assumed that revenue won't be affected by fleet choice, and we may concentrate on the cost.
3. We may focus only on gas/electricity costs for the variable cost and all other factors are assumed to be constant.
4. For calculations, these numbers of both fleets are given: Initial Cost, Fuel Efficiency, Fuel Cost & Distance Travelled.

Profitability

- **Revenue**
- **Cost**
  - **Fixed Cost**
    - Gas/electricity cost + Insurance + Driver related expenses
    - **Incremental fixed cost cash outflow**
      - Cost of Gas Truck - Cost of Electric Truck
  - **Variable Cost**
    - No. of trucks x the cost per truck
    - **Comparing the annual fuel costs**

The incremental fixed cost for the electric fleet would be covered by continuous savings. => Therefore, Electric Fleet is profitable in long run

Accelerating Prosperity

GDP Growth and Job Creation in India

Case Type	Company Name	Round	Difficulty Level
Growth Case	Kepler Cannon	Partner	

Problem Statement

How would you, as a consultant, for PM Modi, advise him to grow the GDP of India faster than any other country and generate lots of jobs in the process? The aim is prosperity and has to be done by our recommendation only.

Understood. Is it okay if I ask a few clarifying questions first?

Sure, go ahead.

Are we developing a strategy for the country or for the next election (to win elections)?

Good Question. We are developing a strategy for the country.

What is the time frame we are looking at?

We are looking at 1 term, that is, 5 years.

Okay. Do we work equitably or as per the ideology of the political party? Do we only work for a vote bank or for people's prosperity?

Your choice entirely.

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

Sure.

Right, so when we look at the prosperity of the country, do you want it to be uniform across one segment, that is, the voter bank or the entire population?

Adopt a more equitable approach, which will help bridge inequalities as well as promote welfare.

So, I'm assuming that 10 per cent of the Indian population lives in Tier 1 cities while the remaining 90 per cent lives in Tier 2 and Tier 3 cities. 70 percent of these 90 percent live in rural areas while 30 percent live in urban areas. Does that assumption sound right?

Yes, we can work with that assumption.

So there's skilled and unskilled labour in Urban as well as Rural areas. When I look at the skilled labour in urban areas, the government must provide incentives to International Companies to establish corporate offices in Tier 2 and Tier 3 cities.

The Government can provide them tax benefits and provide them with the ease of doing business. Similarly, for the unskilled labour in the urban areas, they can work as peons, support staff etc in these offices and work in infrastructural development.

Sounds great. What about the rural areas?

For the rural areas, the skilled labor can supervise offices for production units. The Government must give incentives to enterprises to establish units with Capital Intensive Techniques. At the same time, Unskilled Labour can work as casual labor in the rural areas. The Government can aid development and create jobs such as Security Guards etc. All of these efforts, will in turn, increase prosperity.

Good. We can conclude the case now.

HERE'S A TIP! Clearly define objectives and timeframe to provide strategic clarity in growth cases. Conduct thorough risk analysis to anticipate potential challenges and refine recommendations accordingly. Consider exploring diverse avenues for job creation to ensure a comprehensive approach to fostering GDP growth

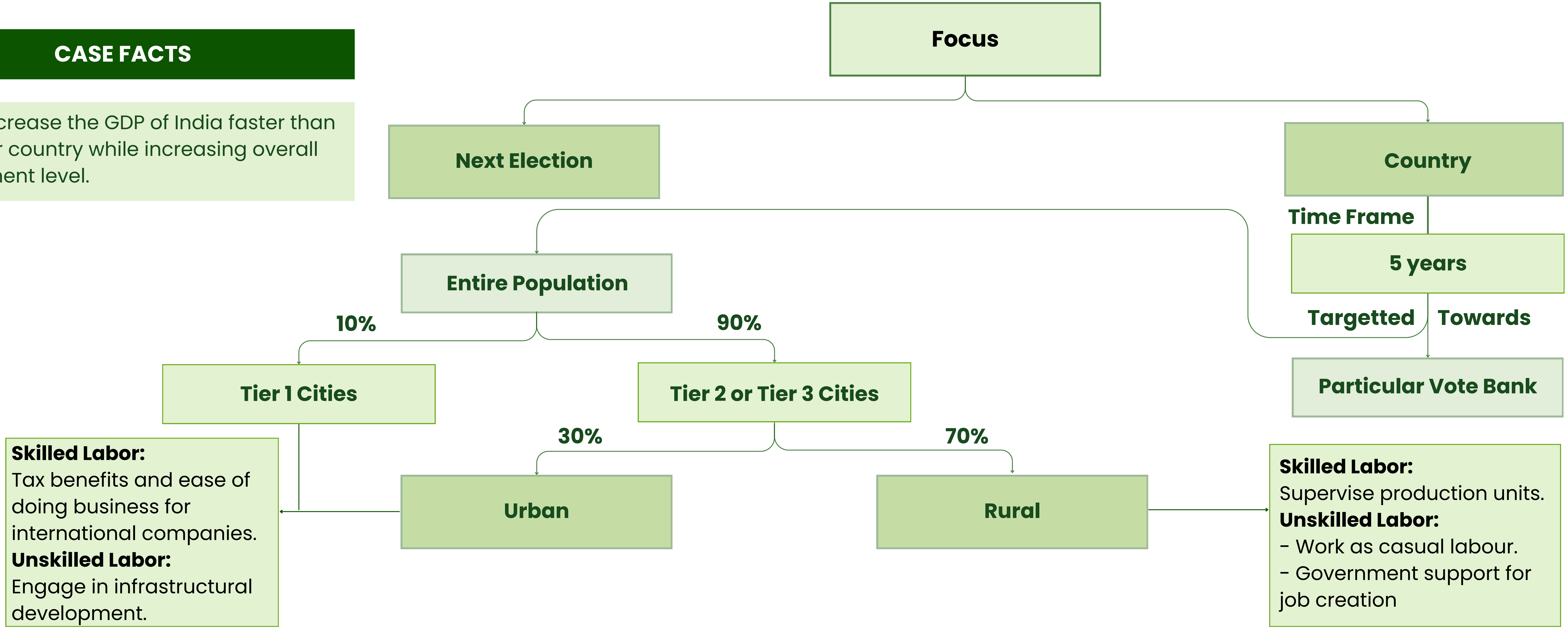
Accelerating Prosperity

GDP Growth and Job Creation in India

Case Type	Company Name	Round	Difficulty Level
Market Entry Case	Kepler Cannon	Partner	

CASE FACTS

1. Aim to increase the GDP of India faster than any other country while increasing overall employment level.



Coffee Madness

A Coffee Shop Wants to Expand its Frontiers

Case Type	Company Name	Round	Difficulty Level
Market Entry Case	Accenture	Partner	

Problem Statement

A coffee shop wants to enter the Delhi University Market. Should it? Why or why not?

Since the type of coffee shop is unknown, I would like to divide my approach into 2 different kinds of coffee chains. The first being a local coffee chain that sells affordable coffee and the second being a large chain like Starbucks which charges a premium for its products. Does that assumption work?

Yes, you may continue.

Where is this coffee shop located?

You can assume it to be located in the North Campus.

Okay. I would be calculating the potential market size in terms of how many students might visit on a specific day, how many faculty members, the average order value and so on. I will be doing this for both the premium and the affordable blockchains.

Sure.

There are approximately 13 colleges in North Campus. The average number of students at each would be 600 students. Since people indulge in different lifestyles, I would be dividing them into 3 categories:

- First is the kind of people who eat out frequently. (10 percent)
- Then there are the kind of people that eat out occasionally. (60 percent)
- And then there are the people who prefer to just bring food prepared at home and not eat out. (30 per cent)

What do you think about this?

Yes, you can continue.

From this, I am assuming that the percentage of students actually present every day at college to be approximately 80% of the total strength. Since the number of other people visiting coffee shops who do not belong to North Campus is negligible, I would not be taking them into consideration.

Okay.

I would now be doing the same for the Premium Coffee Blockchain.

Sure.

I am now taking the Average order value which will include not just the price of a coffee, but also maybe some snacks that people might be willing to consume as an accompaniment, some cookies or muffins, etc., items that a traditional cafe would offer.

Good. You can proceed.

Using my estimations on how many people attend college on a specific day, on a long day and how many people like coffee, then how many of them would frequently or moderately eat out and the ones who would visit this cafe specifically and then by multiplying that with the average order value, we get the market size.

Okay. Can you do a simple break-even analysis?

Sure. I'll start by listing down the fixed, variable and semi-variable costs associated with the coffee chain. However, I would not have the numbers at hand.

We can plug in the numbers together.

Using these numbers, I do not believe that the coffee chain should enter the market since it will not be able to compete with the existing competitors and not earn enough revenue to cover its costs.

Great. We can end the case now.

HERE'S A TIP!

Establish the coffee shop type and target market segments clearly. Conduct a thorough competitor analysis and sensitivity analysis to assess risks and opportunities. Provide a detailed cost breakdown for a comprehensive break-even analysis to inform decision-making.

Dynamic Democracy

Businessman Ventures into Independent Candidacy

Case Type	Company Name	Round	Difficulty Level
Unconventional Case	Nation With Namo	Partner	

Problem Statement

Your client is a local successful businessman who is active socially with NGOs. He wants to stand as an independent candidate in the Shakarupur constituency. Advise the client on this political endeavor.

I would assume the targetable segment to be high income, middle-aged people within the age bracket of 15-60 years, because this age group is more aware about technological developments and smart products in general.

Interesting. Why did you consider these factors?

These factors are crucial for devising an effective campaign strategy. Understanding the demographic makeup helps in tailoring the candidate's message and outreach efforts to resonate with the voters in that particular constituency.

Can you elaborate on how you can gather this information?

We can look into past election results to identify patterns and the dominating parties in the constituency. This historical context provides insights into the political landscape and helps in anticipating voter behaviour. Additionally, we can research the activities of other political parties, their stances, and manifestos to position our client effectively.

That's comprehensive. Moving on, you mentioned considering income levels. How does that factor into the campaign strategy?

Income levels are essential for identifying the target audience. While my client is a businessman, I emphasized that targeting the entire population of Shakurupur, rather than just one segment, would be more effective. The goal is to appeal to a broad range of voters and not limit the campaign to a specific income group.

Interesting approach. Can you elaborate on the type of campaigning you envision for the client

Certainly. Given the diversity in the constituency, a multi-faceted campaign is crucial. This involves a mix of traditional methods, such as door-to-door campaigning and town hall meetings, alongside a strong online presence to reach the younger demographic.

Great. Are there any specific considerations or precautions that the client should be aware of?

It is very important to address sensitive topics cautiously, like caste issues, carefully tailoring the tone and messaging to connect with voters on a personal level.

Excellent. It seems like you covered a lot in your approach. Any final thoughts or points you'd like to share?

I would emphasize the ongoing nature of the campaign. Continuous monitoring and adaptation of strategies based on real-time feedback are essential. Building a robust ground team, utilizing data analytics, and maintaining transparency with the constituents is crucial for long-term success in this political endeavor.

Great. We can end the case here.

HERE'S A TIP!

One tip employed by the candidate is to target the entire population of the constituency rather than focusing solely on a specific income group. This inclusive approach aims to appeal to a broad range of voters and demonstrates a commitment to representing all constituents, regardless of their socioeconomic status.

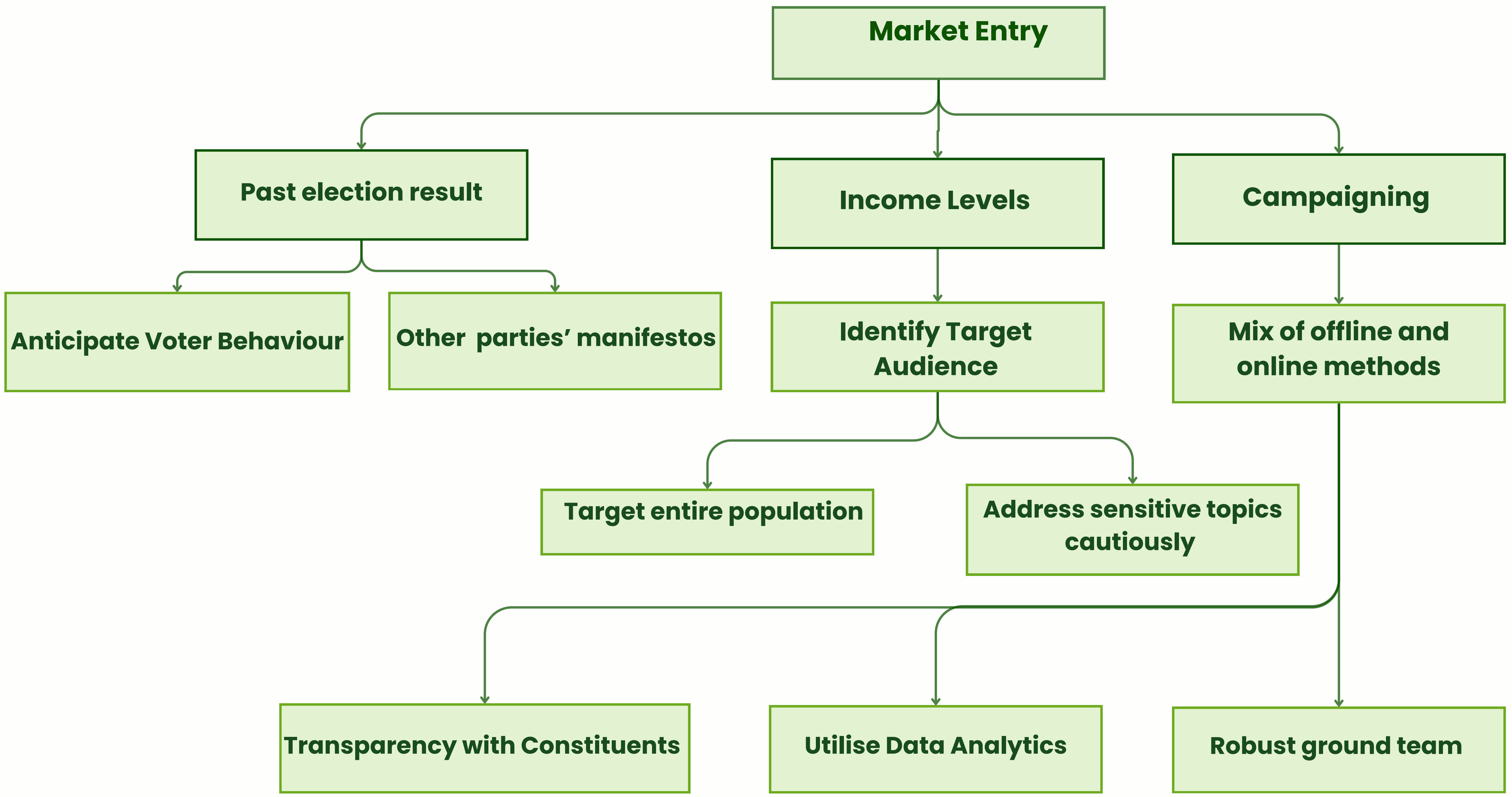
Dynamic Democracy

Businessman Ventures into Independent Candidacy

CASE FLOW

CASE FACTS

1. Client is a **local successful businessman** who is **active socially** with NGOs
2. Understanding the **demographic makeup** helps in tailoring the **candidate's message** to resonate with the voters in that constituency.
3. **Income levels** are essential for identifying the target audience.
4. It is important to **address sensitive topics** cautiously, like caste issues to connect with voters on a personal level.



Mad Amount of Angles

Can a Potato Snack Company come out of their rut?

Case Type	Company Name	Round	Difficulty Level
Profitability Case	BCG	Partner	

Problem Statement

Your client is a potato snacks company in the Middle East. They're facing a gradual decline in their profits over the last five to six years. It was a gradual decline. Find out why.

I have some clarifying questions.

Sure, go ahead.

What are the different parts of the value chain that they're part of? What are the different types of products? What are the different types of customers that they're serving?

The company is an end-to-end manufacturer. They have a wide portfolio of potato chips. And the decline in profits is uniform across all sectors.

Okay, is the market fragmented? How much market share do we have?

We're a market leader with a 65% market share in a very fragmented market. The market is not reducing; only our market share is. The decline is about one percent.

Alright, the facts lead me to assume that this is a revenue-side problem. Revenue can be further broken down into the number of units into price per unit. Is the issue arising from the company's or the customer's side?

It is a demand-side issue.

Alright. I would take into consideration five factors that might be affecting the demand for our product. Firstly, the needs of the consumer, both absolute and relative. Secondly, the affordability criteria of the consumer and the availability of cheaper alternatives in the market.

Next are the accessibility of the product, the marketing and awareness efforts undertaken, and the experience of the consumer. I believe it's more of a need problem than an experience problem, and we should take into consideration the product features, the taste of the product, the packaging of the product, the quality of the product, the values that are associated with our brand, etc. May I focus on these aforementioned factors?

There's a problem with how people are living their lives. Consumers are moving towards healthier options. Give me some information regarding that.

Sure, of course. Our company may start with retargeting the market, engaging in marketing efforts, product diversification, undertaking cost-benefit analysis, and providing a greater quantity of chips in each packet.

Alright great, we can end the case here.

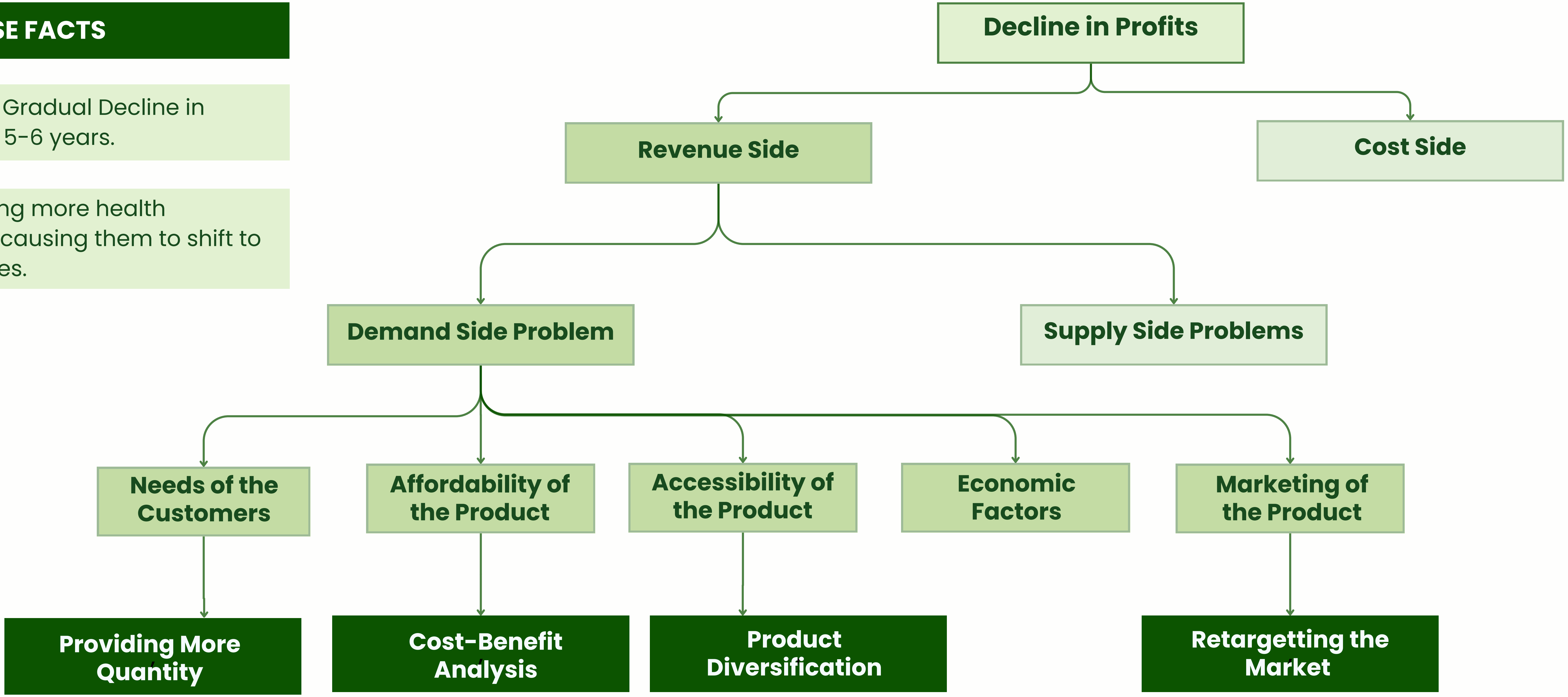
Mad Amount of Angles

Can a Potato Snack Company come out of their rut?

CASE FLOW

CASE FACTS

1. The Client is facing Gradual Decline in Profits over the last 5-6 years.
2. People are becoming more health conscious which is causing them to shift to healthier alternatives.



An Apple a Day

Can a Healthcare company tap into Smart Watch?

Case Type	Company Name	Round	Difficulty Level
Unconventional	Accenture	Partner	

Problem Statement

You're a part of Apple's strategy team. Apple is considering to start renting out earphones on an early basis, should they go ahead with it or not?

Alright. I have a few clarifying questions.

Sure, go ahead

Why is Apple considering this move? Will this only be limited to certain cities or implemented worldwide?

The strategy is still in the ideation process. You are only required to check the feasibility and give your views.

Alright sure. Yes, I believe this idea could work out really well for Apple. There are two reasons for this. Firstly, the option of renting out iphones would enable a large number of people to have access to an Iphone, which they usually miss out on given its high price range.

Fair enough, please continue.

Apple has a huge market base and has highly demanded products. This strategy would attract a lot of customers, increasing our customer base.

Secondly, this would provide us with a streamlined revenue chain, bringing in revenue all year round. Otherwise, our company usually makes maximum revenue at the time of launching new products. However, with this strategy, our brand can continue to stay in the limelight throughout.

Great, I really liked your second point. Let's end the interview here.

Alright, thank you

HERE'S A TIP!

The candidate could've started with analysing the various factors like competition, market research, operational constraints, financial feasability etc.

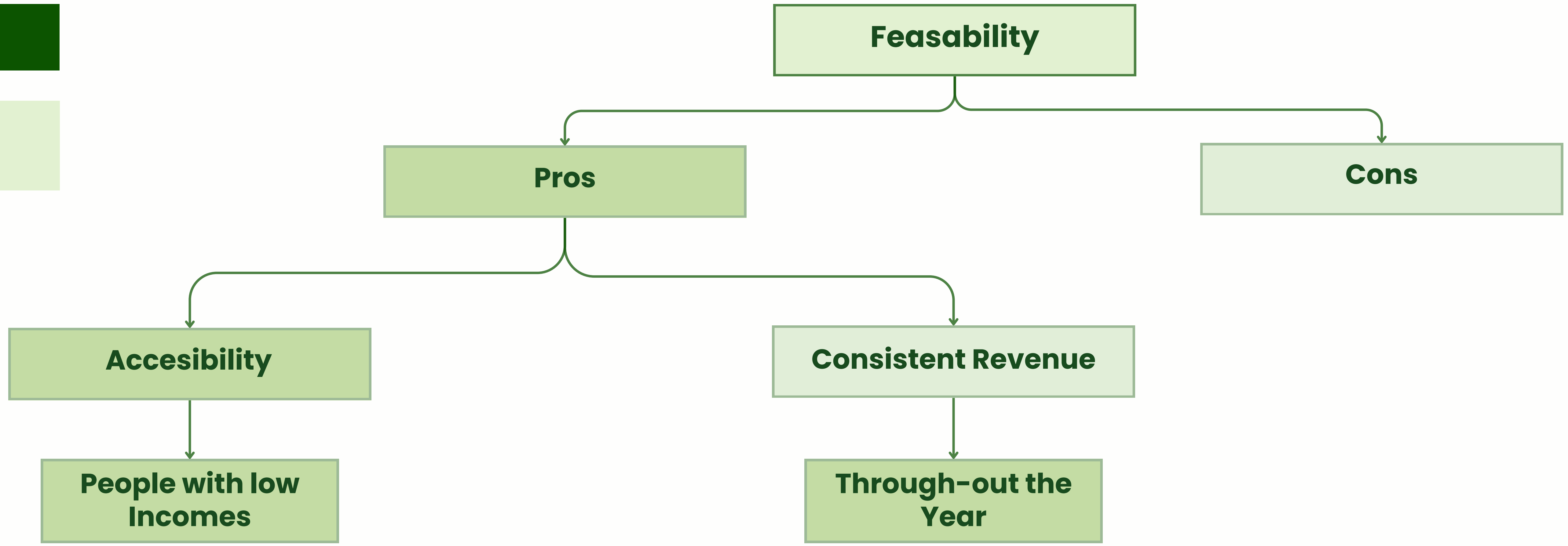
An Apple a Day

Can a Healthcare company tap into Smart Watch?

CASE FLOW

CASE FACTS

1. Apple wants to start renting out their flagship I-phones



Bucks over Brands

Are low priced goods the key to higher profits?

Case Type	Company Name	Round	Difficulty Level
Market Entry Case	LEK Capability Network	Partner	

Problem Statement

Your Company has 2 online retail shops, one is a premium retail shop and the other one is a cheap retail shop. Both are very similar in nature, so figure out the possible reasons as to why the cheaper retail store has a higher profit margin than the premium shop.

Understood, I would like to ask some clarifying questions to better understand the problem the company is currently facing.

Sure, go ahead

Can you elaborate more on their similarities?

The amount of investment required to set up both the shops and the amount of sales almost the same, however for some unknown reason the cheaper retail store has a higher profit margin than the premium shop. You have been hired to figure out their problems.

Thank You, sir. Could I take a few minutes to structure my thoughts regarding the information you have provided me?

Sure, Take your time.

Well after hearing the details of the case I would want to go in-depth into their costs and revenues to check for any discrepancies.

I do not want you to do that, think of some other qualitative ideas that can explain how the difference is arising.

Understood, sir. My next approach would be analyzing the psychology of consumer behaviour. Perhaps people are more inclined to buy in bulk when things are cheaper, thus contributing to a higher profit margin for the cheaper shop.

Interesting, but I am not entirely convinced. What else can you consider?

Understandable, then I would want to explore the market share of both the shops within their respective business segment.

Market share, got it. Can you elaborate more on that?

Certainly, maybe the difference in market share could be due to variations in the marketing strategies used by both shops, it seems that the cheaper retail shop might have a higher market share due to leveraging modern marketing features like social media and targeted online ads to reach a wider audience while the premium shop relies more on traditional advertising channels.

Okay I can see where you are going with this. We can end the case here.

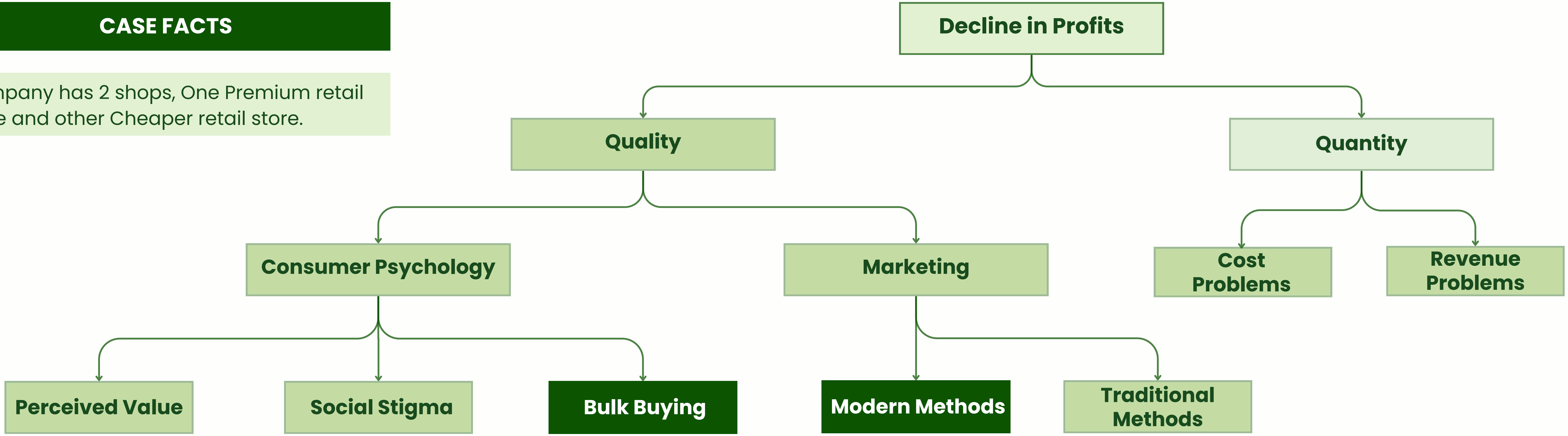
Bucks over Brands

Are low priced goods the key to higher profits?

CASE FLOW

CASE FACTS

1. Company has 2 shops, One Premium retail store and other Cheaper retail store.



The Social Dilemma

Is money really that important?

Case Type	Company Name	Round	Difficulty Level
Unconventional	BCG	Partner	3 of 5

Problem Statement

Your driver gets 20,000 rs. a month. He heard from somewhere that he can make more money if he joins Uber. Elaborate on what you think would be the right decision for him.

May I ask some clarifying questions?

Sure, go ahead.

Since how long has he been employed with us? Do we have any emotional angle to this? Does he have some attachment to our family?

No, there's no emotional angle to this. You need to think about this from a very financial perspective.

Alright, I'll try to understand what he can earn as a driver, what he can earn as an Uber driver, and what kind of costs he'll be incurring as an Uber driver. How many working hours does he have in a day? How many days does he work for?

He works for five days a week, Monday to Friday. Whenever we want to call him for any extra work, he's paid extra on top of it. We don't give him any meals of any sort. He has a family of four.

Okay. I'm going to analyse both the revenues and the costs. So, for revenues, first I did the cost. So, if you're an Uber driver, do I need to make some kind of investment in a car?

Yes, you need to buy your own car.

He won't be able to buy the car in one go. He's probably going to take a loan and he has to pay some interest on that loan every single month. Additional expenses include fuel, maintenance etc.

You want to give me these figures that I mentioned, which are the car's price, loan's price, interest's price, maintenance's price and the fuel's price, or do you want me to assume those figures?

Assume and clarify.

Sure. If he's working as an Uber driver, he'll probably work 12 hours a day and every trip can be estimated to be about 30 minutes. So, he takes 24 trips in a day, on average. I think 15 kilometres is usually a 30 mins ride.

So, one litre of petrol helps us cross 10 kilometres. And then 1.5 litres will be used in one trip. According to my calculations, the profit is coming out to be higher than 20,000 a month. I think working with Uber is more beneficial for our driver.

Okay, can you list down all the factors?

Sure. The revenue is one major factor but there's also other aspects such as flexibility. You mentioned that he has two daughters. He might want to spend more time with them on a daily basis. With Uber, he can work on different hours according to the schedule. He can work in the day, in the night, whenever he wants to. Plus, when he's getting a car, it's a long-term investment. If he gets into an emergency later, he can actually sell this car later on and actually get the money back. Plus, he is only working five days a week according to the needs of our family. He can work more with Uber.

Alright, that's all I needed to know. Let's end this here

Alright, thank you!

HERE'S A TIP!

One of the Major Factors that makes the solution to this case stand out is the last factor which was provided by the Interviewee. They also included the emotional factors and emphasised the mental relief which he derives from joining Uber and not just focused on the Money Part of it.

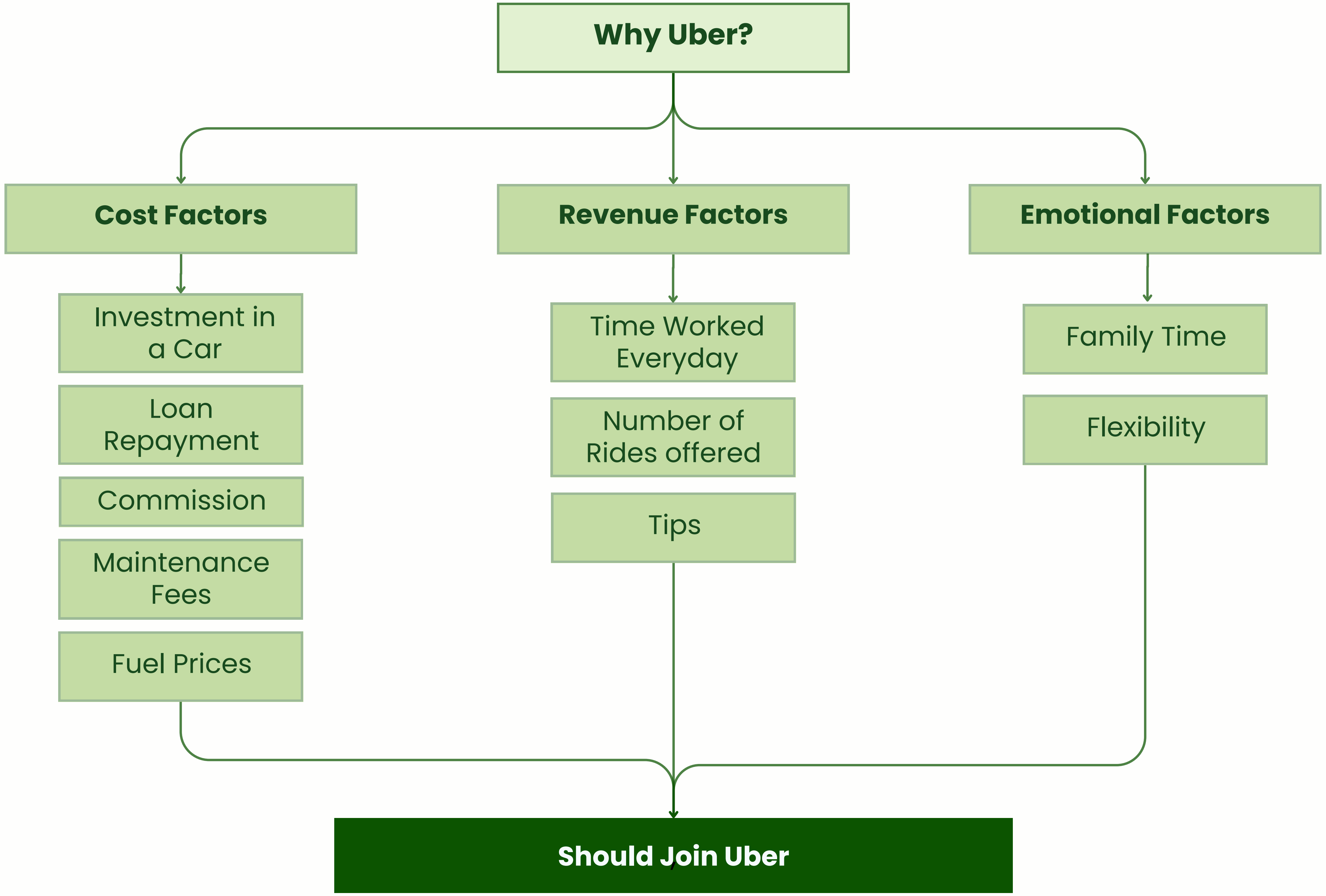
The Social Dilemma

Is money really that important?

CASE FLOW

CASE FACTS

1. The Driver is paid Rs. 20,000 per month.
2. The Driver works from Monday to Friday, He gets paid overtime. He has a family of four.
3. There is no emotional angle to the case.



Cracking the Tile

Why are the profits plummeting?

Case Type	Company Name	Round	Difficulty Level
Profitability Case	BCG	Partner	3 of 5

Problem Statement

Your client is a tile manufacturing company, operating in the whole of India. They're facing a fall in their profits, in West and South Delhi. They're not facing this decline in the northern part. A 2-3% fall in the market share and a 15-18% fall in profits. Within India, we're ranked 5th as the tile manufacturing company. Awareness is the same in north and south, while consideration is one third. What according to you are the potential reasons?

I have some clarifying questions Who are our customers? Is it a high-end product or a low-end product?

It's not a premium brand, it's not a lower brand. It's a brand that everyone can use and does use.

Is there more competition in other parts of India as compared to North India?

North and West parts have more competition than the other two parts, even though we're losing market share over there.

Alright, got it. I assume that it's a demand side problem, because if there was an issue with the cost, then there would be a problem across India.

Sure

I shall follow the customer pull approach and track the entire consumer journey. A consumer who's trying to buy tiles, goes from one website or an offline shop, to the entire buying process.

This can be broken down into stages. First is the initial research, the awareness stage. There can be two ways over here. Either a person wants the tiles, and that's why they go to a website. Or they're being marketed as something from a third party.

The consumer then compares the products with different competitors which is the consideration stage. They may also take into consideration the transportation and feasibility costs. The consumer will then analyse a purchase decision and do a cost-benefit analysis.

Okay, that makes sense

The consumer is going to see the longevity of the product, various catalogues of various products and their per capita income, if it's feasible.

Alright, but I don't want this answer. Think from a consumer perspective.

Okay, can I have a minute to think about this.

As a consumer, the main thing I care about is the quality and the design of the product.

Yes, so the problem lies there.

Can I understand how many SKUs our brand has in these various countries and how many SKUs are actually sold?

There are a thousand SKUs that our brand has, very different in size and finish as compared to our other competitors.

That means that what our consumers are looking for is not what they're getting in these areas.

How can you make sure that our consumers get something that they're looking for?

We can benchmark it against other products.

How can you benchmark it?

Our brand can go ahead and conduct surveys with consumers and understand what they need? Especially the customer preferences.

No, that is not feasible.

Alright. Instead, there is a middle man between the consumer and his decision to buy the product, which is an interior designer or anyone who designs a house, right? They can actually provide us with real answers and feedback about what consumers want and what they're looking for. We can create a sort of a network with these people and understand what consumers actually want.

Alright, fair enough. One last thing, you have an unlimited budget, you can go and do a marketing initiative or anything that will change our consideration stage.

We can collaborate with influencers and engage in strong marketing efforts.

No. I hate influencers. I hate marketing. Think of something else.

Okay, can I please get a minute to think about this?

Sure

Since it's the consideration stage and the problem lies with people comparing our products with other websites, we can just make the product free for two hours, maybe during a particular peak time.

Okay, let's end the case here

Alright, thank you.

HERE'S A TIP!

The consumer perspective approach could've been better structured and presented. Aspects like competitor analysis, SWOT and market study could be mentioned.

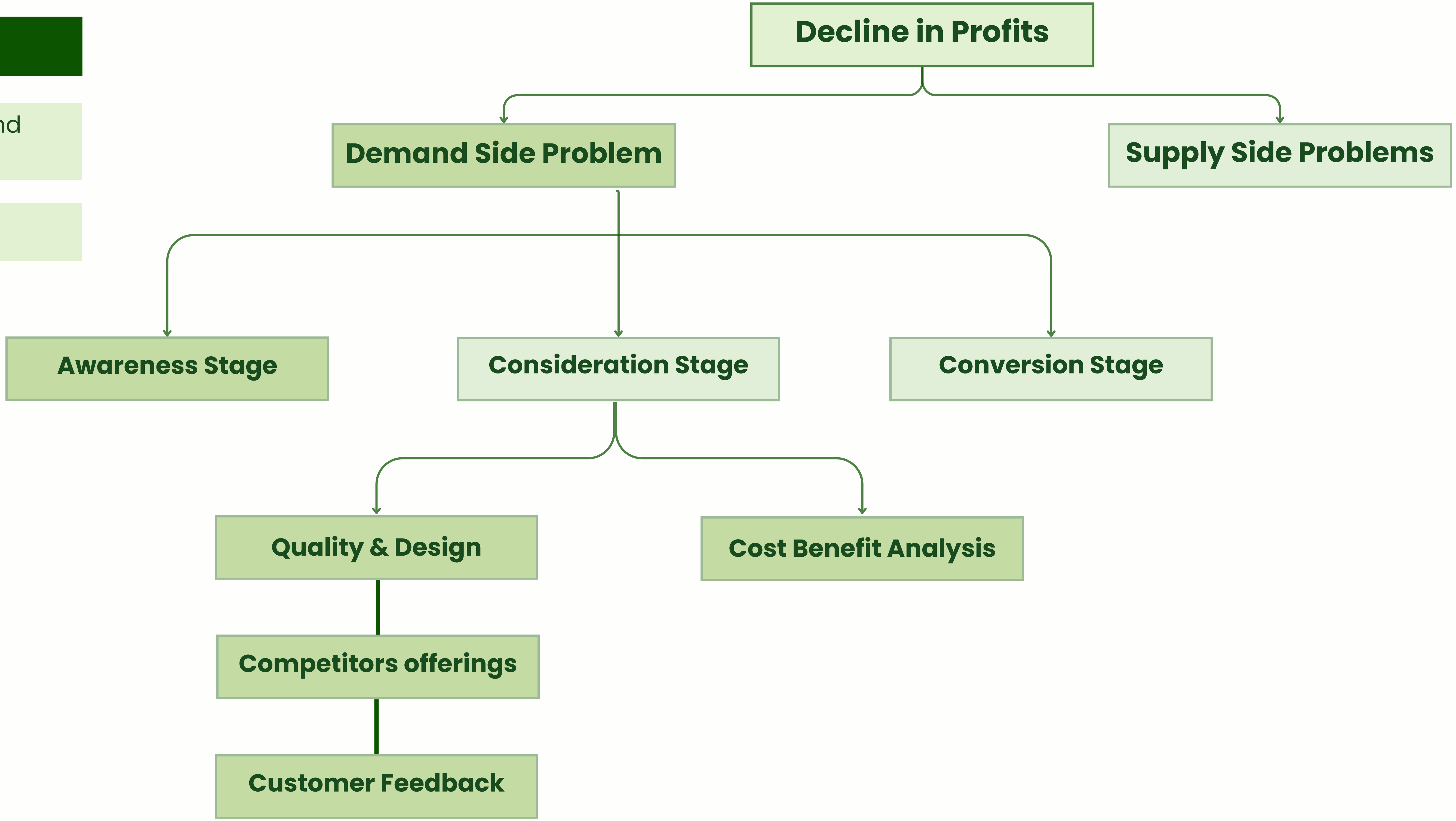
Cracking the Tile

Why are the profits plummeting?

CASE FLOW

CASE FACTS

1. Facing a 2-3% Market Share Decline and 15-18% Profit Decline
2. The Item is in mid-tier segment.



Brewing Success

How successful can coffee businesses be?

Case Type	Company Name	Round	Difficulty Level
Market Entry Case	Accenture	Partner	3 of 5

Problem Statement

You have to open a coffee shop in Delhi. What are the factors you would consider?

Sure, please allow me a few seconds to jot down my initial thoughts.

Go ahead

I would like to ask a few clarifying questions before I move forward.

Sure

Do we have a target audience in mind? What is the objective of opening the coffee shop?

We do not have anything in mind. You have to think about everything.

Sure. I would like to decide 3 primary aspects:
1) The target audience and USP
2) The location of the shop
3) Operational procedures

That sounds fair. Why don't you start in this order itself?

Alright! To identify the right target audience, I would look at 3 things:
1) Willingness to spend
2) Ability to spend
3) Competition

Alright, and basis this, what is your target market?

I would want my shop to be a premium outlet, which primarily targets working professionals who want a quiet place to work and enjoy their coffee. Our USP will be that our café is a great place to work from and we do not try to turn the tables around quickly.

That sounds good. Where would you locate the café?

Since we are only restricted to the Delhi region, I would identify the area where the density of working professionals is the highest. From my understanding, Connaught Place and nearby regions would be a good fit.

Sounds good. So, let's not get into the operations now. Could you help me arrive at the daily revenue of your café?

Sure. In order to do that, we'll identify how many customers we can cater to in an hour. Let's assume that we have 10 tables in the café (I would want the tables to be at a good distance from each other to maintain privacy and avoid disturbance).
The table size would be of around 4 people per table. That means we can serve around 40 people at once. Now, I will assume that all of them spend an average of 1 hour in the café.
Therefore, our peak capacity is to serve 40 people per hour. Now, we can divide our working hours into peak and non peak hours to arrive at daily customers served.

I don't think that's required. We can end the case here.

Alright, thank you!

HERE'S A TIP!

The candidate followed a well-structured approach which makes the answer sound clear and effective. It also gives the impression that the candidate it well-versed with the topic. Marketing and brand image of the shop could've been included to make it a comprehensive answer.

Brewing Success

How successful can coffee businesses be?

CASE FLOW

CASE FACTS

1. The Client Wants to set-up a Cafe in Delhi NCR

Aspects to Consider

- **Target Audience**
  - Competition → Premium Coffee Outlet
  - Willingness to Spend → Working Professionals
  - Ability to Spend → Working Professionals
- **Location**
  - Footfall from Working Professionals
- **Operational Procedures**
  - Daily Revenue
    - No. of Tables X No. of Chairs X Time Spent by Each Customer

Chic Expansion

How to tap into new markets?

Case Type	Company Name	Round	Difficulty Level
Market Entry Case	BOD Consulting	Partner	

Problem Statement

You are based in London, UK, and own a chain of fashion retailers. You feel that you have saturated your market in the UK. The company wants you to identify the factors to be considered in this entire decision-making process.

That is an interesting case. I would like to take a few moments before asking the preliminary questions.

Sure, take your time

Firstly, what is the target market we cater to, and what variety of fashion do we sell?

You can assume the retailer to be an average store in the UK catering to both men and women.

Great. Secondly, what does our value chain look like? How many suppliers do we have?

You can make reasonable assumptions, keeping in mind the logistics and supply chain of an average UK fashion chain.

Could you provide some insights into the existing competitors and their market share?

Their main competitors include Company X and Company Y. Company X holds a 40% market share, while Company Y has around 30%.

I will break this down into three categories - Financial Attractiveness, Operational Strategy, and Risks. We need to understand the expected profits in our particular time horizon so we will use the formula of Market Size X Market Share X Expected Profits - Fixed Costs - Fixed Investments.

Please elaborate on Market Share

We must consider factors such as the growth rate of the country, infrastructure, income levels, segmentation, and what kinds of customers are there. To calculate our market share, we need to factor in how differentiated our company is from other retailers in our target location.

Alright. Go ahead.

To estimate the profits, we have to ensure that our variable cost is minimum, and the selling price is maximum by applying cost-based pricing, competitor-based pricing, and value-based pricing. We also need to ensure that our fixed cost is also minimized.

It is a very good attempt till now. You can proceed.

If we talk about the operational strategies. We will have to consider our production, procurement, and distribution channels in this. We will design a comprehensive GTM plan come up with a way for customer pulling.

Go ahead

We can source our raw material either from the UK or from the local country. If we choose local, this would lead to various exemptions, as countries like to see their resources being utilized and income generation in their economies.

Please elaborate on this.

We need to see whether the company wants to carry on its existing products or wishes to do some research in the segment about the popularity of the brands worn and the types of clothes preferred? Another decision is whether laborers should be brought from the UK or locally trained. In my opinion, due to no special skill set required, it would be better to locally source the laborers.

You have comprehensively covered all aspects. Please Continue

In distribution, you have two channels: one is offline retail similar to the one in the UK, and the other would be e-commerce. In e-commerce, we could have our own distribution channel, or we could partner with Amazon if it's established in the target market.

Are physical channels better or E-commerce?

E-commerce is better due to low investment, but physical presence is also necessary to maintain the brand value.

Please tell me about your GTM plan

We need to be aware of what kind of clothes customers prefer, and we ought to target those segments first. We need to ensure the marketing is done at a huge scale, given that retailers are often segmented based on the popularity of the brand. We should have stores across the target market. Affordability has to depend on the class of products, luxurious or not, as well as the price sensitivity of the consumer.

We can end the interview here. Thanks

Chic Expansion

How to tap into new markets?

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Case Library

CASE FLOW

CASE FACTS

1. The company is currently **located in the UK** and **wants to expand** from the UK into other countries.

2. Client owns a **chain of fashion retail** stores catering to both men and women

3. Client has **30% market share** in the UK with the remaining held by Company X and Y. Assume both companies have no immediate plans of expansion

4. The client's market at UK has matured and wants **devise a checklist** for evaluating countries to **streamline entry decisions**.

- **Market Entry**
  - **Financial Attractiveness**
    - **Capturable Market Share**
      - Growth Rate
      - Infrastructure
      - Income Levels
      - Types of customers
    - **Pricing Strategies**
      - Cost Based
      - Value Based
      - Competitor Based
  - **Operational Strategy**
    - **Value Chain**
      - Production
      - Procurement
      - Distribution
    - **GTM Plan**
      - Customer Preferences
      - Marketing
      - Affordability
  - **Risks**

Fitness Finances

Can a Healthcare company tap into Smart Watches?

Case Type	Company Name	Round	Difficulty Level
Market Size Case	LEK Capability Network	Partner	3/5

Problem Statement

Your client is a health tech startup that manufactures special wearable devices like smartwatches or shoulder pads which measure the fitness of an individual. The company caters to the age group of 25-45 years. The price of one watch is $150. Calculate the annual revenue in the target market having 40 health-tech startups and the profit per unit.

I have some clarifying questions. What is the target market for our product?

The target market encompasses the entirety of the United States.

Great. Also, are these smartwatches similar to the smartwatches manufactured by Apple?

Yes, you can compare the product with the Apple smartwatches and assume the price range of Apple to be $200-$250.

Perfect, thanks a lot, that's all the information I needed. I would like to take 5 minutes to prepare my approach.

Sure.

Okay, so I will start by estimating the target market. The US population is 300 million, which can further be broken down into high-income group, middle-income group, and lower-income group. Since the US is a developed economy, I would take the high-income group as 20%, middle-income as 40%, and lower income as 40%.

Fair enough.

Proceeding further, I will factor only the high and middle-income groups as the smartwatches are a status symbol and are cheaper than Apple smartwatches. Out of 180 million high-income people, I would subcategorize them into age groups of 0 to 25, 25 to 45, and 45+.

On what basis would you be dividing them?

In the US economy, due to the presence of more middle-aged employees, I am assuming 40% of people in the age bracket of 25 to 45, which is our target market. Due to the lower price of our devices, I am assuming that 4 people out of every 10 in the target market would be buying our watches. Is that a reasonable assumption to make?

Yes it is. Please carry on

So our market share comes out to be 28.8 million, which I will round off to 30 million for simplicity. To calculate the revenue, we can simply multiply 30 million by $150, and thus our annual revenue comes out to be $4.5 billion.

Perfect. Please proceed with estimating the profit per unit.

Before that, I would like to ask, what are the various costs per watch?

What would be the various costs involved in manufacturing a watch according to you?

Yeah, so we have manufacturing costs, warranty costs, advertising, and R&D costs.

Great. You can assume the cost per watch to be $80.

Alright, we can calculate the profit per watch to be $150 - $80 = $70 per watch.

Perfect. You have incorporated all the factors necessary, great job. We can end this round here.

HERE'S A TIP!

The candidate's thoughtful consideration of the product's positioning relative to competitors, such as Apple's smartwatches, and its impact on market penetration makes the case stand out. By factoring in the price sensitivity of the target demographic and adjusting assumptions accordingly, they show an understanding of market dynamics and consumer behavior, setting their analysis apart from others.

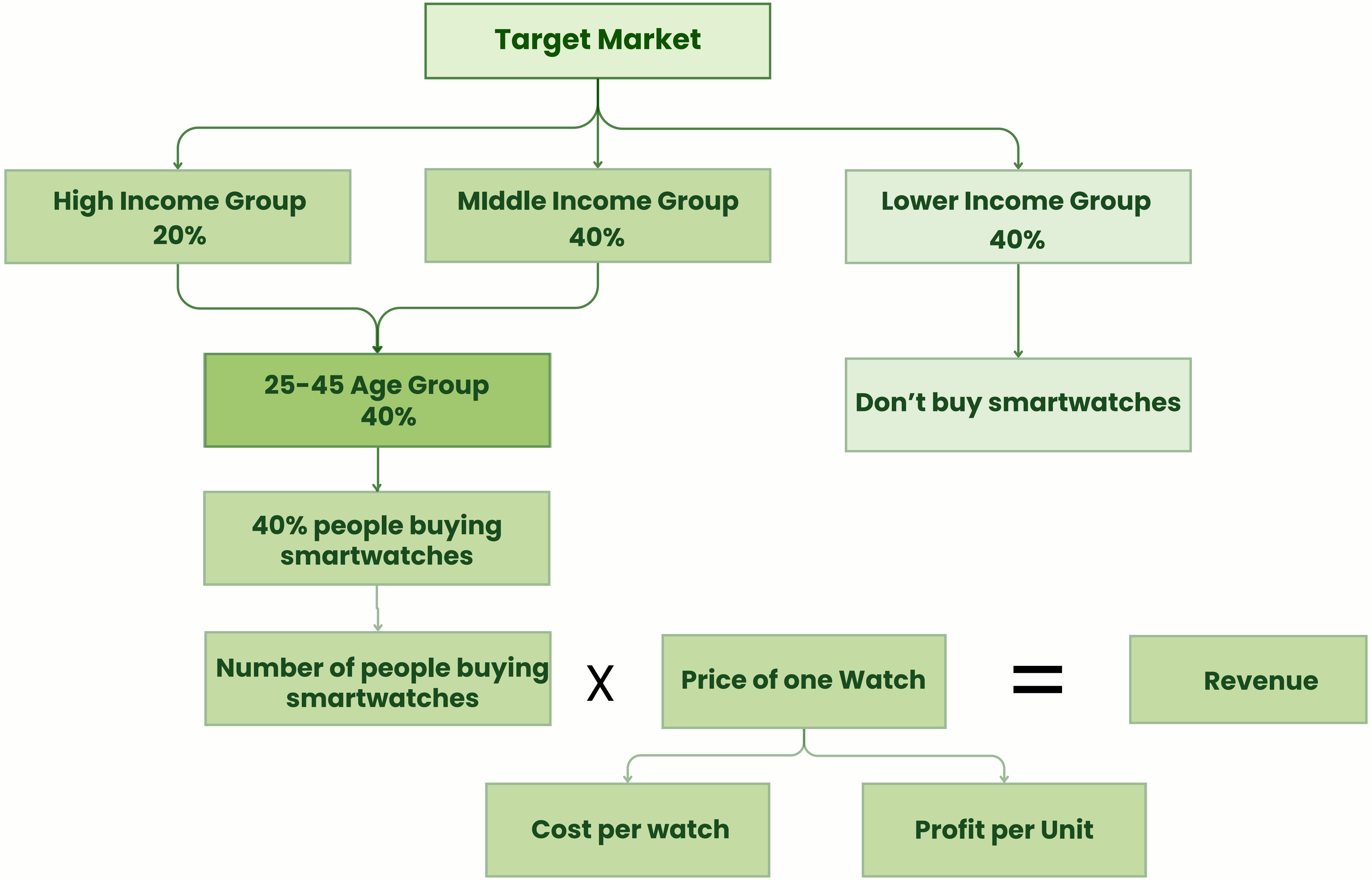
Fitness Finances

Can a Healthcare company tap into Smart Watches?

CASE FLOW

CASE FACTS

1. The client is a **health tech startup** that manufactures wearable fitness devices for its clients. It wants to **venture into smart watches**
2. Target Market is **25-45 years** of age and the price of one watch is $150. The client is based in the United States
3. The market has **40 other health tech startups**
4. The client wants to know the **revenue** that can be earned in the first year and the profit per unit



Party at the Polls

Empowering Youth Voices

Case Type	Company Name	Round	Difficulty Level
Unconventional Case	Nation With Namo	Partner	

Problem Statement **Develop a strategy to engage young, first-time voters in your area and encourage them to vote for your party.**

Majority of the individuals in the 18 to 22 age group are active on social media platforms. Leveraging these platforms, we can partner with content creators who have access to the desired demographic, strategically placing ads to effectively reach the target audience.

Kindly elaborate on your approach

I assume the target audience is in the age range of 18 to 22. To address this, I propose a four-step strategy: identifying the target market, planning the approach, implementing strategies, and conducting engaging activities.

How do you plan to ensure that your social media strategy resonates with the young voters, and what kind of content do you envision?

The content should focus on highlighting policies beneficial to the youth, such as job opportunities, education support, and career-building initiatives. The aim is to align the party's messaging with the aspirations and concerns of young voters.

How can you address the data-driven approach? Can you provide more insights into the continuous monitoring and utilization of data for the campaign?"

Absolutely. The data-driven approach involves closely monitoring campaign performance metrics, including user engagement, reach, and awareness. By analyzing this data, we can identify which strategies resonate the most with the target audience and refine future campaigns accordingly

How can the party participate in local events to connect with young voters?

Community events and town halls provide an excellent platform for direct interaction. The party could organize events focused on addressing local concerns and aspirations, ensuring a more personal and community-driven approach.

How can the party address the digital literacy gap among young voters to ensure they can make informed decisions online?

We could propose initiatives aimed at improving digital literacy, ensuring young voters are equipped to navigate and critically assess online information. Workshops, online resources, and partnerships with educational institutions could contribute to this initiative.

In terms of feedback, do you have any mechanisms in mind to gather insights from young voters, ensuring continuous improvement in the party's strategies?

Certainly. Implementing a feedback mechanism, perhaps through online surveys or social media polls, would be vital. This ensures we receive direct insights from the youth, allowing us to adapt and refine our strategies based on their feedback.

Considering the influence of social media influencers, have you explored the possibility of collaborating with popular figures among young voters to enhance the party's reach and credibility?

Collaborating with influencers could significantly boost the party's visibility and credibility among young voters. It's worth exploring potential partnerships and leveraging the influence of those with a substantial following in the target demographic.

HERE'S A TIP!

The candidate's emphasis on addressing the digital literacy gap among young voters through initiatives such as workshops, online resources, and partnerships with educational institutions sets them apart, demonstrating that they care about giving people the tools they need to make informed decisions.

Party at the Polls

Empowering Youth Voices

CASE FLOW

CASE FACTS

1. The requirement is to suggest **strategies to engage young voters**
2. Community events and town halls provide a platform for direct interaction.
3. Majority of the individuals in the 18 to 22 age group are active on **social media platforms**
4. Implementing a feedback mechanism helps to direct receive insights from youth

- **Age groups**
  - **18-22**
    - **Social Media**
      - Policies beneficial to youth
      - Data Driven Approach
      - Collaboration with Influencers
    - **Local Events**
      - Community Events
      - Direct Interaction
    - **Digital Literacy**
      - Workshops
      - Educational Institution Partnerships
      - Online Resources
    - **Feedback**
      - Online Surveys
      - Social Media Polls
  - **22-40**
  - **40-60**
  - **60+**

Home Haven Expansion

Amazon's Race to the Top Home Décor

Case Type	Company Name	Round	Difficulty Level
Growth	Redseer Consulting	Partner	

Problem Statement

Our Client Amazon India is growing in the home furnishing industry and they want to grow faster.

What exactly do we mean by growth? Because growth can be in two terms, that is in terms of revenue and in terms of market share.

We want to maximize both things.

Alright. Who are the major competitors?

Amazon's major competitors in this segment can be Myntra, Flipkart and all such big names in this segment.

What do we mean by home furnishing items?

We can consider all those items which can be used in homes for decoration.

For this, we can consider two aspects of growth, i.e. organic and inorganic growth. Organic growth is a growth of revenue side. Inorganic growth is growing revenue using methods that are not directly concerned with your business.

We can primarily focus on organic growth.

In organic growth, we have two segments, the number of customers and the revenue per customer. For the revenue per customer, we can use the technique of upselling and cross-selling. For the number of customers, I'll take two further segments, i.e. new markets and existing markets.

What do we mean by new markets and existing markets?

Existing markets mean that what are the channels that Amazon is currently using.

Since we are talking about an online space, who is the target audience right now?

Home decoration items that go online are generally purchased by rich people because these are expensive items. So that is our existing market.

What can they do for that?

We can also focus on the areas where Amazon is mostly sold. So it's mostly the metropolitan cities where Amazon is present. Rural areas are something where Amazon does not have a major presence. So we can have some outlets of Amazon in rural areas, and some delivery boys in rural areas too. This way, people in rural areas can also place orders conveniently. This is what we can do for new markets.

Alright. Now you can explain revenue per customer segment.

Talking about revenue per customer there are generally two techniques, upselling and cross-selling.

What do you mean by upselling and cross-selling?

Upselling means selling more to the original customer, let's say a person is buying 10 chocolates, and we offer 2 more chocolates along with it. So the same product line but more quantity, that is Upselling. And cross-selling means selling along with something else, Example: You buy one particular product, and you get another product for free. So that is called cross-selling.

Alright, Any other strategy to expand our sales?

Yes, we can focus on inorganic growth, So there are two major things in inorganic growth. First is the mergers, So as we know, Amazon lists the products. Can we partner with some popular delivery partners? Like Ola, and Uber. So that we can have a merger with them. Amazon is doing well in its online space. Ola and Uber are doing well in their transportation space. We can have a merger between them and ensure that proper timely delivery is done to our customers. Then we have acquisitions and takeovers. There are small spaces and online companies which are very small. I am not talking about Flipkart and Myntra which are big companies. But there are small online brands. We can probably acquire them So that their customers could also become our customers. So that is the main focus of inorganic growth.

This is it. We can end the case here.

HERE'S A TIP!

Drive growth by optimizing revenue per customer through upselling and cross-selling. For new markets, offer tailored promotions and expand reach into untapped regions. Consider strategic partnerships or acquisitions for accelerated expansion

180Degrees CONSULTING SRCC

Case Library

Home Haven Expansion

Amazon's Race to the Top Home Décor

CASE FLOW

CASE FACTS

1. The target audience for online home decoration items is currently focused on the **affluent class** due to the perceived expense of such products.

2. Amazon has a strong presence in metropolitan cities, but its market penetration is limited in rural areas.

- **Growth**
  - **Organic**
    - **No of Customers**
      - New Markets
      - Existing Markets
    - **Revenue per Cost**
      - Cross Selling
        - Cross-selling involves offering customers additional products or services that complement or enhance their initial purchase.
      - Upselling
        - Upselling is the strategy of encouraging customers to purchase a higher-end or upgraded version of the product they originally intended to buy, often with enhanced features or capabilities.
  - **Inorganic**
    - **Mergers**
      - Merger of Amazon with companies like Ola and Uber for efficient and timely deliveries. Amazon's online prowess combined with Ola and Uber's transportation expertise will streamline our services.
    - **Aquisitions**
      - Consider acquiring small online brands to integrate their customer base with ours, expanding the overall reach and customer pool.

Profit Revive

Growth Strategies Unleashed

Case Type	Company Name	Round	Difficulty Level
Profitability Case	Accenture	Partner	

Problem Statement **Your client is an owner of a toy store situated in a fairly busy area. The business is doing good. Revenues have increased and the cost has also not shown any alarming fluctuation. However, the profitability of the business is going down. Find out the reason and suggest remedies.**

Sir, may I know the types of toys sold by the store and the range of age of the children they cater to.

The store sells many different varieties of toys for infants and up to children of 12-13 years of age.

What has been the magnitude of decline in profitability and since when is the store facing this problem?

The decline in profitability has been noticed for the last year and the magnitude of decline is irrelevant for this case.

Furthermore, what about the competitors in the area? Have they noticed a similar decline?

The other stores are doing as usual.

Okay sir got it. I think I have enough information to begin with solving the case. So, profit is a function of Revenue and Cost (Profits = Revenue – Cost). I would like to start with the cost aspect first. Is that fine?

Yes, go ahead

So, I would divide cost into variable and fixed components. As you said there have not been any alarming fluctuations in cost, does that mean that variable cost per unit has remained constant?

Yes, the variable cost per unit is constant.

Has the fixed cost increased over the past year?

No, the fixed cost is also same as the years preceding the last year.

Fine, that means cost is not a problem here. Let's move on to revenues. Revenue is function of number of toys sold and average price per unit sold (Revenue = No. of toys sold x Average price per toy). Has there been any change in the price component?

No, the prices of the toys have remained same

You also mentioned that revenues have increased and as the prices of the toys have remained the same therefore, number of units sold must have increased

Yes, the number of units sold have increased

So, with an increase in revenue and the usual cost increase, profits must have increased in absolute terms. Therefore, the decline in profitability here does not signify an absolute decline in profits.

Yes, you are correct. Profitability here means profit margins. Let's suppose earlier the profit margin was 30% but now it has come down to 20%.

Okay, sir got it. I would now like to divide the number of toys sold component under revenue into volume and variety. As mentioned, volume i.e. the number of toys sold has increased so there must be a problem with the different varieties of toys sold.

Yes, you are quite close.

Now we know that the increase in revenue is not uniform across all the varieties of toys. Is there any particular category of toy whose sales volume has not increased proportionate to the overall increase in the number of toys.

Yes, the toys for age group 6-12 years have not seen a rise in their sales volume.

So, the increase in revenue is arising mostly from the rise in sales volume of toys catering to the age group 0-5 years.

Yes.

Do these toys (the one's catering to 0-5 years of age) have a lower profit margin than the others (toys for 6-12 years of age)

Yes, you have cracked the case. The toys for age group 0-5 years are smaller and hence have a lower profit margin. On other hand toys for the age group 6-12 years are larger and mostly electric like remote controlled cars, play stations etc. These have a higher profit margin.

That was a tough one. So, with an increase in the sales of toys with a lower PV Ratio and a decrease in sales of toys with a higher PV Ratio, the composite PV Ratio fell leading to an overall decline in profitability.

HERE'S A TIP!

Identify changes in product mix and profit margins to understand declining profitability. Focus on increasing sales of higher-margin products and optimizing product mix to maintain profitability. Monitor cost fluctuations and ensure they align with revenue growth for sustained profitability

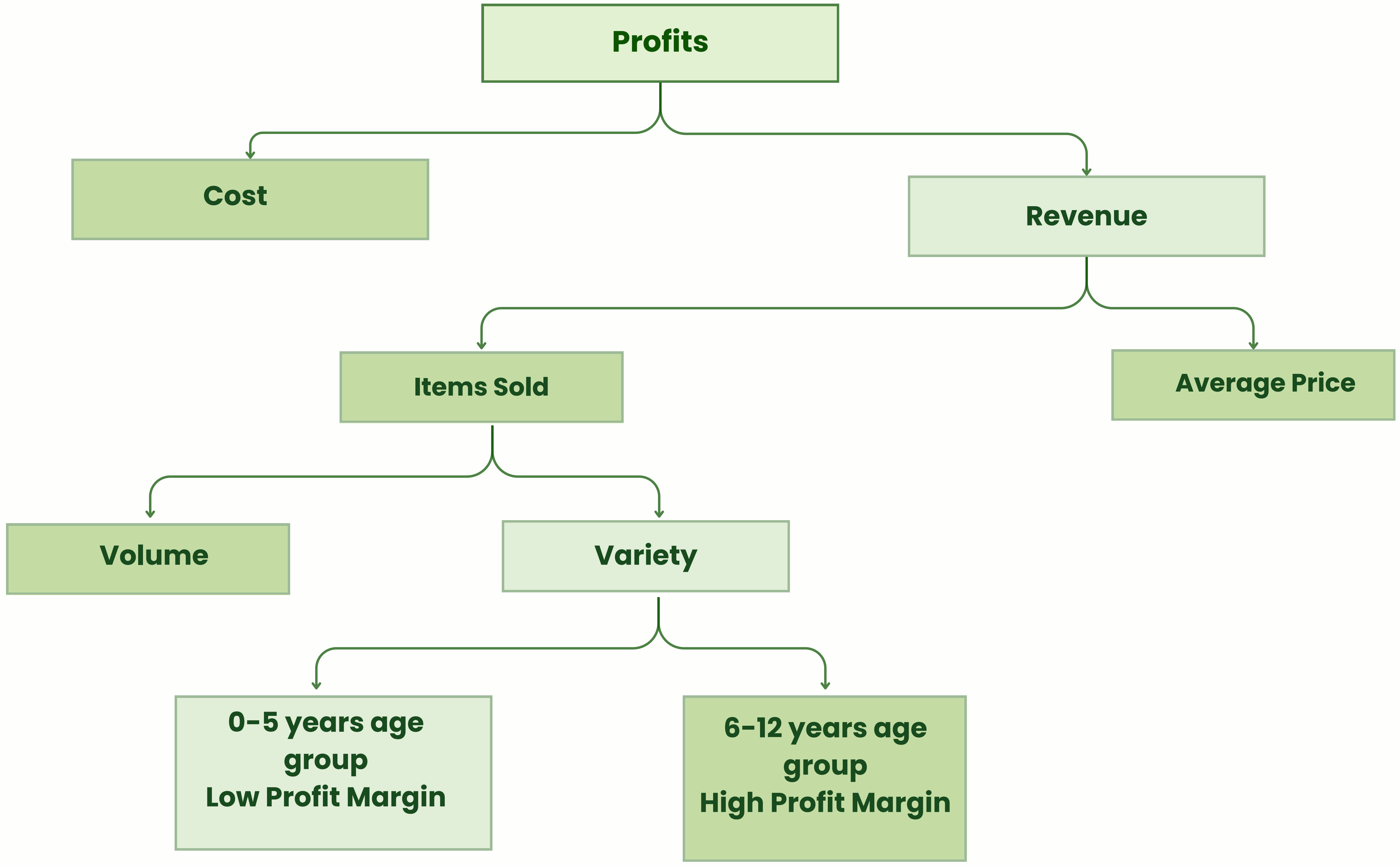
Profit Revive

Growth Strategies Unleashed

CASE FLOW

CASE FACTS

1. The store sells many different varieties of toys for infants and up to children of 12-13 years of age.
2. The variable cost per unit is constant.
3. The fixed cost is also the same as the years preceding the last year.
4. The number of units sold have increased.



Not a Coin Toss

How to choose between two candidates?

Case Type	Company Name	Round	Difficulty Level
Unconventional Case	Nation with Namo	Partner	

Problem Statement

There is an election and two candidates are being considered for it. Compare two candidates for the same.

May I ask some clarifying questions?

Sure, go ahead

May I know the purpose of choosing a candidate and factors being taken into account by the party?

Sure, there is one party ticket that is available and there are two candidates. Hence, a choice has to be made.

I have decided on three parameters on the basis of which we can compare two candidates. I call this the three Ps: Popularity, Personality and Proficiency. I would love to delve into details of three parameters.

That sounds good. How would you evaluate these factors among the candidates?

Begin by popularity.

Popularity refers to the degree to which a candidate is well-known among the voters. This can be evaluated on the basis of voting percentage, by checking if the person is the head of any current organization, looking at his social media followers, analysing the ability of people to recognize him and finally, by checking if he has any outstanding charges. I am making an assumption that criminal charges lead to reduction in popularity.

Proceed to Proficiency.

Proficiency refers to the candidates ability to perform his duties well. Candidates can be evaluated on the basis of their oratory skills and if they have been in charge of a ministry before.

Proceed to personality.

Personality refers to the nature, both internal and external, of a person. Here, the demographics can be taken into consideration like caste, family background, gender etc. We can look at the access they have to resources for running an election. We can consider if they are self-made or have other resources. The experience also plays a key role in evaluating the personality.

Hence, on the basis of these three characteristics, we can decide which person should be selected.

That was a very comprehensive answer. I particularly liked your inclusion of proficiency as a parameter.

Thank you, sir.

HERE'S A TIP!

A similar framework of 3 P's can be used for other frameworks for selecting a person for a particular position. The parameters can be adapted according to each specific job and its requirements.

180Degrees CONSULTING SRCC

Not A Coin Toss

How to choose between two candidates?

Case Library

CASE FLOW

CASE FACTS

1. Thereis one party ticket and choice has to be made between two candidates.

Factors to select a candidate

- **Personality** → Degree to which a candidate is well known among voters
  - Voting percentage
  - Is person head of organization?
  - Number of social media followers
  - Does person have criminal charges?
- **Proficiency** → Degree of a candidate's abilities to perform his duties well
  - Does candidate have good oratory skills?
  - Has the person been in charge of ministry?
- **Popularity** → The nature of a person, both internal and external
  - Gender → Family background
  - Caste → Access to resources

Good and Excellent

Can a Healthcare company tap into Smart Watch?

Case Type	Company Name	Round	Difficulty Level
Profitability Case	LEK Capability Network	Partner	

Problem Statement

There are two drink companies. One is named Good. Another is Excellent. They both have a steady revenue growth for the past five years and the market size of both these are the same. The Good profits have been steady but Excellent profits are fluctuating. Find reason for the fluctuating profits of Excellent company.

I have certain clarifying questions. "Drinks" is a very broad category. What specific product do these companies deal in?

Both these companies are dealing in ready-made coffee.

Are these two companies deal in different geographies or same geographies?

Only information given is relevant. They are operating in the same geographies.

Profitability has two aspects : Revenue and cost. Since there was steady revenue growth, I assume revenue is not the problem.
With that, I will divide the costs into fixed and variable costs. Profits were fluctuating for two years. That means fixed cost is not the problem as profits haven't just disappeared. The variable cost is the main problem.
Let me make a value chain for the company to see where the problem is arising.

I don't want a value chain. Think of another method. Try to get to the point quicker.

In that case I have some more clarifying questions. To begin with the product, is there a difference in their raw materials?

As a matter of fact, Excellent company uses fresh mountain water to make their coffee but Good company can use any type of water and raw material.

So, the main problem is fresh water which is a manufacturing component?

That's a viable hypothesis.

Following this line of logic, there might be an issue with procurement of fresh water. Is there a particular state, river or mountain from where we are procuring the water? Are there any other problems related to procurement of raw materials which is driving up the cost?

This could be a problem. Can you find more reasons for the difference in raw materials being a problem?

Perhaps, the taste differs. I can also think of certain vendors of raw materials driving up the prices.

Good attempt, but I would have liked more reasons for where the problem lies.

HERE'S A TIP!

This was a case where the usual strategy for a particular case type was interrupted. The candidate was then, expected to come up with a viable response and guess on the spot. Often, flashes of insight can be used to drive a case into its conclusion. Moreover, there was continuous elimination of options based on available information.

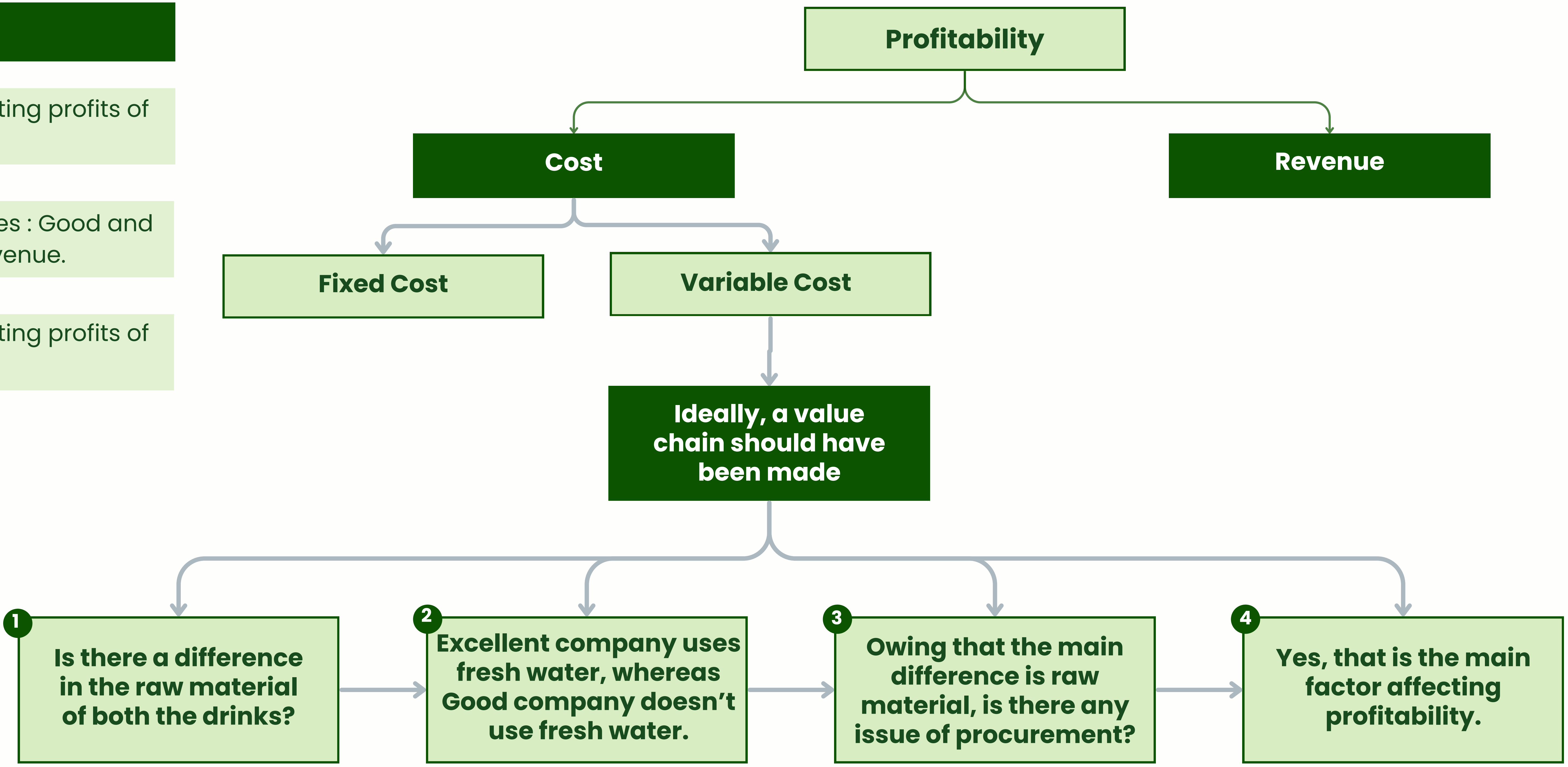
Good and Excellent

Can a Healthcare company tap into Smart Watch?

CASE FLOW

CASE FACTS

1. Find the reason for the fluctuating profits of Excellent company.
2. There are two drinks companies : Good and Excellent, which had stable revenue.
3. Find the reason for the fluctuating profits of Excellent company.



Get your Pulse On it

Can a health-tech product be launched in the US market?

Case Type	Company Name	Round	Difficulty Level
Market Sizing Case	Bain Capability Network	Partner	

Problem Statement

The manufacturer of a health-tech device is planning to launch the product in the US market. This is their very first product launch. Estimate their market size.

I have some clarifying questions. Is there a particular region we are targeting in the US?

No, it will be a pan-USA launch.

A few more questions : What are our objectives with the launch of this product? Are there any distributors or third-party contractors? Please also tell me about the customer segments we are targeting.

The objective is to earn as much as profit as we could. Hence, its profit maximisation. There are no third parties at this stage. It's a premium product being sold at 200 USD.

Since, it's a premium product, I believe that our target customers are high income people in the US. I want to take a guess on the product. Is it a smartwatch? I assumed so as it's health-tech device and smartwatches can track your health metrics.

That's correct on both counts. Good guess.

Sir, I came up with a general formula to calculate the potential sales. I'll multiply the population with the percentage of people who can afford the device. Then, I'll multiply this number further with the percentage of people wanting to buy a health-tech device.

Please go ahead with your calculations.

First, the population of US is 30 crore. Right?

Yes.

I will now calculate the percentage of people who can afford the device. Let's divide the population into four groups : High Income, Middle Income, Low Income and BPL. I am assuming people belonging to each category is 25%, 25%, 20% and 30%. I believe only the upper categories of the population would be able to afford this watch. This brings down the total population.

Good. What next?

Now, I have to check those people who are Willing to Buy. Willingness to Buy would come from a person being a fitness enthusiast. I will deduce this using age brackets. Let me divide the population into three categories : 0-18, 18-40, and 40+. My hypothesis is that mainly the population in 18-40 would be our major market as these are the youth, and more interested in fitness, I will neglect 40+ category and categorise them as non-fitness enthusiasts.

Let me interrupt you for a second here. Why not 40+? Do you not believe older people are into fitness?

Sir, even if there are fitness enthusiasts in that category. I believe they would be averse to technology in general. They would not be a market since it's a health device.

So people above 40+ won't know how to operate and won't agree that this device would be helpful as they would be conventional.
40% of the total population lies in 18-40, and I will assume 60% of this population would be fitness enthusiast. Now, from this number, 80% would buy watch. Only 10% of non-fitness enthusiasts will buy it.

Why would non-fitness enthusiasts buy?

I think they will buy because of their enthusiasm for new technology or for aesthetic reasons. Hence, some will buy. Finally, after obtaining above mentioned numbers, I'll divide by lifespan and get the final answer.

All right, that was a good attempt.

HERE'S A TIP! Ensure that you provide rational reasons for avoiding a particular line of thought. For instance, you can't leave a segment of the population without precisely explaining your key assumptions. One can experience follow-up questions if this has been done.

Get your Pulse On it

Can a health-tech product be launched in the US market?

CASE FLOW

CASE FACTS

1. There is a pan-USA launch of a health-tech device.
2. The objectives is to earn profit as much as possible.
3. There are no third parties. It's a premium product worth 200 USD.

Number of people who will buy the watch

- **Population of the US**
  - 30 Crore people
- **×**
- **Percentage of people who can afford the watch**
  - High Income (25%)
  - Middle Income (25%)
  - Low Income (20%)
  - BPL (30%)
- **×**
- **Percentage of people who want to buy the watch**
  - Age
    - 0-18
    - 18-40

Why is the 40+ age category neglected?

Older people are generally averse to technology.

40% of the total population lies in 18-40, and so, we will assume 60% of this population would be fitness enthusiast. Now, from this number, 80% would buy watch. Only 10% of non-fitness enthusiasts will buy it.

Why would non-fitness enthusiasts buy? They'll buy out of interest in new technology.

Candy Catastrophe

Why is candy manufacturer facing decline in profits?

Case Library

Case Type	Company Name	Round	Difficulty Level
Profitability Case	Accenture	Partner	

Problem Statement

Your client is an FMCG manufacturer comparable to Cadbury. The company has been facing a decline in profits. Help them figure out the exact reason for this decline.

I have some clarifying questions.
Since when is the client facing a decline in profits and what is the percentage? What are the different SKUs and how does the value chain look like? What is the geographical location of the client?

The client is facing a decline of 30-40% for the past 6 months.
The product lines and value chain is similar to that of Cadbury. They sell pan India and they are the 3rd largest player in the market.

Is the decline in profits specific to a particular product and geography? And is this issue revenue oriented or there has been some increase in costs.
And have other players in the market faced a similar decline?

The revenue of toffees has declined and the cost has remained the same
No, the problem is client-specific.

Can I take some time to structure my thoughts?

Sure

- The decline in revenue can be due to a decrease in market size or a decrease in market share but since the problem is client specific, thus we can focus on the market share.
- For the market share, we can estimate the volume of sales reduced due to a change in demand or a change in supply.

Do we have any information available for choosing between the two?

The supply side and the distribution model have all remained the same, so you can structure your thoughts around the demand side.

I have noticed that small value items like toffees are given as change in retail shops but due to the recent surge in digital transactions, maybe the role of toffees in this aspect has declined.

This is an interesting point of view to look at, but why don't we circle back to customer oriented issues.

Alright, then we can focus on the Need, Accessibility, Affordability and Awareness of the product as a breakdown for demand. Is that a good approach to go ahead with?

Yes, you can focus on the Accessibility to the product as a factor for now.

Can you tell me a bit more about the client's distribution channels?

The company sells through both online and offline channels with the major sales coming from offline mode from kirana stores and retail shops. Also, a product like toffees is pretty standard so there is not much scope for differentiation.

Alright, let us look at the customer journey for kirana stores.

- As the customer would enter the store, they would first pick up a basket .
- Then select and pick up the items to be purchased.
- Then finally head to the billing counter for payment.

Since a product like toffees is pretty standard, therefore customers would pick up the toffee which is most physically attainable, so it should be placed at a location where it is adequately visible to the customers entering the kirana store. At the same time, it should also be constantly backed up and recommended by the seller. Therefore, after looking at all these factors, I think that the product placement, in-store marketing and retailer incentivisation will have a very big role to play in terms of accessibility to the product. I think that the client is not paying attention to the processes followed after the toffees have been supplied to the retailers.

Well explained. You have correctly identified the problem here.
We can end the case here.

HERE'S A TIP!

It is always important to think and clearly construct your idea before you speak, but at the same time, sometimes you can think out aloud and let the interviewer know your thought process.

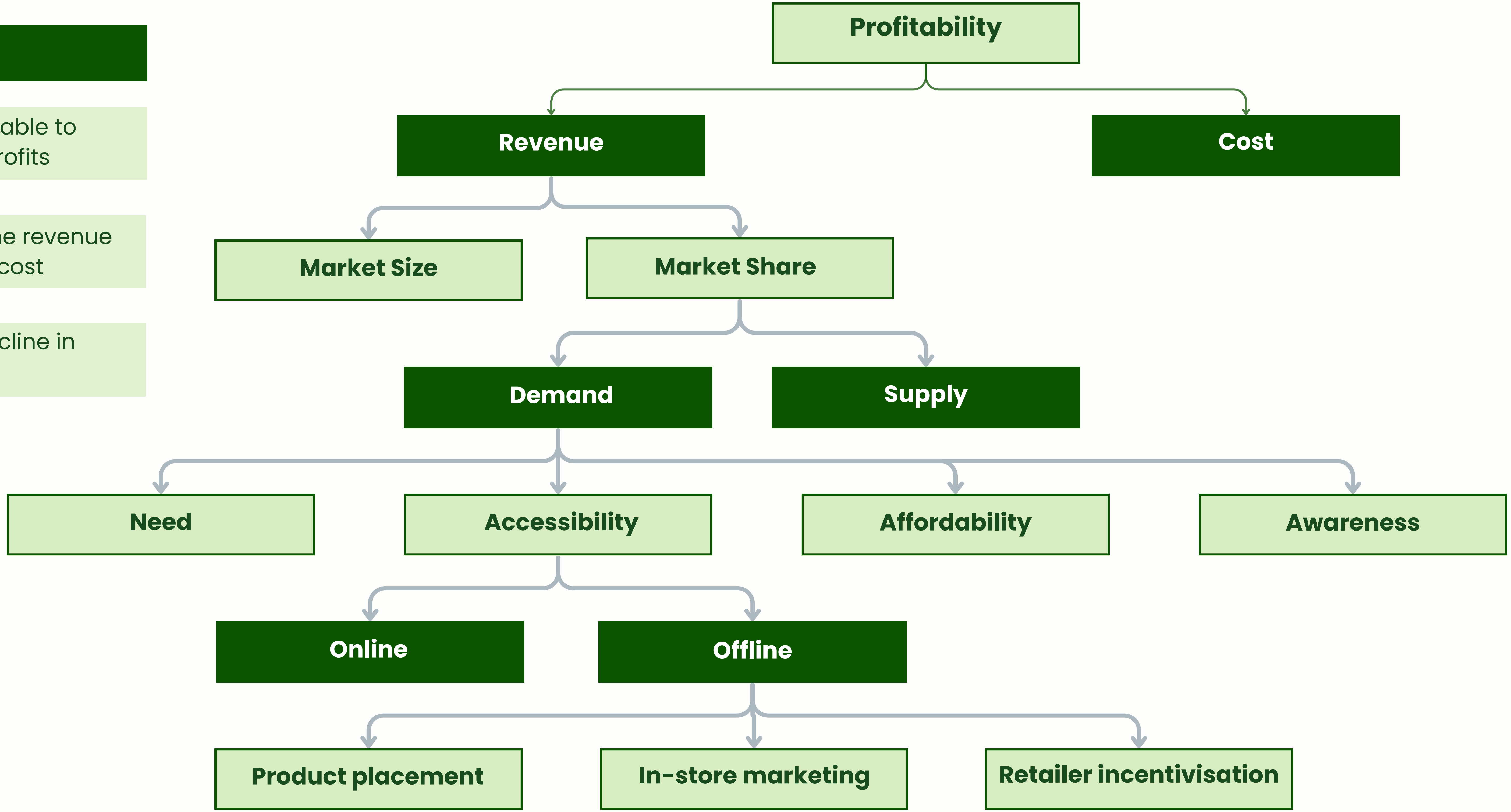
Candy Catastrophe

Why is candy manufacturer facing decline in profits?

CASE FLOW

CASE FACTS

1. An FMCG manufacturer comparable to Cadbury is facing a decline in profits
2. The problem is client specific. The revenue has declined with no change in cost
3. Find the exact reason for this decline in profits of the company



Time in a Bottle

Can a Healthcare company tap into Smart Watch?

Case Type	Company Name	Round	Difficulty Level
Market Entry Case	LEK Capability Network	Partner	3/5

Problem Statement

There is a healthcare company in the United States that makes products for various diseases, and now the company is planning to enter the smartwatch sector. What are the factors that you would consider?

I have some clarifying questions. What is the target market for our product?

What do you think it is?

I would assume it to be high income, middle-aged people within the age bracket of 15-60 years, because this age group is more aware about technological developments and smart products in general.

Okay, so go ahead with that assumption.

And what is the payback period of the company (i.e,break-even for fixed costs)

That is a relevant question. However, that information will be shared in the subsequent rounds of the interview.

Also, are we planning to sell a standardized product or does our product have a Unique Selling Proposition (USP).

You can assume it to be a standardized product.

Will our manufacturing units be in the United States or some other country? Also, how do we plan to sell our products? Have we planned any retail or e-commerce partnerships?

This won't be relevant to the case.

What is the objective of the company. Is it profit maximization or is increasing its market share?

Focus on the profit maximization aspect for now.

Okay, so since it is a market entry case, I would first assess the financial feasibility. Under that, I would evaluate the market size, market share and the growth (in percentage) of the market.

Okay, go ahead

To calculate the market size, I would use the following filters: Income, Age, Percentage of people that wear digital watches, and the percentage of people that wear smartwatches (among those who wear digital watches)

That is a reasonable assumption, but why did you not take the Urban-Rural divide and the no. of households in the country?

The Urban-Rural divide in the United States is very insignificant and it won't be feasible to accurately calculate the no. of smartwatches per household.

That is a rational explanation. How would you calculate the projected market share?

Since the company has not entered the market yet it would be difficult to accurately calculate the projected market share. However, some factors I would consider would be the no. of competitors and if there have been companies in the past that have made a similar market entry.

That is a fair point. Your approach is well-structured and you do not need to calculate the exact numbers. What are the costs do you think are specific to this line of business?

I think that there would be licensing cost, litigation costs, warrantee and guarantee costs that would be specific to this business. Along with that, there would be heavy costs related to research and development as well.

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

HERE'S A TIP!

Have a rough idea of the demographics of the United States because a large part of the company's operations is based there. This will also help you demonstrate to the interviewer that you are aware about the company and have done thorough research on where its operations are based.

Time in a Bottle

Can a Healthcare company tap into Smart Watch?

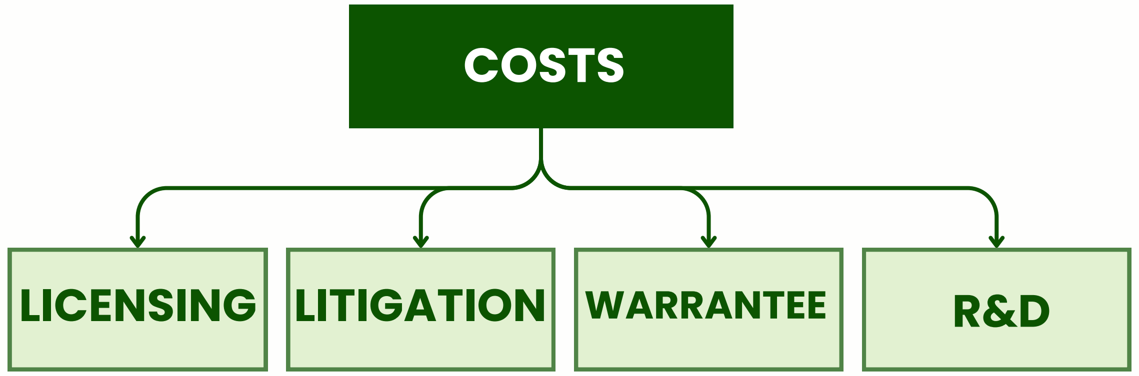
CASE FLOW

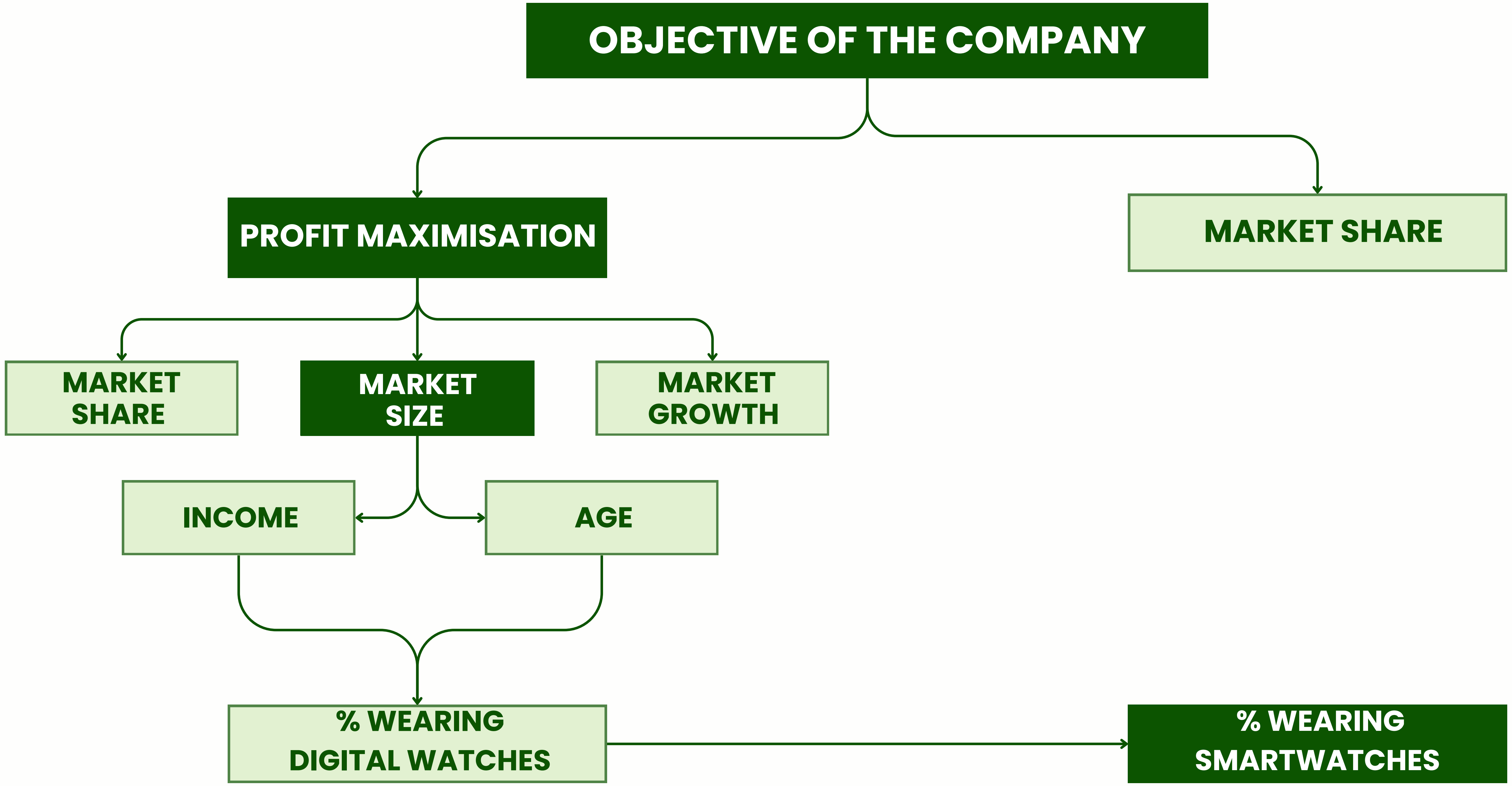
CASE FACTS

1. The company plans to sell **standardised products.**

2. They major objective of the company is to maximise its **profits.**

3. The target market of the company is high networth individuals between **15-60 years.**





Lux Cabs but Lax Revenues?

Solving a cab comapnies revenue fluctuation crisis

Case Type	Company Name	Round	Difficulty Level
Revenue fluctuation model	LEK Capability Network	Partner	

Problem Statement

There are two cab aggregators- Quickride and Lux Cabs. The revenue of the former is stable. However, that of the latter is fluctuating. You are the CEO and the other board members are quite agitated because of this. What solutions would you propose?

May I ask some clarifying questions?.

Okay, go ahead.

Do both the aggregators offer the same kind of services?

No, Quickride offers affordable, cheap and fast transport, whereas Lux Cabs focuses on the premium segment and deals with upper class people.

Given the low consumer stickiness observed in premium product categories, attributed to the availability of substitute products, it's reasonable to conclude that this issue stems from a demand-side challenge.

Okay, so what would be your approach to tackle this problem

I would adopt the 4P approach- Product, Price, Place and Promotion.

Okay, please explain in detail.

Under product, our client should introduce car rentals under this segment (assuming that it has not been introduced already).

Also, monthly bundling could be implemented to increase consumer stickiness. Along with that, the company could introduce a new segment of affordable cars under a different brand name to stabilize the revenue aspect.

Okay.

Under price, our client should try to implement a charge price according to the time taken to reach a place. I am proposing an inverse relation between the two variables as these people value efficiency.

There would be a lot of regulatory frameworks that would need to be dealt with and it would not be pragmatic to introduce such a model. Focus on the other two aspects.

Right, so under place, try to increase the frequency and supply of our cabs near high-end posh areas because these people would be more likely to procure our expensive services.

Okay Parth, we can end the case here.

Lux Cabs but Lax Revenues?

Solving a cab comapnies revenue fluctuation crisis

CASE FLOW

CASE FACTS

1. **Quickride** offers **affordable, cheap and fast** transportation.
2. **Lux cab** focuses on the **premium segment** and deals with upper class people.
3. The revenue of **lux cabs** is **flucutuating** due to low consumer stickiness.

NOTE:

Please note that the solution for PROMOTION wasn't asked for and hence it is not included.

Further, the solution for price was rejected.

SOLUTIONS (4P APPROACH)

PRODUCT

1) Introduce car rentals (assuming it has not been in troduced already).

2) Monthly bundling to increase consumer stickiness.

3) Introduce new segment of affordable cars under a dofferent brand.

PRICE

1) Charge price according to the time taken.

2) There should be an inverse relation between the price charged and the time taken.

3) Clients value their time since it is a premium segment

PLACE

1) Increase frequency and supply of cabs near high-end posh areas.

2) People present in these areas are more likely to avail our services .

Can the ants cross each other?

A game of probabilities

Case Type	Company Name	Round	Difficulty Level
Unconventional/Brain Teaser	Bain Capability Network	Director	

Problem Statement

There is an equilateral triangle and there is an ant present at each end. What is the probability that these ants don't cross each other?

I am having difficulty structuring my approach, could you please give me more context?

Try to think logically, in how many ways can each ant move?

Each ant has two options, either to move clockwise or anti-clockwise. However, the outcome might depend on the speed of each ant.

You can assume the speed of each ant to be the same.

Okay, then the probability would be the number of favorable outcomes divided by the total number of outcomes.

Right, so what would be the total number of favourable outcomes?

The ants won't cross each other when all three of them move in the same direction. It can be either clockwise or anti-clockwise. So that would be two favorable outcomes

And what would be the total number of outcomes?

Since each ant has two choices (clockwise or anti-clockwise), the total number of outcomes would be 2*2*2=8

Alright, so what will be the probability then?

The probability would be 2/8=0.25

That is the correct answer.

Can the ants cross each other?

A game of probabilities

CASE FLOW

CASE FACTS

1. 3 ants are moving in an equilateral triangle
2. We need to decide when they will meet
3. Directional probability is the key to solve this question.

DIRECTION

- SAME
- CLOCKWISE
- ANTI CLOCKWISE
- OPPOSITE

MOVEMENT OF ANT

- CLOCKWISE
- ANTICLOCKWISE

DIRECTION

- SAME: WILL NEVER MEET
- DIFFERENT: WILL MEET

TOTAL OUTCOMES:
2*2*2 = 8

FINAL PROBABILITY:
2/8 = 0.25

The Fast & The Furious

Pricing the New Age Era of Travel

Case Type	Company Name	Round	Difficulty Level
Unconventional	Bain & Co.	Partner	3/5

Problem Statement

Your client has found a new method to transport people from India to the USA in just 30 minutes. Decide how to price this service.

Alright. I'd like to get a better understanding of the service. Does the client offer any other services?

No, the client has just decided to enter the transport industry.

Will the machine operate in other countries as well? And how much is the capacity of this machine?

The company currently operates only in India and is capable of transporting 15 people at once.

How much time does it take for the machine to complete a single round trip and recharge for another trip?

It takes the machine 1 hour and 30 minutes to make 1 round trip from Delhi to Washington DC. Recharging and maintenance of the machine take approximately 4 hours, thus the company can make 2 trips in a single day at most.

Alright. Now that the basic criteria has been laid down, how would you like me to approach this problem? Should I take a value-based approach, cost-based approach or a competitor-based approach?

Since this product is an innovative product, it currently has no competitors. You can proceed with a value-based approach.

Great! Proceeding with a value-based approach, is it safe to assume that this service would be availed by top executives or consultants of companies?

Yes, that is a safe assumption. Although, this can also be availed by the uber rich for travel, but you can take that as an exception.

Yes, taken into account. We can look at the willingness-to-pay of business executives by focussing on their opportunity cost of taking a normal flight. We can also assign a higher value to this product since its supply is inelastic in the market, and it is one-of-a-kind.

average billing cost for project managers and consultants and average incomes for business executives. Their alternative to availing this service would be taking a private jet or a first class airplane ticket, which average at around 10,000 USD for a single trip. Since they take multiple round trips in a month, their monthly expenditure would be approximately 100,000 USD. Transportation costs of an average person usually take up 1/10th or less of their monthly income. Moreover, flights are generally paid for by the employer, and business class flights reflect a higher salary of the employee. Thus, By taking a large multiple of this figure, we can calculate their monthly income, which can be 1 Million USD.

Thus, the opportunity cost of a business executive would be a major portion of their income, and for consultants/project managers, it would be the billing amount for a single meeting. Is this assumption correct?

Yes it is. You can proceed.

So for a single ticket, given the cost of 1 trip for a first class ticket is around 10k USD, incorporating that with the opportunity cost, I think a fair price would be around 50k USD. The client can also look into a leasing pricing model or a subscription-based model for companies that need to avail this machine frequently.

Great, we can close the case now.

HERE'S A TIP!

While calculating the pricing of a good or a service, always keep in a mind that sticking with a value based pricing would give us an upper limit to the price of the commodity. It is mostly upto the person's assumption on how high would a customer, given their status, lifestyle, purchasing power and income segment would be able to pay or get value added into their life.

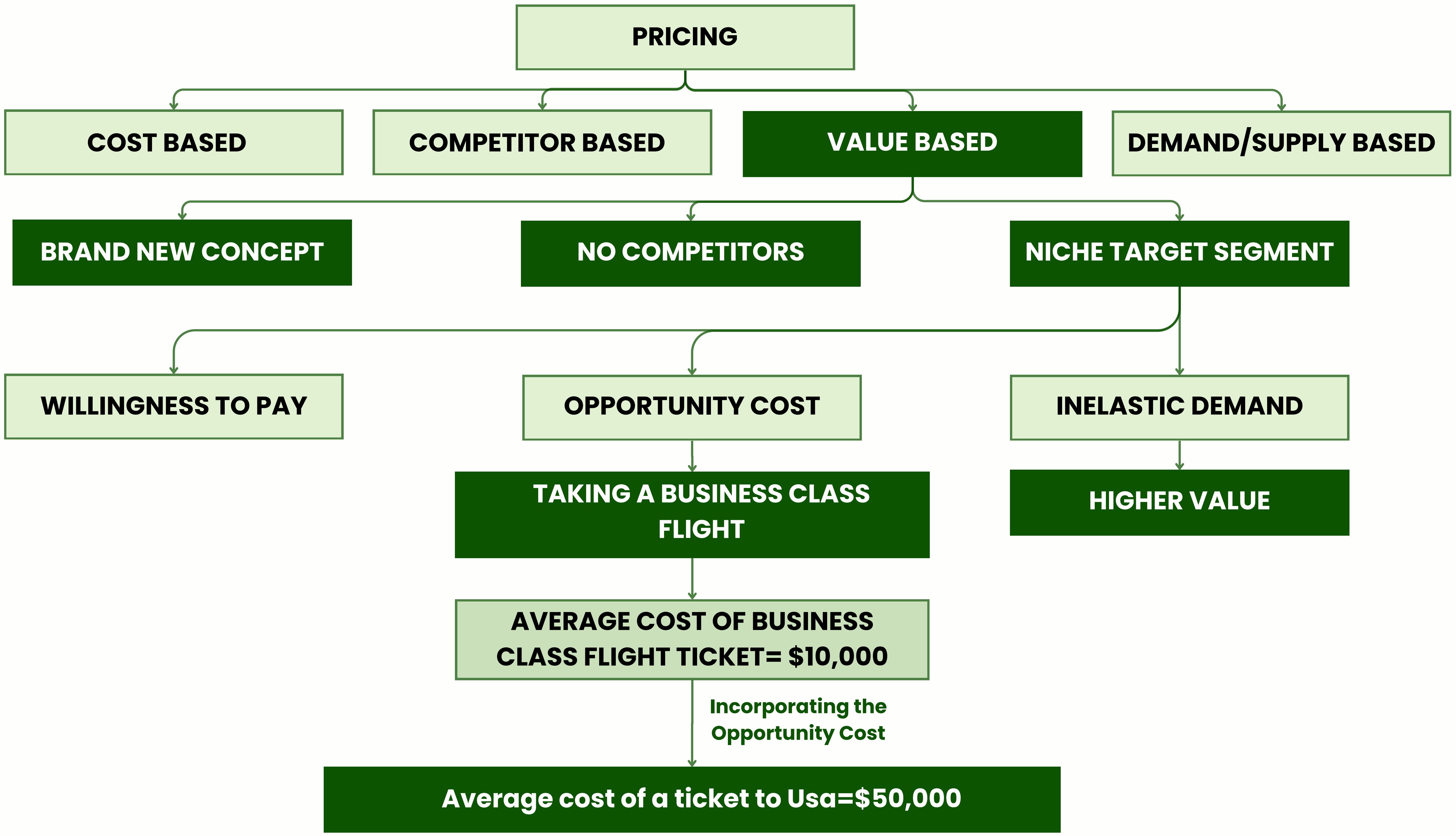
The Fast & The Furious

Pricing the New Age Era of Travel

CASE FLOW

CASE FACTS

1. A new method to transport people from India to the USA in just 30 minutes. Decide how to price this service
2. It takes the machine 1 hour and 30 minutes to make 1 round trip from Delhi to Washington DC. Recharging and maintenance of the machine take approximately 4 hours, thus the company can make 2 trips in a single day at most.
3. The client currently has no competitors.
4. The service can be availabed by top executives, consultants of companies and also by the uber rich.



THE CLIENT CAN LOOK TOWARDS SUBSCRIPTION/LEASING MODEL FOR FREQUENT FLYERS

The Dotcom Crisis

Choosing an apt digital marketing medium in a market entry

Case Type	Company Name	Round	Difficulty Level
Market Entry	Indus Insights	Manager	

Problem Statement

Your client is an e-commerce company. It's looking to enter the US market. For their entry, they're looking to market themselves through two different methods of SEO- banner ads and URL ads. Which type of ads should the company proceed with?

That's intriguing. I'd like to understand the problem a bit better first. What is the difference between banner ads and URL ads?

Try to guess the difference using your intuition first, I'll confirm if you're correct.

Well, according to me, banner ads are the widespread rectangular ads that appear on the bottom of a search engine, either in the form of a picture or a GIF. Likewise, URL ads could be the sponsored links that show up at the top of the search engine's results whenever a person searches for something, enticing them to click on it.

That's exactly the answer I was looking for.

I'm glad. Could you tell me what services the company offers?

The company is similar to Amazon with respect to its functionality and services offered.

Sure. Is the company new or does it already have an established headquarters in another company?

The company is a startup looking to enter the American market.

Interesting. Does the client have any other marketing sources in mind?

Interesting. Does the client have any other marketing sources in mind?

Alright. That's it with my queries. Should I begin with the process of answering the question?

Yes, you may. The client has given you some other data that might be helpful in solving the case. The clickthrough rate, the cost per click and the percentage of customers who buy after clicking:

	Banner Ads	URL Ads
Click through rate	40%	60%
Cost per click	Rs. 100	Rs. 20
Percentage of Customers who buy the product after clicking	60%	60%

Since this is a problem of comparison, I'll assume the Total Addressable Market (TAM) to be N. In order to calculate the revenue and profits earned from a specific type of ads, the following formulae can be used:

1. Revenue = N x Click through Rate x Percentage of People who buy x Average Order Value
2. Number of Clicks = N x Click through Rate
3. Total Cost for a Specific Ad = Number of Clicks x Cost per Click
4. Profits = Revenue - Cost

Do you want me to calculate the Average Order Value or should I assume it to be a random variable?

No, that's okay, the client gave us the data for the Average Order Value and it is Rs. 1500. Moreover, the customer stays with the client for 3 years on average.

That's really helpful! This data can be used to calculate the value of the average customer to the company = 3 x Rs. 1500 = Rs. 4500. Now, calculating the Profits from both the ads:

	Banner Ads	URL Ads
Revenue	N x 40% x 60% x Rs. 1500 = Rs. 360N	N x 18% x 60% x Rs. 1500 = Rs. 162N
Number of Clicks	2/5N	9/50N
Total Cost	2/5N x Rs.100 = Rs. 40N	9/50N x Rs. 20 = Rs. 1.8N
Profit	Rs. 320N	Rs. 160.2N

Thus, Banner Ads are more profitable for the company and attract more customers at the same time.

Great! We can close the case now.

HERE'S A TIP!

While solving a market entry case which involves a comparative analysis between two options, the best way to approach it is by going into details that could be quantified. Forming a chain that would yield a specific parameter in the end, containing details that could be easily assumed in both options, makes the options easily comparable.

The Dotcom Crisis

Choosing an apt digital marketing medium in a market entry

CASE FLOW

CASE FACTS

1. The company is similar to Amazon with respect to its functionality and services offered.
2. The company is a startup looking to enter the American market.

MARKETING METHODS

- **BANNER ADS**
- **URL ADS**

Revenue=N*Click Through Rate*%age of people who buy*AOV
Total Costs=Number of Clicks*Cost of Clicks
Profits=Revenue-Cost

Average Value of Customer = **Average Order Value(AOV)** Rs. 1500 **X** **Average Customer Retention** 3 Years

Rs. 4500

Profit from Banner Ads = **Total Revenue-Total Cost(Click Through Rate*Cost Per Click)**
360N - 40N = 320N

Profit from URL Ads = **Total Revenue-Total Cost(Click Through Rate*Cost Per Click)**
162N - 1.8N = 160.8N

Profit gained from Banner Ads is greater than URL Ads making it a more viable option for the client.

TimeWarp Travel

Velocity Voyage: Strategic Pricing Model

Case Type	Company Name	Round	Difficulty Level
Pricing Case	Kearney	Partner	

Problem Statement

Your client is an Airplane service provider. A new service has been introduced that enables you to travel from New Delhi to New York in just one hour, and they are promoting their brand based on the time-saving aspect of this service. How would you price this service?

What are the customer segments we are looking for in that particular flight?

Let's discuss it out. What do you think are the customer segments?

Customer segments could be consulting CXOs of companies, people, government embassies, and people in general who would like to travel a lot to New York, especially. Additional about the fashion industry, since a lot of fashion shows take place there

Focus on just management consulting and assume that all of the customers are management consultants. Then how would you calculate through a value-based model?

We can probably assume an average salary for consultants. Since this time I'm reducing travel time by almost 20-24 hours is something that I can now work with. So if I can have the per-hour salary of a consultant, you can assume that the flight usually takes 24 hours and now it's taking one hour. So the 23 hours that you are saving is something that I can calculate for with a per-hour salary.

Consider that usually, companies book flights for the clients in an entire project, not a single sort of consultant booking for themselves. How would you approach this now?

First, we can consider what is the average number of people that the company would be sending out for a project. And then instead of salary, we can shift to billable hours. So the per-hour revenue that the company is getting from a consultant's work, is something that the company is saving instead of the per-consultant salary

Assume there is a project, with two consultants, calculate the per hour billable and what amount we are saving.

Suppose, a consultant earns $1LPA. At an average, a consultant works 12 hours a day, which makes it 4,320 hours in a year. So the per-hour salary of a consultant would be $25.
Thus, the per-hour salary of 2 consultants will add up to $50. Assuming, that the company generates $100 revenue per hour from a client, Company's total savings would turn out to be $50.

Alright. We can end the case here. Thank you

HERE'S A TIP!

One key factor here is not considering the entire 23 hours as time saved, but recognizing that a consultant typically works only 12 to 14 hours. This means that, on average, we consider 12 hours as the actual working time for a consultant, even though the total available hours maybe 23.

Time Wrap Travel

Velocity Voyage: Strategic Pricing Model

CASE FLOW

CASE FACTS

1. Calculation using Value Based Model.

2. No of prople sent for a project: 2

Pricing (Airplane Service)

↓

Customer Segments

↓

Management Consultants

↓

Billable Hours (Value Based Model)

↓

Company Cost (No of people company sends for a project)

Salary: $1LPA
Billable Hours: 12 hr (Day), 4320 hr (Year)
Per Hour Salary of 2 Consultants: $25
Company per/hr revenue from a client: $100
Company Savings: $50

LifeEpic Launch

LifeFlare: Unveiling Your Essence

Case Type	Company Name	Round	Difficulty Level
Market Entry Case	LEK Capability Network	Partner	

Problem Statement

Your client is a major magazine publisher based in the US. It is considering the idea of launching a new lifestyle magazine. Analyse and recommend if he should go ahead with this idea.

What is the Client's current product portfolio and how successful are they in the market?

The publisher has two other magazines- one on personal finance and the other on women empowerment. Both products are the leaders in their categories

What is the target audience for the new launch?

It is mostly wealthy males

What is the objective of launching a new product from scratch? Why doesn't the publisher simply want to work on growing the existing portfolio itself?

The market for those two products has been saturated by now. There isn't much scope for further expansion

Okay. And what are the target figures for this magazine in terms of volume and ?

The publisher hopes to increase his bottom line by $10 Million through this new launch over a reasonable period

Can you also tell me a bit about the potential competition?

Through a survey, we found out that we would be able to capture 5% of the target population if we launched the magazine at this time.

Okay, Can I go on and do a market sizing for this launch?

Sure.

For the market sizing, can I know the price at which this magazine is going to be sold? And if there are different channels or models that the company employs?

The company offers a subscription model for $3 per copy for a year and sells copies for $5 through retail shops. You can assume a 50-50 split between these two.

Okay. I would first divide the total male population of the US into different age groups and look at the likely percentage of people who would be willing and able to buy our magazine, within each age group. I would further multiply this by 5%, since through our survey we know this is what we'll be able to capture. Lastly, I would multiply this figure with the frequency of purchase to get the total number of copies sold. 50% of these would be sold at $3 and the rest at $4. Multiplying these prices in 50-50 weights will give me the final magazine figure

That sounds good to me. Do you have any other things you would want the publisher to keep in mind?

Three major issues need to be kept in mind:
1) Given this revenue and our costs, we should check if our profits are touching the $10 Million target.
2) There's a chance that this magazine might take away the sales of our personal finance magazine. If that is the case, this launch may not be a very good idea since we wouldn't want to lose out on an already existing high share.
3)It's crucial to check if there are any benefits in making this magazine alongside the current products. If we can use shared resources or skills, it could help reduce costs a lot.

Thank you, that would be all

HERE'S A TIP!

When pricing a service like the one offered by the airplane service provider, consider the value it brings to the target customer segment. Calculate savings in terms of time and productivity, especially for frequent travelers like management consultants, and price accordingly using a value-based mode

LifeEpic Launch

LifeFlare: Unveiling Your Essence

CASE FLOW

CASE FACTS

1. The target audience for the magazine is Wealthy males.

2. Magazines focusing on personal finance and women's empowerment. hold the top positions in their respective categories.

Market Entry

Client's Current Portfolio

- Personal Finance
- Women Empowerment

Market Sizing

Price

Utilizes a subscription model at **$3** per annual copy and retails copies at **$5**, with a **50-50** revenue split.

Identify the target population based on **gender, income and age group.** Multiply with **5%** to get the actual number.

Multiply with the frequency and then with the price following the **50-50** split

Channels & Models

Target Figures

Volume

Profit

A bottom line of **$10 million** and an expectation to cover **5%** of the target population

Objective

Market Stagnation of other segments

Things to be kept in mind:

- Confirm profits meet the $10 million target.
- Avoid cannibalizing sales of the personal finance magazine.
- Explore cost reduction through synergies with existing products.

Retail Landscape Analysis

Opulent Outlets Assessment

Case Type	Company Name	Round	Difficulty Level
Market Sizing Case	Kearney	Partner	

Problem Statement **Our Client is a high-end retail chain based in India. Estimate the market size and the number of supermarket stores that we could get for the client.**

What is the target location for the supermarkets? Are we focusing on tier 1 cities or tier 2 and 3 cities?

At the moment, we are focusing primarily on tier 1 cities. Let's say Mumbai.

We can go ahead by looking at Income-Based Segmentation. So the population can be divided into rural and urban and then we can take further classification of upper class, upper middle class, lower middle class and below the poverty line.

Let's not go ahead with this approach. You can probably give me some other approach.

If not income-wise, we can do an Area-Based Analysis. So if we can calculate tier 1 and some penetration rate of tier 2. Within that, we go in general with the forest, cultivated area, waste area, and constructed land. Within constructed land, probably we can see residential and commercial. And then within commercials, if we give a certain percentage area to general supermarket stores, it gives an estimate for the number of supermarket stores that a retail chain can have.

Sounds Great. Now, we can take a proxy approach that could quickly give some numbers.

Another approach could be related to a metro line, supermarkets and other high-end stores, which would be somewhere where either a lot of tourists go or high net-worth individuals live in general. In every metro line, there are 4-5 stations, which are hubs for high net-worth people living or where a lot of travel comes in. Then estimating 10 metro lines, we can average it out to 4 such stations in every line, and then we can have a very base number of how many supermarket stores we can have.

Now you can think of something similar to an FMCG sector and then drive an approach.

Alright. We can take the example of Naturals- a high-end ice cream store, targeting a somewhat similar customer segment.

For Naturals ice cream, from my experience, We see one Naturals ice cream store in general in a radius of 5-10 kilometres in Mumbai. Then take the entire Mumbai area as an area for the base number of supermarket stores. But, one goes to Naturals ice cream not only for ice cream but for the experience also. This provides us with a reference point for estimating supermarket locations, but because one wouldn't go to a retail store to buy things for experience. So if it's too far away, one would probably just buy it online and import things and not go to that store to buy things. So that is why we probably have to increase the number to cover small distances with the supermarket store because it does not give you that experience that Natural ice cream gives.

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

HERE'S A TIP!

Estimate market size and store locations based on a proxy approach, such as high net-worth hubs or metro stations, to quickly gauge potential expansion opportunities for high-end retail chains

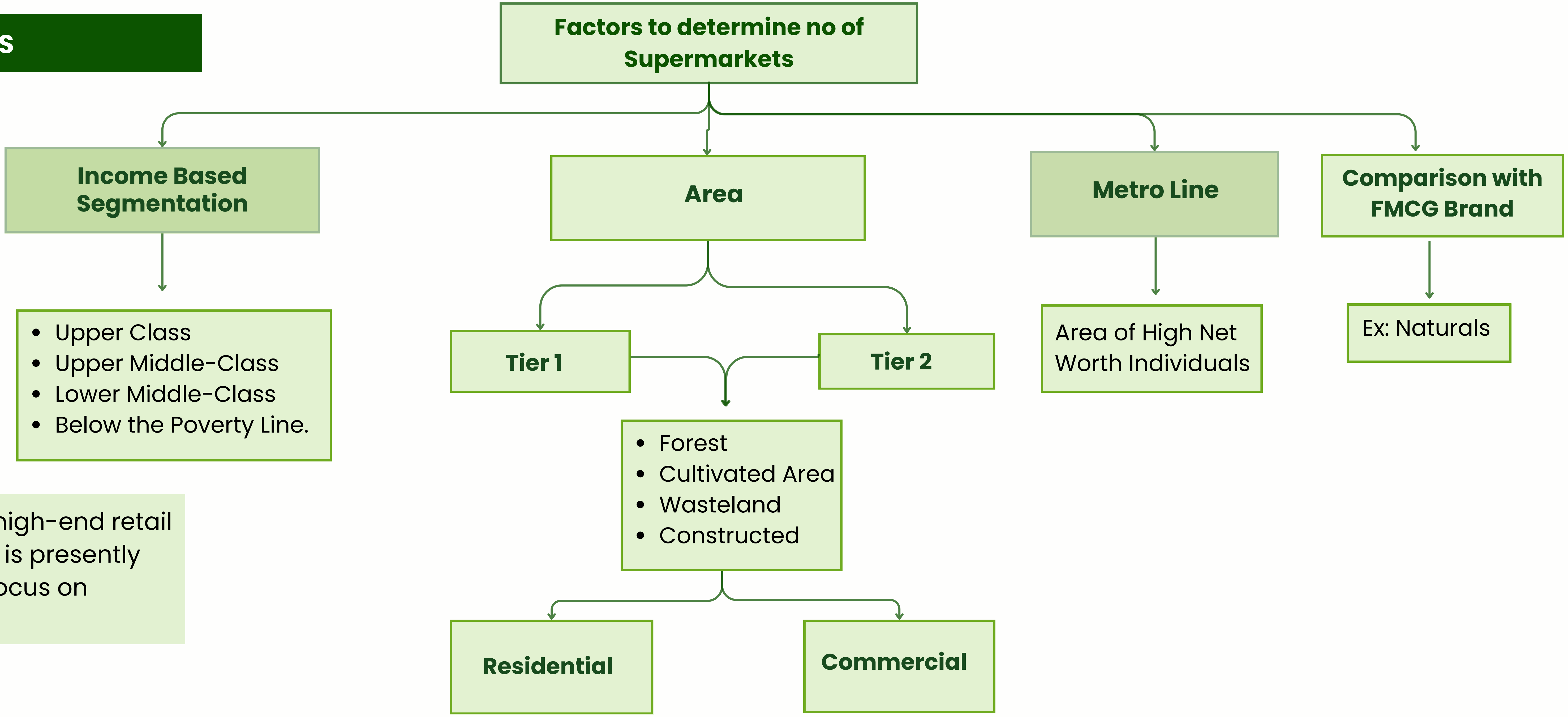
Retail Landscape Analysis

Opulent Outlets Assessment

CASE FLOW

CASE FACTS

1 The target location for the high-end retail chain's supermarket stores is presently tier 1 cities, with a specific focus on Mumbai.



Logistics Boost

Precision Logistics Upgrade

Case Type	Company Name	Round	Difficulty Level
Unconventional	Kearney	Partner	

Problem Statement

Our Client is the Ministry of Transport and they want to improve the logistical efficiency.

What are the primary objectives and key performance indicators (KPIs) that the Ministry of Transport seeks to achieve in enhancing logistical efficiency

In this case, it's about improving logistical efficiency, particularly for intercity travel, and the goal is to calculate the demand for roads at any given time

To improve efficiency, we can consider the width of the road as one factor, and there may be others such as traffic congestion, road conditions, and the volume of vehicles on the road. These factors have a considerable influence on reducing travel time.

You can talk about an approach to calculate the demand for roads at any point in time.

We can consider different factors in doing so. We can consider the number of vehicles that use the road on a daily, weekly, and monthly basis.

Different types of vehicles that use the road, such as cars, trucks, buses, and motorcycles. They are considering the land use and zoning in the area. Residential areas, commercial centres, and industrial zones will have different traffic patterns and road usage. High-density areas are likely to have higher demand for road infrastructure

Elaborate a bit on the industry

We can focus on identifying the industries that rely heavily on road transport for importing materials, work in progress, or finished goods. We can Select 2-3 industries in the city that are significant regarding the volume of goods transported via roads. Within those industries, we can determine whether the primary mode of transport for these goods is by road. We can also consider factors like population growth, urban development, and changes in transportation preferences

You can be specific to arrive at some numbers?

We can identify 2-3 industries for which a lot of material, whether work in progress or finished material is something that's imported. And then within those industries identifying, whether the mode of transport is via road. Through this, we can have the number for the demand in the city. And if we know they come by trucks, we can probably just divide by the average volume that a truck can carry and get to how many vehicles are coming in through the road

Alright. We can end the case here. Thank you

HERE'S A TIP!

To enhance logistical efficiency for the Ministry of Transport, focus on analyzing key factors such as road width, traffic congestion, and industry demands to accurately gauge road usage and improve infrastructure planning

Logistics Boost

Precision Logistics Upgrade

CASE FLOW

CASE FACTS

1. Your client is Ministry of transport
2. Roads are the primary medium

Time

Road Capacity
- Increase no. of lanes
- Develop alternate route for busy roads.
- Dedicate lanes for
- different vehicles

Road Quality
- Increase in quality of material used
- Regular maintenance of roads

Stoppage Time
- Toll booth
- Government check points
- Red lights & traffic jams: More traffic policemen to control traffic

Total Average Distance
- Optimization of road networks
- Increasing average dist. covered

Transit Permits
- Reduction in no. of permits required
- Reduction in time taken to get permits

Stoppage Time

No. of toll booths
- Optimisation of tool booth network

No. of lanes
- Increase in no. Of lanes at each tool booth

Processing/ Toll collection time
- Seperate lanes as per different types of vehicles
- Mobile toll collection personal

Growth Beyond Borders

Overcoming the national boundaries

Case Library

Case Type	Company Name	Round	Difficulty Level
Market Entry Case	LEK Capability Network	Partner	

Problem Statement

Your client is a fast fashion retail chain called My Brands. They have a considerable market share in the US economy but are now facing market saturation. They want to expand to new geographies but aren't sure where to expand. Your task is to first list down the different factors to evaluate a potential geography to which they can extend their operations and state what strategies you would use to enter that particular country or geography.

Understood sir. May I ask some clarifying questions?

Sure, go ahead.

What is the company's main concern?

The company is simply ideating their expansion plan. They want to create a template through which they can evaluate different economies and how to enter them.

How did they operate in the USA?

They only had brick-and-mortar stores in the USA and they were primarily involved in the fast fashion retail for all types of customers except babies. The Client's manufacturing was outsourced.

Does the client have any specific idea to enter in a particular segment, let's say they just want to enter in male clothing or female clothing or do they just want to run the operations in the same manner as they do in the USA?

They wish to continue in the same manner.

That brings me to the end of my preliminary questions. To evaluate the different geographies, I will look at 7 possible factors.
These are: consumer-related factors, political factors, legal factors, competitive landscape, economic factors, technological factors, and the feasibility of the distribution channels.

Alright, that's fair, what next.

Within consumer related factors, I would include factors like the cost of acquiring customers, average revenue per user and taste and preferences of consumers. Societal acceptance is also a big part of this because consumers are concerned about fast fashion retail.

For the political factors, I will consider factors like particular policies which may affect us, business-friendly policies, and the government's lobbying capacity, whether the particular venture would be easily aided by the government or not.

Yes okay, this sounds good. Please continue.

For the legal part, I would consider the laws and taxes being charged by the country and research regarding the Special Economic Zones for that particular industry. Additionally, the recent import and export policies should also be taken into consideration since we were based out of the USA.

For the competitive landscape, I would include factors like market share, barriers to entry and exit, type of customers, and then the operating costs because we were concerned with the fashion retail space so COGS is an important part. Also, the inventories should be included because generally, fashion retailers have high inventory turnovers.

Alright that seems fair up till now, how will you evaluate the Economic Factors?

For the economic problems I will include three factors only. First will be researching about what is the average spend on a particular fashion product, then the inflationary conditions in the economy and purchasing power parity because we were based out of the USA.

How will you calculate the average spend?

We could use the country's disposable income data and pass an easy judgment about how customers spend on a particular product.

That's fair, go ahead.

For technological factors since the client was just involved in brick-and-mortar space, factors like advancement in online retail or the omni-channel would be looked in because different countries have different scenarios, if you look at European countries generally people follow omni-channels whereas in India brick and mortar channels are more prominent.

For the distribution channel, I would include things like producers, suppliers, manufacturers and import houses because since the client is outsourcing, the products would either be imported to a particular geography from the USA or we could set up another establishment. These are the factors I would consider while evaluating the market.

Good that was very detailed, let's say the client has identified X Geography, What should be the Client's strategy to enter X geography?

We can look for two different expansion strategies. Organic expansions and inorganic expansions. For inorganic expansion, we could look at joint ventures, partnerships, mergers and acquisitions, and government contracts. For organic expansion, the client could either have the same product or they could sell a different product.

If they choose the same product, they could have the same channel or a different channel. If they choose a different product, they could sell it to a different customer segment or they could offer one particular product or we could have an ancillary product to our fashion clothing. If they have to go into the same channel, they could use basket selling or upselling techniques.

Alright, we can end the case here.

Sure, thanks!

Growth Beyond **Borders**

Overcoming the national boundaries

180Degrees CONSULTING SRCC

Case Library

CASE FLOW

CASE FACTS

1. Client is a fast fashion retail chain looking to expand to new market geographies.

- **Expansion**
  - **Market Expansion**
    - **Consumer Factors**
      - Tastes and Preferences
      - Social Acceptance
      - Average Revenue per Consumer
      - Cost of Acquiring Customers
    - **Political Factors**
      - Fashion Related Policies
      - Business Friendly Policies
      - Government Lobbying Capacity
    - **Legal Factors**
      - Import-Export Policies
      - Special Economic Zones
      - Taxation System
    - **Competetive Landscape**
      - Market Share
      - Entry-Exit Barriers
      - Operating Costs
      - Types of Customers
      - Inventories
    - **Economic Factors**
      - Inflationary Conditions
      - Purchasing Power Parity
      - Average spend on Fashion
    - **Technological Factors**
      - Advancement in Online Retail
      - Omnichannel
    - **Diversification Factors**
      - Producers
      - Suppliers
      - Manufacturers
      - Import Houses
  - **Diversification**

Metals to Multiverse

Expanding a Mining and Metals Company

Case Type	Company Name	Round	Difficulty Level
Market Entry Case	Kepler Cannon	Partner	

Problem Statement

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

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

Sure, go ahead.

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

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

What is the Customer Segment?

That would not be a constraint.

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

Yes.

What is the Status of Competition

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

Where does it lie in the Value Chain?

Can you draw the Value Chain?

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

Sounds good.

What is the objective of entering a new industry?

We want to capture a wide market share.

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

We can focus on the New Product.

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

Yes, go ahead.

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

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

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

Yes, we can proceed with choosing an expansion plan.

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

Okay, can you give me an example?

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

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

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

Sounds good. Let's talk about renewable energy.

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

Okay. What is your reasoning for the same?

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

Sounds reasonable. When should we invest in this?

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

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

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

Sure.

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

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

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

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

Okay, you may continue.

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

Sounds good. We can close the case now.

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

Metals to Multiverse

Expanding a Mining and Metals Company

Case Type	Company Name	Round	Difficulty Level
Market Entry Case	Kepler Cannon	Partner	

CASE FACTS

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

- Industry
  - Financial Attractiveness
    - Market Attractiveness
      - Market Size
      - Market Share
      - Costs
    - Competition
      - 4P
    - Growth Rate
      - Percentage
  - Operational Efficiency
    - Tweaks in Current Business Model
      - Outsourcing
      - Revamping
      - New Facilities
  - Risks
    - Industry
      - Customer Segmentation
      - Barriers to Entry
    - Country
      - PESTEL
      - Currency Fluctuations

Lights, Camera, Fashion!

US no more a good market! Where do we go?

Case Library

Case Type	Company Name	Round	Difficulty Level
Market Entry Case	LEK Capability Network	Partner	

Problem Statement

Your client is a fashion retail brand called Watson. They are based in the US and are looking to expand because the US market has matured. Identify which market they should enter and create a framework to devise a checklist for evaluating countries to streamline entry decisions.

Okay, so I will start by dividing the answer into two parts - first, a framework to assess a prospective country for expansion and second, the decision regarding market entry.

Right, go ahead.

May I ask a few preliminary questions first?

Sure.

Are there any geographical constraints the company has to expand into any other country?

It has to expand from the USA.

Okay. What exactly does the company do?

It is an aggregator and has multiple brands listed. It also has both brick and mortar operations as well as e-commerce operations, with 30% of its revenue coming from brick and mortar and 70% coming from e-commerce.

Alright, understood. I would look at both qualitative and quantitative factors in order to decide whether a country is attractive enough to enter or not.
In the qualitative aspects, I would consider the following factors in a country: Political, Economic, Social, Technological, Legal, and Environment in order to assess its macroeconomic environment.
Under quantitative, I would look at the target market size & the growth rate.
So, the growth rate could directly be derived from the S-curve in the life cycle of the industry, that is a curve that represents the pattern of growth over time. The curve shaped like an "S," illustrates the phases of slow initial growth, followed by rapid expansion, and finally, a tapering off as the market reaches saturation or maturity. So, I will take a look at where exactly in the curve is the industry line. If the industry is in its growth stages then it will have a very high growth rate as compared to a mature industry and so on. Then, I will arrive at a particular growth rate.
And finally, I will consider the market size in the prospective new country and the market share that the client can acquire.

Fair enough, you may get to market entry now.

For market entry, I would be conducting a competitive analysis and would also consider whether this company had already engaged in diversifying in other geographies.

Okay. What are the factors that you look for in these competitors?

I will look at the following factors: financials, profitability, market share, split of the company in terms of brick and mortar and e-commerce, the number and type of brands that the company is dealing with, the marketing strategy employed and the customer loyalty.

Thank you, this case ends here.

HERE'S A TIP!

An element of feasibility or convenience or accessibility could be added in terms of geographical proximity and the existent framework could have been tailored specifically with respect to this case.

Lights, Camera, Fashion!

US no more a good market! Where do we go?

CASE FLOW

CASE FACTS

1. The company is currently located at the USA and wants to expand from USA into other countries.
2. Client is an aggregator and has multiple brands listed with it, both brick and mortar operations as well as on e-commerce .
3. 30% of its revenue comes from brick and mortar and 70% of the revenue comes from e-commerce.
4. The client's market at USA has matured and wants devise a checklist for evaluating countries to streamline entry decisions.

- **Market Entry**
  - **Framework to assess country to enter**
    - **Qualitative**
      - Political
      - Economic
      - Social
      - Technological
      - Legal
      - Environment
    - **Quantitative**
      - **Growth Rate**
        - Market size in the prospective country & market share that the client can acquire.
      - **Market Size**
        - Derived from the S-curve in the life cycle of the industry.
  - **Market Entry Decision**
    - **Past Experience**
      - Considering whether the client had already engaged in diversifying in other geographies as well.
    - **Competitor Analysis**
      - Financials
      - Profitability
      - Market Share
      - E-commerce & offline split
      - Marketing strategy employed
      - Customer loyalty

Ink In or Ink Out?

Should a paper manufacturer expand into other sectors?

Case Type	Company Name	Round	Difficulty Level
Market Entry Case	Accenture	Partner	

Problem Statement

Your client is a paper manufacturing company based out of Indonesia. They operate in the B2B space and sell paper to publishing houses. They are considering expanding operations by entering India. Ascertain if this is a good strategy.

I have some preliminary questions. What is the objective? Why the Indian market? Thirdly, why now?

They are primarily aiming for revenue growth. They want to achieve 20% revenue growth in the next five years. Market research indicated India as a lucrative market.

Please tell me about the scale and nature of operations. I want to know the exact value chain. Finally, what does the comparative landscape look like in Indonesia? How does that compare to the Indian market at the moment?

The company enjoys pretty much a monopoly status in Indonesia. They have captured 60-70% of the market there. There are two big players in the Indian paper manufacturing space holding 30% of the market share each. Hence, 60% of the market is captured by two big players. There are other small, fragmented players in the market. Also, there are no budgetary constraints.

Please give me a few minutes to structure my thoughts.

Let me start with financial attractiveness by estimating the market size. I am trying to think of the right approach. Please help me in ruling out any approach that seems unfeasible. I could derive the demand for paper by deriving demand for books, newspapers and printed material.

That would be very difficult and not that feasible. It won't make a lot of sense.

Please let me think of an alternate strategy. It's slightly difficult to derive demand from publishing houses. I could estimate the number of publishing houses in India and the annual demand of paper. Would this be a good approach?

Interesting. This is way better.

I'll take the tier city approach. Assuming there are 8 tier 1 cities, 30 tier 2 cities and 100 tier 3 cities. For simplicity, I'll assume there are no publishing houses in tier 4 and tier 5 cities. I'm also going to do the rest of the calculations for Delhi as a tier 1 city, to approximate the number of publishing houses.

I know Lucknow has 10 districts. Let's assume Delhi too has 10 districts. There are 2-3 publishing houses for each district, hence, there are approximately 25 publishing houses (10×2.5). The number of publishing houses in Tier 2 would be 60% of Tier 1 (15) and the number of publishing houses in Tier 3 cities would be 40% of Tier 1 (10). So, clubbing all of this, there are 1600 publishing houses in India. The exact number we get by using this formula: (25×8) + (15×30) + (10×100) = 1650. Rounding down to 1600.

That is a number we can move on with. Estimate the annual paper demand for 1 publishing house in India.

We could go towards books, printed material, newspapers, etc. What are the dimensions of paper manufactured by this company?

The company produces A4, A5 and A3 papers.

Since A4 is very widely used, that's 50% of the demand, 30% is A5 and 20% is A3. That's 100% of the demand. Let's say standard packets are 500 sheets each which are sent to the publishing house. An average publishing house might go through 10 packets each week, or 500 packets annually. There is no particular explanation I can come up with for this number.

These numbers sound good. Please proceed and arrive at the final conclusion.

If a publishing house goes through 10 packets per week, and assuming 52 weeks, 520 packets or 500 packets. 250 packets would be of A4 sheet, and remaining are A3 and A5 in the respective ratio mentioned above, ie, 150 packets of A3 sheets and 100 packets of A5 sheets. This would be the requirement of 1 publishing house. For 1600 publishing houses.

The total number of packets would be around 500 × 1600 = 8 Lakhs. With 500 sheets in each packet, around 40 crore sheets will be sold in India each year.

Move on with the rest of the analysis. Please talk about the market share.

Around 60% of the market is captured by Indian players. Assuming the rest of the market is fragmented and the client's product offering is at par with large players in terms of pricing and quality, the company might capture 10-15% share in the first couple of years of operation. This is an estimate which would be contingent on several factors. Should I move on to the feasibility and barriers of entry?

Let's leave that for now. I want you to elaborate on the market share part. Can you quickly explain some factors for determining exact market share in terms of revenue?

Some key factors I can think of are quality of the product (characteristics, appeal of the paper, durability of the product), efficiency in distribution (how will the product be available? How accessible will the paper be?) and the degree of customization available for the publishing house. Customization is a factor which is often ignored. However, for a B2B role, customisation allows a publisher to cater to specific needs of the business and give them a competitive advantage. Some other factors shaping their market share would be pricing, credit terms and ease of payment.

The guesstimate was tough and I have got an idea of how you think.
I am satisfied with your response.

Ink In or Ink Out

Should a paper manufacturer expand into other sectors?

180Degrees Consulting SRCC

Case Library

CASE FLOW

CASE FACTS

1. A paper manufacturing company based out of Indonesia.
2. They operate in the B2B space and sell paper to publishing houses.
3. They are considering expanding operations in India. Ascertain if this is a good strategy.

No. of publishing houses in India

Tier City approach

Tier 1 Cities — 25 Publishing Houses x 8 Districts

Tier 2 Cities — 15 Publishing Houses x 30 Districts

Tier 3 Cities — 10 Publishing Houses x 100 Districts

1600 Publishing Houses approx.

Annual demand for 1 Publishing House in India

A3 Sheets

A4 Sheets

A5 Sheets

500 Sheets

500 Packets approx. 10 packets per week

40 Crore Sheets (1600 Publishing Houses producing 500 packets having 500 sheets each)

Can Taylor Swift come to India?

We'll move to India forever, pass down like old folk songs

Case Type	Company Name	Round	Difficulty Level
Profit Maximisation	Mckinsey	Director	4/5

Problem Statement

You are Taylor Swift's Brand Manager. Do you think Taylor swift should enter the Indian Market? Give a complete financial analysis with relevant justifications.

I have a few clarification questions. Is there any specific location in India that we want to target?

Lets go ahead with big, metropolitan cities such as Delhi, Mumbai, Kolkata etc.

Alright. What does our customer profile look like?

We will decide the ticket price later. The customer profile should be youth from high income households.

What is Taylor Swift's biggest motive here?

Profit is the primary motive. We also want to ensure that the logistics are proper.

Alright, what type of a setting do we want the show to take place in?

A setting that could accomodate the maximum number of people. Perhaps a big stadium. For now lets focus on only one show. We want the show to break records and be on the headlines and improve her brand value. We not only want her show to cater to the rich people, we also want her to focus on having common people at her show.

Alright! I think we can break the problem down into a basic market entry problem. First we can look at financial feasibility, then operation feasibility abd lastly the barriers and hurdles for her in India.

Lets start with financial feasibility.

From the financial feasibility angle, we can look at the market size and demand for her concert. Then we can look at the price and last we can look at pricing strategies used by other people in the past

Right, and what would you put under operational feasibility?

Operational feasibility would include everything from primary logistics to the end result- the concert. We can think of it in a Value Chain format right from booking the venue, management staff to ensuring Taylor Swift's safety, security, the lights, sound systems etc.

Alright and you mentioned barriers, what would those be?

I think Taylor Swift's safety would be a big constraint and she is a very sought after artist with a huge fanbase. Another problem would be emergency control- deciding how to manage that many people in case of emergency.

Alright. Now one by one I want you to elaborate on these 3 subheads that you mentioned starting with Operational feasibility.

Alright so for operational feasibility we can first look at the contraints:

1. The set up: booking the venue in India, hiring a management team in India, Ensuring transportation for equipment, her team and props of background dancer, the ambience of the venue: the merchandise shops, the food facilities, whether the washrooms, infrastracture of the stadium required and lastly the cost of the damage to stadium pitch post the concert.
2. Stadium's availability, Taylor's availability, stadium's size.

Great so let's assume now that we've found a stadium that fits our needs and progress onto financial feasibility.

Lets start with financial feasibility. The first step here would be calculating the market size.

Lets assume that is large enough since she is a very popular artist so lets ignore that. How would you price the tickets?

Okay. I believe different seats in the stadium should have different prices. The rows at the back should have lower prices that those at the front.

Go ahead.

We can assume that there are 95,000 people at the concert. 10% of that will be the highest price seats, 20% were the middle prices and the rest 70% were the same in price.

Great. I was testing you on that. Lets assume the price to be 200$ uniformly.

Revenue will be basic multiplication: 1.9 Million dollars. Converting it to rupees would be 152 Crore.

Is this profitable enough?

From an Indian perspective this is a great number. However in the US the tickets sell for 10,000$ in the US. Therefore for Taylor Swift she would be in a loss. Also just thinkling about opportunity cost: if she were to do a concert anywhere else in the US she would get a lot more money. And even if she wasnt doing a concert she would earn more by just recording songs.

Perfect! Anything else you'd like to add?

I think we can even count the loss in. Like,because the ticket prices are so high for an average Indian, there might be a loss to her brand value and overall image of breaking records. Secondly, her time is a huge cost. She could easily spend that time somewhere else.

Great! we can end the case here.

Can Taylor Swift come to India

We'll move to India forever, pass down like old folk songs

CASE FLOW

CASE FACTS

1. Taylor Swift plans to do a concert in **big metropolitan cities**- Delhi, Mumbai, and Kolkata.
2. The setting of the show is going to be a large place with a huge accomodation capacity- **a big stadium.**
3. The target audience is **young upper class** people. However, focus should be on common people also.
4. **Profit** is the primary motive over here. Also, efforts should be directed towards ensuring proper logistics.

FEASIBILITY

- **FINANCIAL FEASIBILITY**
  - MARKET SIZE
  - DEMAND
  - PRICING (200$) X DEMAND (95K) → REVENUE = 1.9 MILLION
- **OPERATIONAL FEASIBILITY**
  - SET UP
  - AVAILIBILITY
- **BARRIERS**
  - SECURITY
  - EMERGENCY

From an Indian perspective, it is a great number. However, the opportunity cost is very high in this case as she can easily earn more by performing concerts elsewhere, or by simply recording more albums. Hence it is not feasible for her to perform in India.

Reading Revenues

Time to double the sales of your favourite book!

Case Type	Company Name	Round	Difficulty Level
Profit Maximisation	Nation With Namo	Director	■■■■□

Problem Statement

You are the Marketing Manager of your favourite author. Your task is to double the sales of your favourite book by this author. How would you do this?

What do you like to do in your free time?

I prefer to spend my free time reading books.

Okay, which was the last book that you read?

I have recently developed an interest towards spy thriller novels. So the last book that I read was The Spy and the Traitor by Ben Macintyre.

Assuming the number of copies of the book sold in India is 4000, what do you think are the obstructions to the sales of this book?

The price of the book is 800 rupees, Making it unaffordable for a large number of people. Apart from affordability, this book is available only in english and India is a country with majority of vernacular language readers. . Also, there are no digital copies. In today's world many people depend a lot on kindle, and online reading making this book inaccessissble to them.

Okay, so say you are to double the sales of this book in the time span of a month, what are the solutions that you propose?

Initially, there is a need to change the target audience to above 16 years in order to improve the sample size. This can be done by introducing digital copies of the book, introducing other versions in vernacular languages, and changing the book cover to make it more appealing and catchy.

Alright, these are some great logistical developments. What should be done from a Marketing perspective?

There can be book launch events, pre-order campaigns, book reviews through college societies, and literature festivals. One thing that would really help would be to increase the presence and awareness about the author through social media like "Booktok". Even word of mouth campaigns through facebook communities can be done.

These solutions seem feasible. We can end the interview here.

HERE'S A TIP!

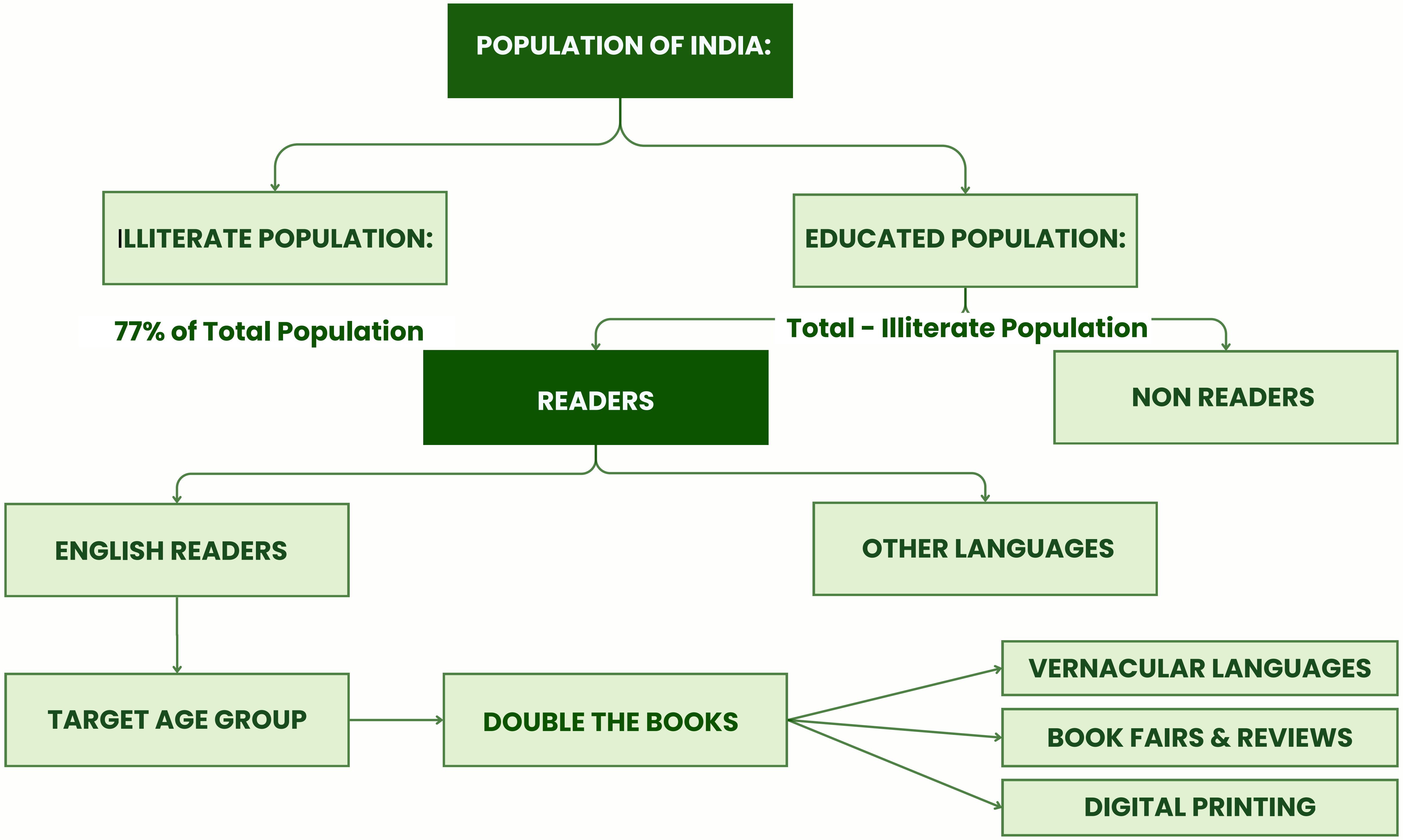
"While I focussed on Marketing strategies of the book a lot, I didn't focus much upon the pricing strategy. In hindsight, I could have proposed reducing the price of the book to increase its reach. Another tip I would give is that everyone should prepare cases related to their interests as much as they can. This question was initially a guesstimate but was then converted to a case so you never know what might come your way.

Reading Revenues

Time to double the sales of your favourite book!

CASE FACTS

1. Guesstimate the copies of your favourite book sold in India
2. Take into account population breakdown
3. Create a strategy to double the sales within 40 days.



Building the Bank

Can willingness and interest be measured?

Case Type	Company Name	Round	Difficulty Level
Profit Maximisation	Mckinsey	Director	

Problem Statement

The client in a Banking Client from a large private sector firm - like Axis Bank- in India. The company wants to start a 3-in-1 account: a savings account + DMAT account + Trading account. The company already has a customer base of 5 million people. How would you determine how many people are interested to sign up for this?

May I ask a few clarifying questions?

Sure! Go ahead

What is the geography that this bank operates in? Do they cater to a rural audience or an urban audience?

The bank functions in Tier 1 and Tier 2 cities. They are present but not that deep in Tier 3 and Tier 4 companies.

Alright! What is the price of this account?

The charge here is negligible. A minimum despoit needs to be maintained.

Okay, who are the other competitors?

Individual trading, DMAT, saving account banks and platforms. However, this company would be the first to start the 3-in-1 account.

Lastly, how would one join or apply for this account?

Those who have a saving account can convert their account while those who don't have one can directly apply. The entire process would be digital. One could apply for it online at their house or come o the bank and seek assistance incase they are not adept with technology.

We can divide the customer base into two parts: People who already have a savings account and people who don;t have one. How many people have a savings account?

40% of the poeple have a savings account. This stage onwards you can ignore those without a savings account and focus on only those customers who already have a savings account.

Alright, so further we should look at two main things eligibility and the willingness of customers to open a 3-in-1 bank account.

Lets focus on eligibility first.

Alright so under eligibility we can look at the customers past record with the bank account. The other factors we can look at are: their income levels and whther they'll be able to maintain the minimum deposit account.

Perfect. Lets move on to willingness now.

The interest of a person trading, their education levels, and the services of competitors- whether they are providing any specific benefits should be considered. Beyond this we can divide them into different income categories., Is it fair to assume that 55% of the people are those with income levels above the mark people usually trade after?

Yes. That is a fair assumption. Elaborate more on the education criteria.

I believe that for a person to be interested in trading they need to have some sort of education that would help them understand its concept and so maybe we can lay emphasis on Higher education.

That is a good take on it but then why is it that so many people who arent very well educated are such big businessmen today?

Yes that is a good point. We can focus on financial education as an aspect then which can be derived from two things: occupation or higher education levels.

Alright, go ahead.

Further bifurcating willingness we can focus on analysing interest.

Alright how would you go about measuring interest then?

There can be two approaches to it. Firstly we can conduct a survey. The other thing that we could to is capitalise on out existing customer base that is our biggest customer strength. As 5 million people are already registered with the bank, we have substantial information about their occupation, past services availed. We also already have information about their assets and liabilities and see their likelihood of investing.

Alright, we can end the case here. Thank you.

HERE'S A TIP!

Have a rough idea of the demographics of the United States because a large part of the company's operations is based there. This will also help you demonstrate to the interviewer that you are aware about the company and have done thorough research on where its operations are based.

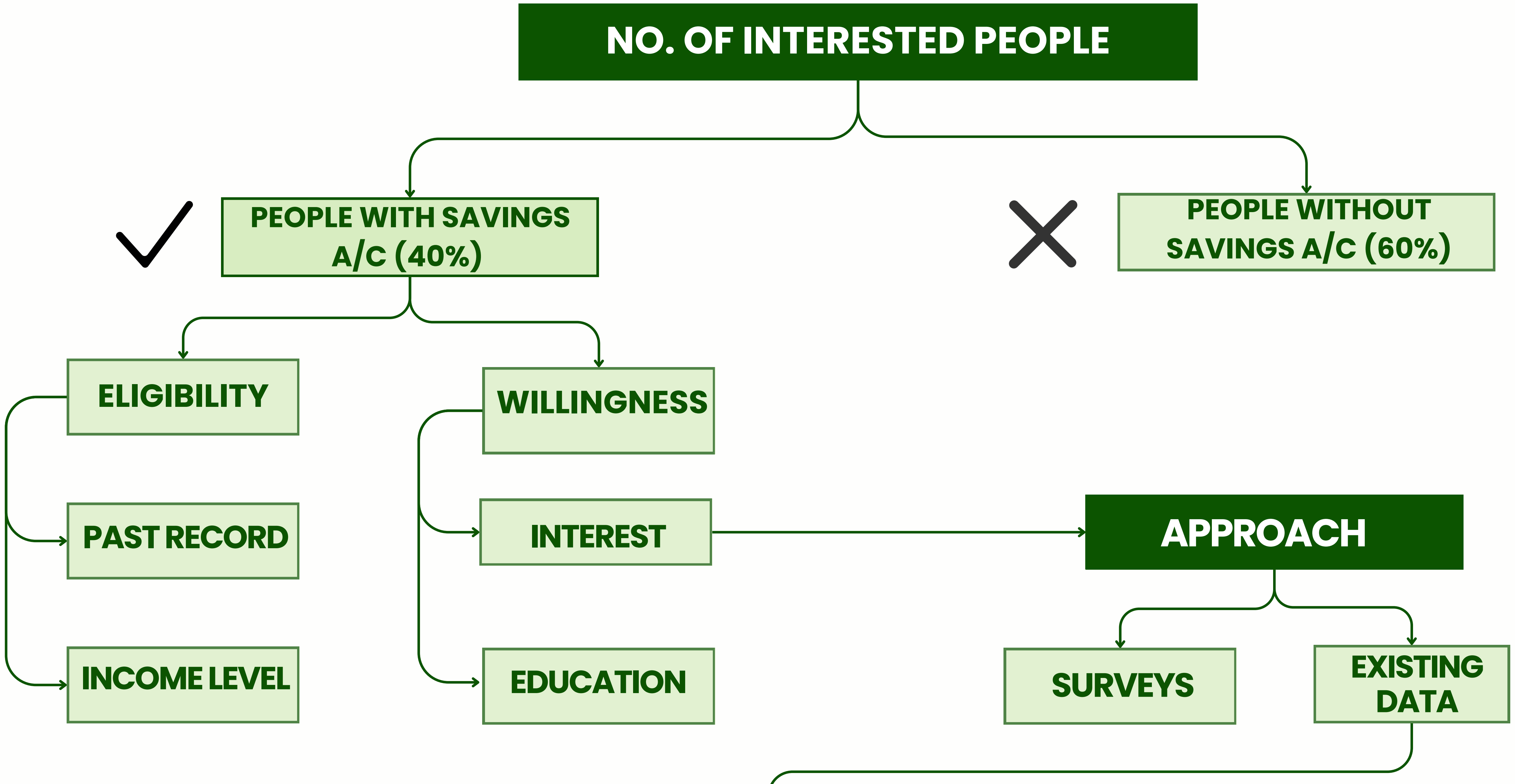
Building the Bank

Can willingness and interest be measured?

CASE FLOW

CASE FACTS

1. The bank has a **5 million** customer base and it plans to open a **3-in-1 account.**
2. It is majorly present in **Tier-1** and **Tier-2** cities.
3. The charge is negligible. However, a **minimum deposit** needs to be maintained.
4. The 3-in-1 account is a combination of a **demat, trading and savings account**.
5. Those who have a savings account can convert it, while others can apply directly.



As 5 million people are registered with the bank, we have information about their assets, liabilities, occupation and past services availed. These metrics can be used to judge their interest.

Profit Puzzle

Secret of high profits?

Case Type	Company Name	Round	Difficulty Level
Unconventional Case	LEK Capability Network	Partner	

Problem Statement

In the US market, there are two online retailers, Budget Mart and Elite Goods. Budget Mart provides budget-friendly goods to consumers, and Elite Goods caters to only the high-income groups, providing premium products at high prices. The revenue of Budget Mart is $100 million, and for Elite Goods, it is $120 million dollars. However, the profit margin of Budget Mart is greater than the profit of Elite Goods. Your client is Elite Goods, and it wants you to identify why Budget Mart has greater profits even after catering to the lower-income category. As a consultant, you are required to pinpoint those key areas due to which Elite Goods might be facing the problem.

The problem can lie in the value chain. Considering the value chain of an online retailer, a customer places an order, gets delivery, and then observes the quality of the product or service. This is followed by after-sales services like a refund in case of dissatisfaction with the product or service.

Great. Go ahead

The problem could also lie in the user interface. Budget Mart might be having a more user-friendly application with great comfort in placing the order. The UI/UX may be better designed as compared to the app of Elite Goods. Due to this, Budget Mart gets higher profits.

Makes sense. What other problems can you identify?

Moving forward, the problem can lie in awareness. Elite Goods caters only to the high-income group while Budget Mart is catering to the lower segments. Budget Mart will also have some customers from the high-income group. This barrier of affordability in Elite Goods leaves us with a small target market.

How do you think we could remedy that?

One thing is to target the middle-income segment without compromising the brand value of the products to increase the target market

Apart from the user-friendliness of the application and the small target market, another factor that could be posing a problem is the delivery aspect

Could you elaborate on that?

Budget Mart might be having partnerships with delivery partners that maximize the delivery speed, and the affordability of their products leaves enough budget for warehouses and other storage avenues. These are some assumptions I have taken that may be the reasons that Elite Goods is losing its clients as compared to Budget Mart.

You seem to have identified all the problems. Moving forward, give me 5 suggestions to improve this situation.

Firstly, we can focus on improving our warehousing and improving our supply chain. Due to premium products, we might be facing problems in procuring the goods at the required time, which necessitates the availability of enough supply to cater to the demand.

Secondly, we can hire web designers to update our website if it is not user-friendly or needs an upgrade. Next, we can contract with delivery partners to increase the quality of the delivery service. Outsourcing will also cut back on the costs, leaving us with more resources to specialize in the supply side of things.

Good job till now. Please tell the remaining two suggestions and we're good to go.

Another thing we can do is to improve our after-sales services leading to greater customer satisfaction and repeat sales. We should also inspect for any defect in the products that may be leading to us losing our customers. Lastly, we can reduce our price a bit to target the middle-income segment along with the high-income group to maximize our revenue.

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

HERE'S A TIP!

The candidate's suggestion to target the middle-income segment without compromising the brand's value stands out and showcases strategic thinking. This approach demonstrates a willingness to expand the target market while maintaining the brand's premium image, which sets it apart from traditional strategies focused solely on high-income clients.

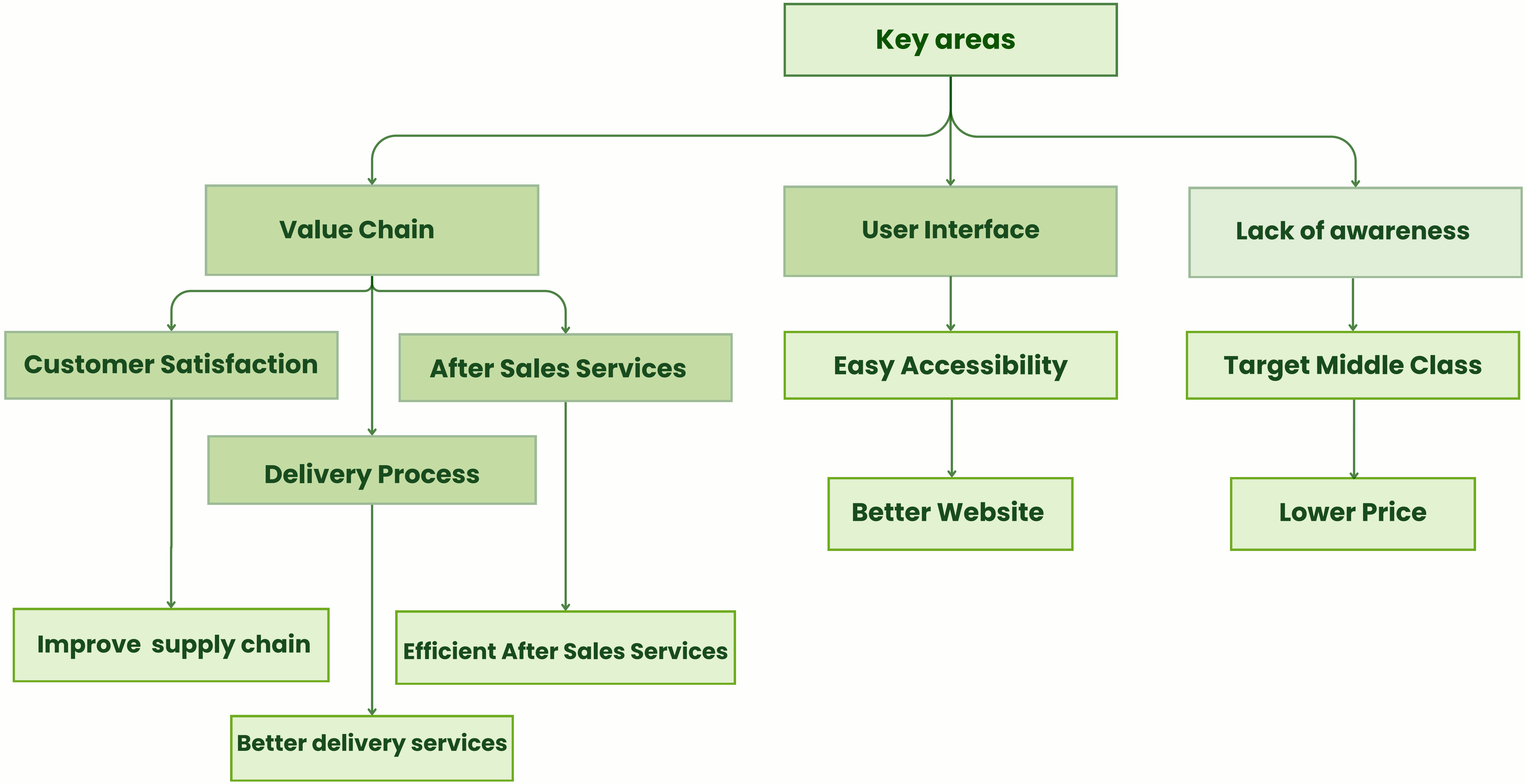
Profit Puzzle

Secret of high profits?

CASE FLOW

CASE FACTS

1. The company is currently **located in the USA** and has a **major competitor** BudgetMart.
2. BudgetMart provides affordable goods and caters to all customers while the **client caters to the elite** population
3. **Client has higher revenue** than the competitor but has a **lower profit margin**
4. The client wants to know the **reasons** for low profit margin and key areas causing the issue



Shortlisted Cases

"Meat" Me At Our Spot

Who would buy our meat that's not meat?

Case Library

Problem Statement	Your client is mock-meat manufacturer. Come at a particular income class of people who actually buy this product?

Case Overview

CASE TYPE
Unconventional

COMPANY NAME
BCG

ROUND
Manager Round

DIFFICULTY
1 2 3 4 5 (2 of 5)

CLARIFYING QUESTIONS ASKED

What exactly is mock meat?
Are we only looking at the B2B market or the B2C market as well?

What is the selling price of one packet of mock meat sold by the client?
How much quantity is sold in one packet of mock meat?

Case Approach

STEP 1

One family in a day takes three meals, so they'll be consuming 90 meals per month. Now out of the 90 meals, we're seeing that this meal costs 800 rupees.

STEP 2

Spending Rs. 800 on one meal wouldn't be frequent, so they consume around 10 meals of mock meat and the remaining 80 meals are relatively cheaper.

STEP 3

Avg. amount spent is Rs. 400 on the remaining meals, so the total expenditure for the family is 10*800+80*400 =Rs. 40,000 per month on food.

STEP 4

30% income is spent on food. So, total income of family is Rs.1,30,00. Therefore, high-middle & rich income groups buy this product.

Ride on Hotel California

How would rollercoasters work in a hotel?

Problem Statement	A hotel wants to install an amusement park in the premises. What is your take on the same ?

Case Overview

CASE TYPE

Market entry

COMPANY NAME

Alvarez and Marsal

ROUND

Manager Round

DIFFICULTY

1 2 3 4 5 (3 of 5)

CLARIFYING QUESTIONS ASKED

What has been the history of the hotel, Locations where it is functioning. Other amusement/waterparks that are present nearby?	What is the main objective of setting up the park? What are the additional revenue streams that it is bringing?

Case Approach

STEP 1

Calculated increase in tariff needed to reach a break even point to cover the costs from setting up the park and affect on revenue.

STEP 2

Covered aspects of space, accessibility, technology, maintenance and required personnel.

STEP 3

Delved deeper into revenue uncertainty, accident risks, brand dilution etc.

STEP 4

Added advantage over competitors in terms of bookings, additional traction from non -residents.

Droned Crops!

Can drones be used to spray pesticides?

Case Library

Problem Statement	Estimate the Market size of agricultural spray drones?

Case Overview

CASE TYPE

Market sizing

COMPANY NAME

McKinsey

ROUND

Buddy Round

DIFFICULTY

● ● ● ○ ○
1 2 3 4 5

CLARIFYING QUESTIONS ASKED

Availability of competitors. Should the estimate be in terms of quantity or value? The period of estimation.	How much land can be cultivated by drones? Are the drones purchased or availed through a subscription service? What is its life and capacity?

Case Approach

STEP 1

Total cultivable land in India. Number of rich farmers. Adoption rate. Total cultivable land/ land cultivated per drone

STEP 2

Using a value based pricing approach by considering wages paid to labourers for spraying pesticides, alternative of drones.

STEP 3

The product of requirement of drones and their price gives us the market size estimation

STEP 4

The number arrived at was seen as a percentage of total demand for all types of dron ensure that it was not over restimated.

Pigment Prospects

Coloring the world, one segment at a time!

180Degrees Consulting SRCC

Case Library

Problem Statement	The client specializes in producing pigments used in household paints and cosmetics. As a family-run business, they are looking to invest and are deciding between the house paint and makeup segments. Their main objective is to improve their business and secure its future. Evaluate segments where they can diversify.

Case Overview

CASE TYPE

Market sizing

COMPANY NAME

McKinsey

ROUND

Buddy Round

DIFFICULTY

3 of 5 (1 2 3 filled; 4 5 empty)

CLARIFYING QUESTIONS ASKED

Could you tell me about the client's history, current products and manufacturing units?

Could you please provide me some insights into the structure of the value chain?

Case Approach

STEP 1

Developed evaluation criteria (financial feasibility, operational viability, competitive analysis), enabling assessment of potential ventures.

STEP 2

Identified barriers to entry as well as legal and operational risks.

STEP 3

Projected the potential revenue by considering factors such as population, gender etc.

STEP 4

Analyzed the ROI. Evaluated the financial viability of the venture by comparing the projected revenue with the initial investment.

Cash Capsule

How much money can some pills make?

Problem Statement	**Your client is a pharmaceutical company in the USA. They have finished phase 3 trials of a pill. Its price is $2, and it treats a neurological disorder. You are required to calculate the revenue for the first year.**

Case Overview

CASE TYPE

Revenue Case

COMPANY NAME

McKinsey

ROUND

Partner Round

DIFFICULTY

● ● ● ○ ○
1 2 3 4 5

CLARIFYING QUESTIONS ASKED

Since when has the client been in business, and what are the other pills it manufactures? Additionally are they patented?

What is the required number of pills in a day? Also, does this pill need a prescription, or is it sold over the counter?

Case Approach

STEP 1

Segmented global population by age and analyzed disorder prevalence to determine market size.

STEP 2

Evaluated income levels, and assessed the affordability of the pill for middle and upper-class populations.

STEP 3

Factored in the percentage of people covered under US insurance schemes in calculations.

STEP 4

Adjusted market size based on accessibility, focusing on US and Europe markets to determine region-specific revenue.

Lubricant Lament

How smoothly can a lubricant company grow?

Problem Statement	Your Client is a lubricant player for 10 years in the Indian Market. They are ranked 3rd globally, and 8th in India. However, they are struggling with their Indian Market Presence. They want an aggressive market growth strategy where they want to increase their market growth by 5 times in the coming 1-2 years.

Case Overview

CASE TYPE

Market Growth Case

COMPANY NAME

BCG

ROUND

Partner Round

DIFFICULTY

●●●○○ 1 2 3 4 5

CLARIFYING QUESTIONS ASKED

- What are the products, market share and competition for the company?
- Where does the production take place? Additionally, is there a particular market the company wants to target?

Case Approach

STEP 1

Growth --> User Growth, Revenue Growth or Being more efficient.

↓

Either organically or inorganically.

STEP 2

Primary Focus on 3 method: Joint Venture, M&A and Outsourcing.

STEP 3

Parameters for growth: existing, new and additional channels.

↓

The factors for acquisition: Avenues, Process and Cost.

STEP 4

Calculate the CAGR for the company --> Values provided by the interviewer.

Expansion Endeavours

Same expansion, different day!

Problem Statement	Your Client is a Non banking financial company and functions as a public sector undertaking. Suggest a suitable growth strategy.

Case Overview

CASE TYPE

Growth Case

COMPANY NAME

BCG

ROUND

Partner Round

DIFFICULTY

●●●○○ 1 2 3 4 5

CLARIFYING QUESTIONS ASKED

What type of projects do they invest in? Is there any particular to be achieved?	What is the competition the company faces?

Case Approach

STEP 1

Classification of growth and its structure.

↓

Only mention the ways and strategies for growth.

STEP 2

1. Reducing operating expenses
2. Benefits of government schemes.

STEP 3

3. Ways to increase net cash flow
4. Current schemes in Bank Rates

STEP 4

Venture into more B2C channels of Growth

↓

Example: Retail investing in the EV sector.

Childhood Shield

Protecting South African Futures

Problem Statement	A disease is spreading in South Africa that primarily affects children, and it can be contained through vaccination. However, a substantial portion of the population has not received vaccination. How would you approach this problem?

Case Overview

CASE TYPE

Unconventional Case

COMPANY NAME

Mckinsey

ROUND

Partner Round

DIFFICULTY

●●●●○ 1 2 3 4 5

CLARIFYING QUESTIONS ASKED

Is this problem specific to South Africa or any other parts also affected by it? Reason for the limited reach of vaccination?	Can you elaborate on the severity of the disease and for how long it has been prevalent?

Case Approach

STEP 1

Briefly introduce the problem's geographical scope, emphasizing its impact in South Africa, along with a concise mention of the duration and severity of the disease.

STEP 2

Explore reasons for limited vaccination reach, discussing factors such as resource constraints, government initiatives, vaccine hesitancy and misinformation.

STEP 3

Addressing challenges like diverse climate and geographical obstacles. Suggestions include Investing in cold chain infrastructure, strengthening international collaborations, exploring affordable partnerships with pharmaceutical companies

STEP 4

Summarize the case discussion, emphasizing the need for a comprehensive approach to overcome vaccination challenges in South Africa.

Efficient Transit

Logistical Leap: Transforming Transport

Problem Statement	Our Client is the Ministry of Transport and they want to improve the logistical efficiency.

Case Overview

CASE TYPE

Unconventional Case

COMPANY NAME

Kearney

ROUND

Partner Round

DIFFICULTY

1 2 3 4 5

(4 of 5)

CLARIFYING QUESTIONS ASKED

- Could you define what the client means by logistics efficiency?
- Are there any financial or operational constraints I should consider?

Case Approach

STEP 1

Understanding the client's perspective, and logistics efficiency. Focus exclusively on road transportation within India, with no international routes considered. No financial or operational constraints, providing an ideal environment for analysis.

STEP 2

Road capacity, road quality, stoppage time, total average distance, and transit permits. Enhancing road capacity with measures like increasing lanes, developing alternate routes, and establishing freight corridors.

STEP 3

Address road quality, emphasizing better materials, prompt pothole repair, and preventive maintenance. Also focus on reducing stoppage time, considering toll network optimization, increased lanes, and mobile toll collection.

STEP 4

Transitioning to optimizing total average distance, refining the road network, extending road length, and addressing transit permits. A centralized system is suggested to streamline processes, reduce permit numbers, and potentially address cross-border checkpoints.

Pipes to Progress

Forge Ahead with Pipes

Problem Statement	Our client is an iron pipe manufacturing company. Their revenues have been stagnant, and they're seeking ways to increase growth. What approach would you suggest?

Case Overview

CASE TYPE

Growth Case

COMPANY NAME

Kearney

ROUND

Partner Round

DIFFICULTY

4 of 5 (1 2 3 4 5)

CLARIFYING QUESTIONS ASKED

Where exactly the company is located? How many competitors does the company have, and what is their market share?	Contribution of each product to the company's revenue? What was exactly the problem with the revenue?

Case Approach

STEP 1

Begin by analyzing the company's current situation, including its products, revenue sources, and market share. Understand the challenges faced, such as stagnant revenue and heavy reliance on government agencies

STEP 2

Develop a strategy focusing on organic growth. Diversify the customer base beyond government agencies through targeted promotion, upselling, and cross-selling. Improve labor efficiency and distribution channels to enhance revenue per customer.

STEP 3

Execute the strategy by implementing promotional campaigns, training programs for labor, and optimizing distribution channels. Negotiate with suppliers to reduce raw material costs and improve profitability.

STEP 4

Continuously monitor the results of the implemented strategies. Make adjustments as necessary to ensure they are effective in driving revenue growth. Regularly review and adapt the strategy to meet changing market conditions and customer needs.

Data Insight

Watch Shop Data Dynamics

Problem Statement	Devise ways to leverage the data Like customer names, the number of watches purchased, and their addresses for understanding consumer behaviour, and preferences, and potentially improving business strategies for the watch shop.

Case Overview

CASE TYPE

Unconventional

COMPANY NAME

McKinsey

ROUND

Partner Round

DIFFICULTY

1 2 3 4 5

CLARIFYING QUESTIONS ASKED

How would you characterize the current presence and performance of the shop?

Can you provide insights into its overall standing, business health, and the specific brand name it carries in the market?

Case Approach

STEP 1

Begin by evaluating the business context, specifically focusing on understanding the shop's presence and brand status. This initial step aimed to establish a contextual understanding of the overall business environment

STEP 2

Examine the temporal aspect of the data was revealing Recognizing this temporal dimension is crucial for identifying trends and patterns over time.

STEP 3

Identify potential insights and data science techniques. This involved profit analysis, understanding profits through considerations of watch prices, costs, and inventory expenses.

STEP 4

Delve into consumer preferences, investigating the types of watches preferred, purchase frequencies, and factors like price and gender. Additionally, statistical analysis, including correlation and time series analysis, to uncover trends and patterns.

180Degrees CONSULTING SRCC

Hotel Shotel

Are low priced goods the key to higher profits?

Case Library

Problem Statement	Your client is a large hotel chain that wishes to enter the Indian market. How would you advise them to go about it?

Case Overview

CASE TYPE

Market Entry

COMPANY NAME

Kearney

ROUND

Partner Round

DIFFICULTY

1 2 3 4 5

CLARIFYING QUESTIONS ASKED

What are the loctions that they are considering?	Does the client plan on setting up multiple locations or just one?

Case Approach

STEP 1

Begin by evaluating the size of the market and whether the entry would be profitable

STEP 2

Examine the size of the business that they intend to set up and the clientele that the chain caters to.

STEP 3

Identify potential cities to set up a hotel in and the locations that the client is considering.

STEP 4

Delve into demographic preferences, investigating the types of hotels preferred. Look at possible partnerships or alliances with local businesses such as real estate developers and hospitality companies,.

Learning the English Way

Vedantu entering Europe!

Problem Statement	Your client is Vedantu and Indian edtech giant seeking to enter three European countries. Give four parameters that you would consider with your rationale behind it.

Case Overview

CASE TYPE

Unconventional

COMPANY NAME

Alvarez and Marsal

ROUND

Manager Round

DIFFICULTY

1 2 3 4 5

CLARIFYING QUESTIONS ASKED

Will it be fair to assume that K12 and college students are our target audience.	Can we conduct surveys or do we have to use the readily available data?

Case Approach

STEP 1

Take into consideration the political stability by using the country risk index and ease of business Index.

STEP 2

The economic factors include considering the demographics focusing on populations with higher audience lying in the 4-22 years bracket, GDP per capita and literacy levels.

STEP 3

Delved deeper into the prevailing industry by looking at the competitors and their market coverage. Considered any subsidies given to the sector by respective governments

STEP 4

Considered the Internet penetration levels and gadget usage patterns in different countries of Europe.

Guesstimates

Guesstimates

THEORY

WHAT DOES IT MEAN?

Guesstimates are questions which involve the estimation of a number based on limited information using both guesswork and reasonable assumption.

TWO APPROACHES

Demand Side

This is a consumer-centric approach. It focuses on the factors that affect the desire of consumers to buy products.

Supply Side

This is a producer centric approach. It focuses on the factors that affect the ability of the company to produce goods and services.

Demand Side

Approach

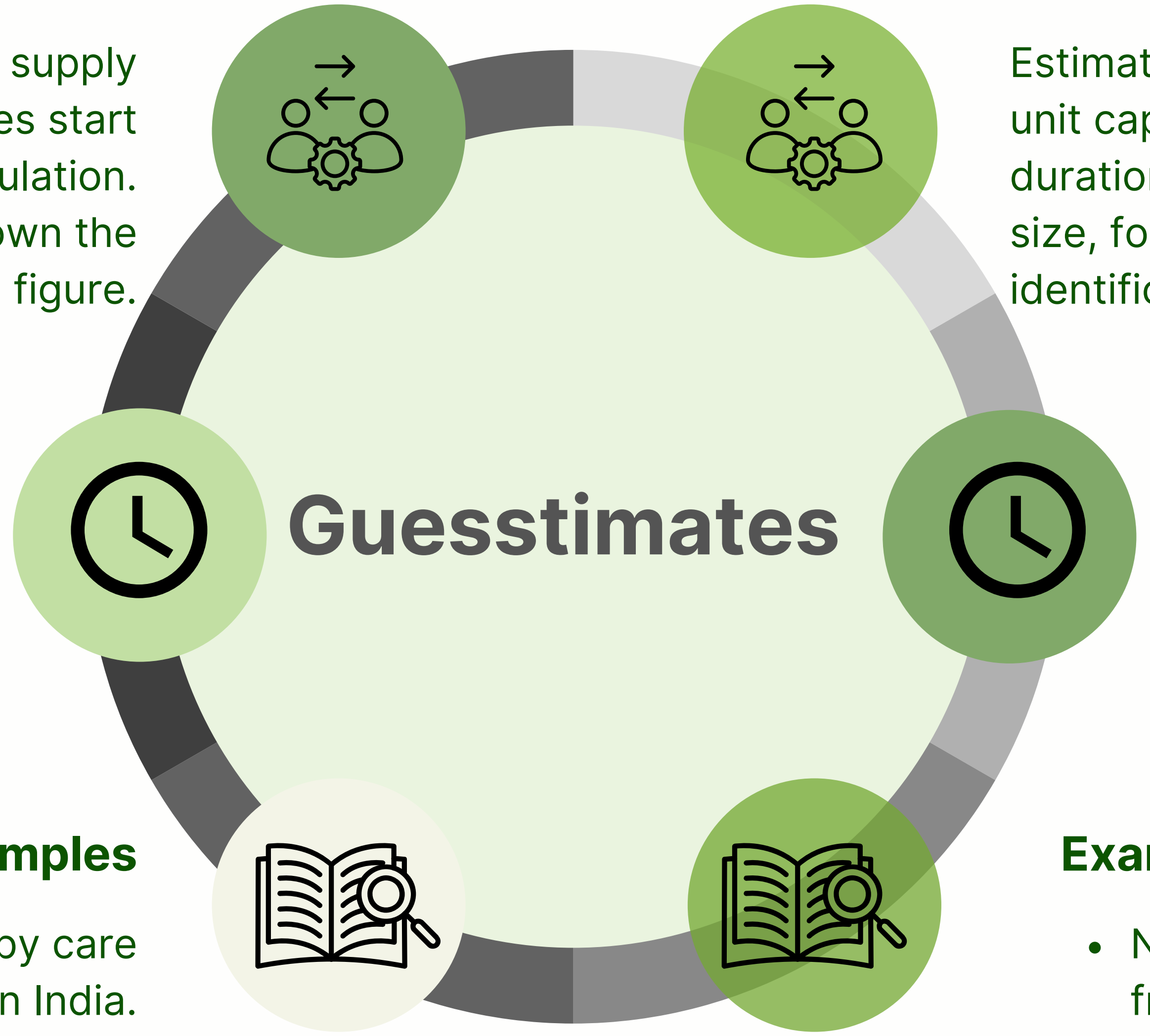
Estimates assume no supply constraints; demand approaches start with total accessible population. Parameters narrow down the population to reach the final figure.

When to Use?

Consumer demand is influenced by needs, preferences, and purchasing power, segmented by niches for efficient filtering.

Examples

- Market size of baby care products in India.
- Number of speakers sold annually in India.



Supply Side

Approach

Estimation considers distribution unit capacity, utilization, and duration for total sales and market size, focusing on bottleneck identification for precision.

When to Use?

Supply constraints, such as fixed production capacity or delivery times, and regulatory or transportation limitations.

Examples

- No. of flights that take off from IGI airport in a day.
- Monthly toll revenue generated in Delhi NCR.

Guesstimate:
Demand side approach

- Relevant total population
  - Filter 1 Type 1 x%
    - Filter 2 Type 2.1 a%
    - Filter 2 Type 2.2 b%
      - Filter 3 Type 2.21 m%
      - Filter 3 Type 2.22 n%
    - Filter 2 Type 2.3 c%
  - Filter 1 Type 2 y%
  - Filter 1 Type 3 z%

Total Consumption for 2.22 = **Consumption pattern** x **# of users**

NOTE

For simplicity sake, we are branching forward only one type as shown.

x + y + z = 100	m + n = 100	a+ b+ c = 100

There can be **3-6 filters** depending on the case.

Parameters to consider

Internet penetration	Informal vs Formal
Literacy	Income divide
Employment	Age
Seasonality demand	Household size
Sex	Urbanisation
Mobile Penetration	Lifestyle

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Guesstimate:

Market Size of Baby Care Products in India

Case Library

Relevant population (46 million)

- **Urban (40%)**
  - **Poor (50%)**
  - **Middle (30%)**
    - **Conversion (80%)**
  - **Rich (20%)**
    - **Conversion (100%)**
- **Rural (60%)**

Total Market Size = **Average Consumption** x **# of users**

NOTE

For simplicity sake, we are branching forward only one type as shown.

There can be **3-6 filters** depending on the case.

Parameters considered

Urbanisation	Income divide

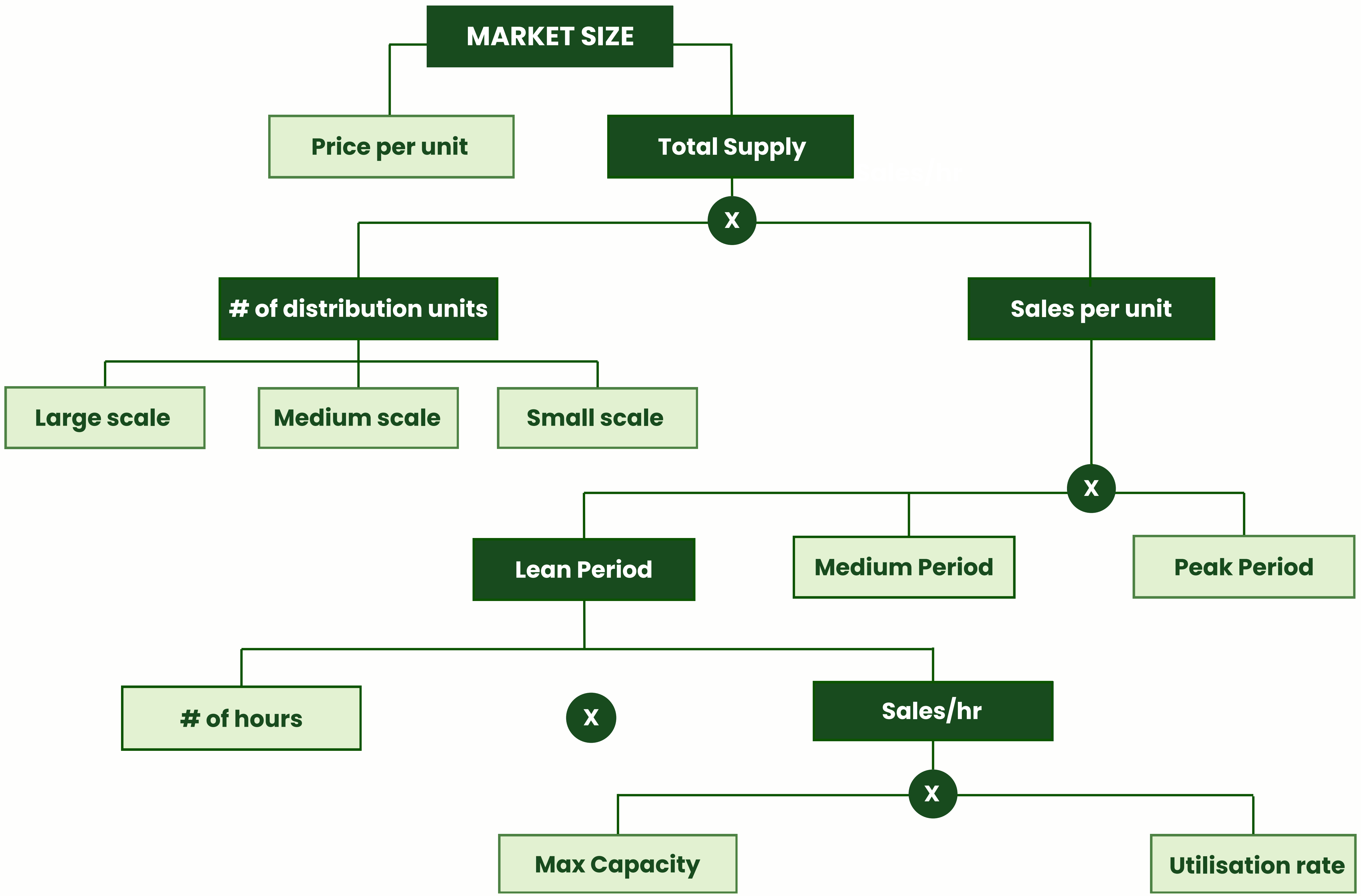
Assumptions

Total population is assumed to be 1.4 billion and average life expectancy is 60years. Hence relevant populations **(0-2 years)= 1.4*(2/60)= 46 million.**

Average quantity of baby care products used by the population per week is assumed to be **650 gm.**

Every age group has an equal contribution from the population.

Guesstimate:
Supply Side Approach



Approaches to get to number of total distribution units

Total **serviceable area**/**Area** serviced by **one** distribution **unit**

Example: Total area of Delhi/ Area serviced by a single toll booth = Total toll booths in delhi

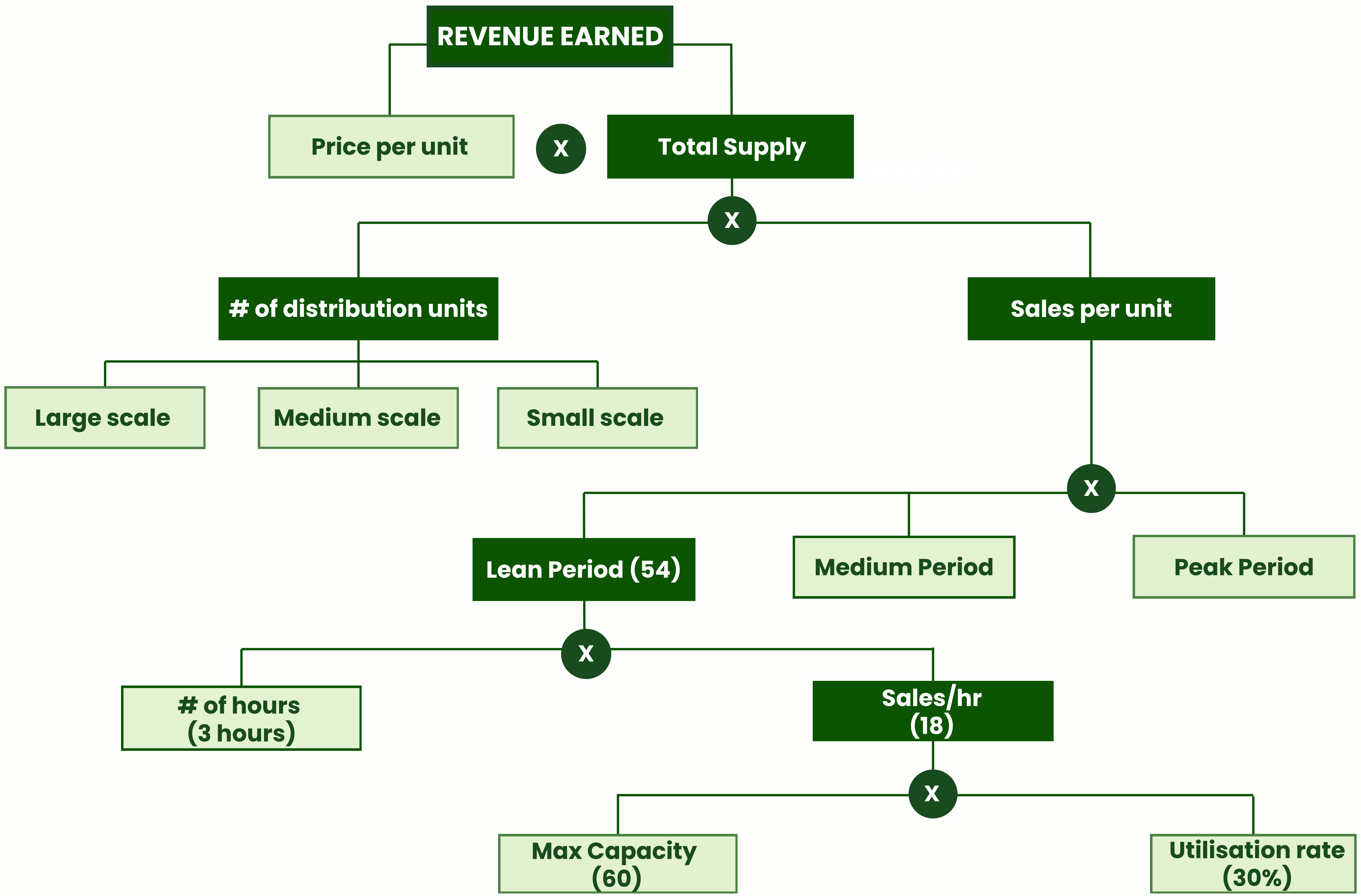
Key market **players** * Number of distribution **units owned** by them

*Example: No. of distributors of rolex watches*no. of units owned by them= Total no. of units.*

Total **addressable population**/ population **served by one** distribution **unit**

Example: Population of Delhi/ number of people per hospital = Total no. of hospitals in Delhi.

Guesstimate:
Revenue earned by Bistro 57 in a day



NOTE

For simplicity sake, we are branching forward only one type as shown.

There can be **3-6 filters** depending on the case.

Calculation of no. of distribution units

Formula: Total serviceable area/Area served by one outlet

Assumptions

The outlet is operational for 12 hours. It can be divided into lean period (3 hr), medium period (5 hr), and peak period (4 hr)

The utilisation rate for lean, medium, and peak period is 30%, 60%, and 100% respectively.

The maximum capacity of an outlet per hour is **60 units**

Cheatsheet : Guesstimate

1.40 Bn Population

GENDER SPREAD

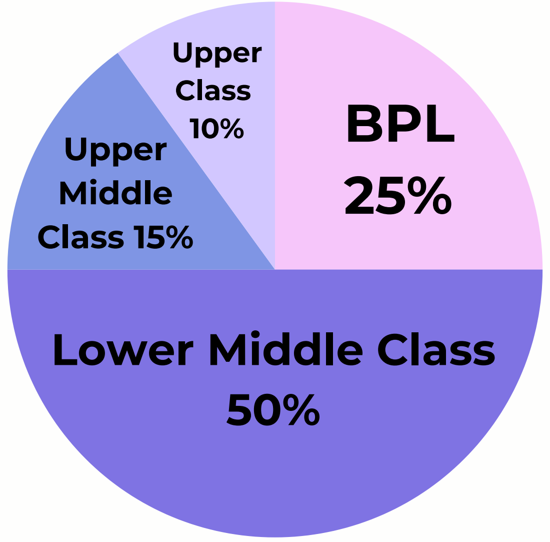
45% | 55%

URBANISATION

Urban 40% | Rural 60%

LITERACY 77%

85% | 70%



INCOME GROUPS

AGE GROUP	%
0-18	30
19-25	20
26-40	30
41-60	10
60+	10

ELECTRICITY PENETRATION 99%

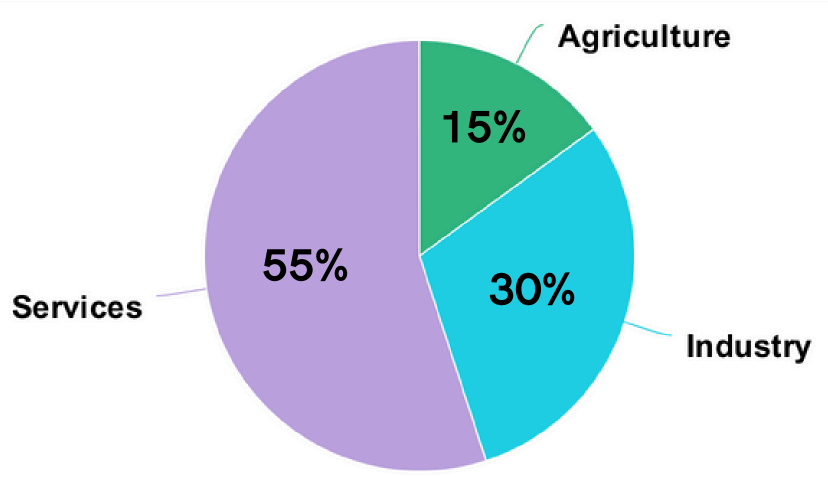
SMART PHONE PENETRATION 55%

INTERNET PENETRATION 50%

Urban 55% | Rural 45%

DELHI AREA 1500 km^2

SECTOR-WISE GDP



EXPENDITURE	SPLIT
Food	30%
Housing	30%
Travel	10%
Healthcare	10%
Education	10%
Miscellaneous	10%

Guesstimate:

The market size of mock meat in India

Approach Used

Demand side

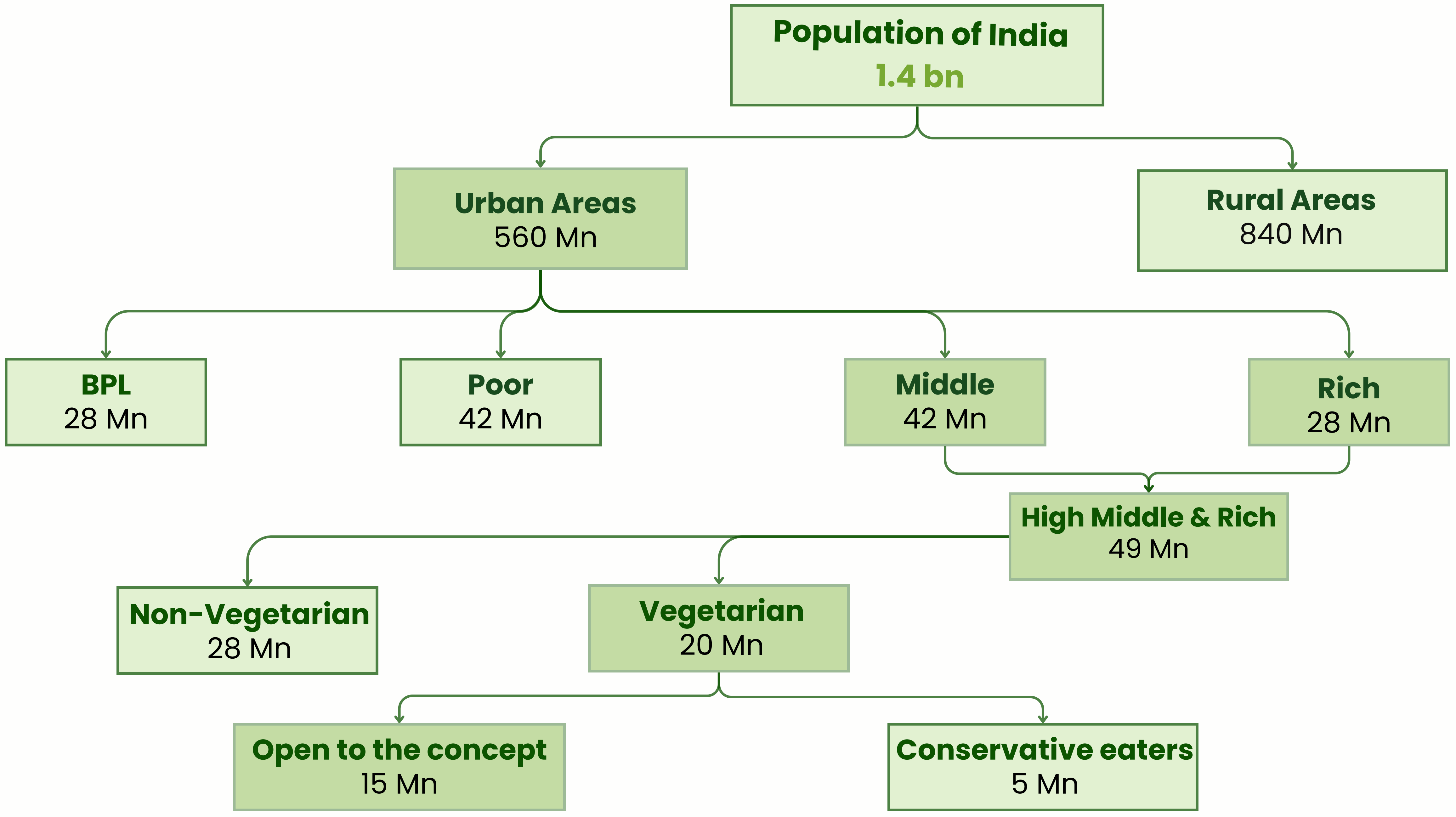
Clarifying Questions Asked

1. Are we only looking at the B2B market or the B2C market as well?
Answer: B2C Market

2. Is it fair to assume that it is consumed 100 times in one year?
Answer: Yes

3. How much does one packet cost and serve?
Answer: One pack costs 800 that serves 4.

Market size in terms of value is the number of people who consume it* average consumption per year * the price per unit.



Market Size= 15Mn x 100 (consumption per year) x 800 (price) = 1200 Billion

Guesstimate:

The daily toll revenue of Bandra Worli sea link

Approach Used

Demand side

Clarifying Questions Asked

1. Should monthly passes be considered separately?
Answer: Yes

2. Is the toll tax collection operational throughout the day?
Answer: Yes

3. Should all the vehicles be considered or any particular type needs to be looked at?
Answer: All types need to be considered.

Operational Hours
24

	Heavy Traffic	Medium Traffic	Low Traffic
	6 Hours	10 Hours	8 Hours
	1 car/ 10 sec	1 car/ 30 sec	1 car/ 60 sec
Vehicles per gate	(60*60*6)/10= 2160	(60*60*10)/30= 1200	(60*60*10)/60= 480
Vehicles through 10 gates	21600	12000	4800

Total vehicles= 38400

LMV 70%	HMV 10%	2 Wheelers(20%)
26880	3840	7680

Guesstimate:

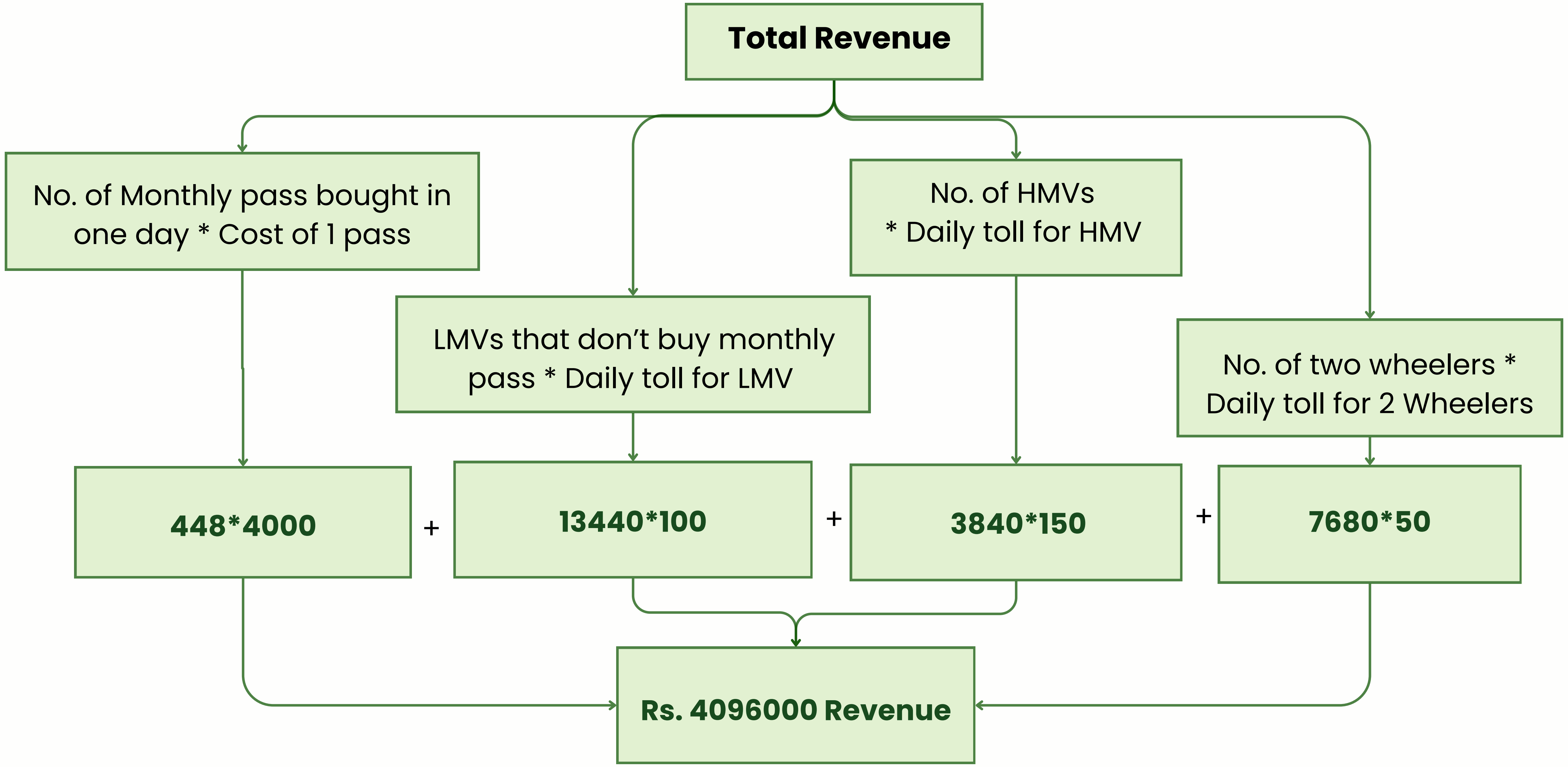
The daily toll revenue of Bandra Worli sea link

Approach Used

Demand side

Assumptions

1. 50% Light Motor Vehicles buy monthly passes.
2. One monthly pass costs Rs. 4000
3. Daily toll for Light Motor Vehicles, Heavy Motor Vehicles and 2 Wheelers is Rs. 100, 150 and 50 respectively.



Guesstimate:

Total surface area of a railway coach

Approach Used

Bottom-up

Clarifying Questions Asked

1. How many seats does each coach have?
Answer: 72
2. Is it a sleeper class coach or a chair car coach?
Answer: Chair car
3. How are the seats arranged in a coach?
Answer: in 4 rows of 18 each and there is a 1 m gap between the middle two rows.

Assumptions Taken

1. Length of extra space between two coaches where the washrooms are = 1m
2. The total height of the coach is assumed to be the same as the total width = 5m

Total Surface Area:
2(lb+bh +hl)

Height of coach
5m

Length of coach
18m + 2m = 20m

Breadth of coach:
4m+1m=5m

Total length of coach

Total Breadth of coach

2 (length of extra space between two coaches where the washrooms are.)

+

Length of row

The total length of row = 18 m
1 row has 18 seats and 1 seat is 1 m long

Gap in between the middle two rows

+

4 times the width of each seat

Final Answer = = 2 (100 + 25 +100)
= 450 sq m

Guesstimate:

Number of bricks used to construct SSCBS

Approach Used

Demand Side

Clarifying Questions Asked

1. The exterior is made of glass. So may I just consider the interior?
   Answer: Yes

2. Should I consider only the college building or the hostels as well?
   Answer: Only the college building.

Assumptions Taken

1. Each classroom has 3.5 walls accounting for the shared walls between two classrooms.

2. Dimensions of wall and brick have been estimated taking the candidate's height and a ruler as reference

Bricks usage:

- **Classrooms**
  - Number of walls = classrooms*floors*walls (7*15*3.5) → Total walls =367.5
- **Pillars**
- **Corridors**

Volume of the wall	**Volume of a brick**	**No. of bricks/ wall**
=108*108*10 = 116640 cu inch	= 4*5*6 = 120 cu inch	=Wall Vol./ Brick Vol. =972 bricks

Total Bricks used in classrooms = 367.5 *972 =3,57,210

Guesstimate:

Number of people playing basketball at 20:05 in India

Approach Used

Demand Side

Clarifying Questions Asked

1. Can the rural population and people below poverty line be ignored?
Answer: Yes

Assumptions Taken

1. Morning slots- Students who take coaching .
Evening slots-People who play for leisure as well as professionally.
Night slots- Working individuals and students choose post 8pm slots.

2. Probability that people arrive on time= 90%
Probability that people stay back on the court for 5 more minutes= 70%
Probability that people of Slot 6 choose Slot 4= 10%

3. Therefore population under consideration= 40% * 75% * 1.4 Bn = 420000000

Males 230 Mn.

Age	%	% who play	% who play basketball	Number
0-18	30%	40%	15%	4158000
19-25	20%	10%	10%	462000
26-40	30%	10%	5%	346500
41-60	10%	1%	0	0
60+	10%	0	0	0
				4966500

Females 190 Mn.

Age	%	% who play	% who play basketball	Number
0-18	30%	20%	0.25	2835000
19-25	20%	5%	12%	226800
26-40	30%	1%	5%	28350
41-60	10%	0	0	0
60+	10%	0	0	0
				3090150

Total Basketball Players= 4966500 + 3090150= 7920570

Time Slot Preferences of People who play

Slots	Percentage of People
6-9 am (strictly)	15%
4-7 pm (strictly)	45%
7-8 pm (strictly)	20%
8-9 pm (strictly)	10%
9- 11 pm (strictly)	5%
Random 1 hr slot daily	5%

1.4 Billion

Rural — 60%

Urban — 40%

Male 55%

Female 45%

No. of people playing Basketball at 20.05 in India = People from slot 3 who don't leave exactly at 8+ People from slot 4 who arrive on time+ People from 6 who choose the slot 4 that day

=(20% * 70% + 10% * 90% + 10% *5%)* 7920570

=18,70,000 people (approx.)

Guesstimate:

Number of cigarettes wrongfully consumed in Gurgaon in a single day

Approach Used

Demand Side

Clarifying Questions Asked

1. What do you mean by wrongful consumption?
   Ans. It is a wrongful act for me, personally
2. Do we assume Packaged Cigarettes in our Guesstimate or do we also consider Cheaper Alternatives?
   Ans. The assumption works
3. Can we restrict the scope of Gurgaon to its residents and not include visitors?
   Ans. Only the residents
4. What do you mean by a Single Day? Do we assume 24 hours or just a regular weekday?
   Ans. Just consider it a regular day

Number of people who consume cigarettes in a day × Average Consumption per person per day

Number of people who consume cigarettes in a day:

Percentage of population which can afford cigarettes

×

Percentage of population which is eligible

×

Number of males/females

Average Consumption per person per day:

Light Smokers	Medium Smokers	Heavy Smokers
0.5 cigarettes	1.5 cigarettes	2 cigarettes

Assumption: A packet containing 10 cigarettes lasts roughly a week for Medium Smokers 10/7=1.5 cigarettes per day

Based on this, we can say that light smokers consume 0.5 cigarettes in a day and heavy smokers consume 2 cigarettes in a day

DELHI POPULATION	POPULATION GURGAON:DELHI	GURGAON POPULATION	ASSUMPTION: GURGAON POPULATION	CATEGORIES ON BASIC OF INCOME	CATEGORIES ON BASIS OF AGE	CATEGORIES ON BASIS OF GENDER
3 CRORE	1:6	60/70 LAKH	1 CRORE	4 CATEGORIES	5 CATEGORIES	2 CATEGORIES
				Rich (10 %) **Upper Middle Class** (25%) **Lower Middle Class** (35%) **BPL** (30 %)	**0-18** (15%) **18-35** (25%) **35-60** (30%) **60-70** (20%) **70+** (10%)	**Male** (50%) **Female** (50%)

Guesstimate:

Number of cigarettes wrongfully consumed in Gurgaon in a single day

Approach Used

Demand Side

Assumptions Taken

1. All of the individuals belonging to the Rich and Upper Middle Class can afford cigarettes while only 15 percent from the 35 percent Lower Middle Class Category can afford Cigarettes.
2. Only the individuals belonging to the categories 18-35 years and 35-60 yeaes consume cigarettes, that is, 55 percent of the total population
3. Males are 3x likely to consume cigarettes as compared to females

Number of Daily Consumers: 1 Crore * 50% * 55% * 50 % = 1375000 **(14 Lakh Approximately)**

Smoker Grade	Percentage of Population	Consumption	Percentage of Population* Consumption
Light	20	0.5	0.10
Medium	50	1.5	0.75
Heavy	30	2	0.60

Using Weighted Average: 1.4 Cigarettes Per Day= Average Consumption per person

FINAL ANSWER

14 Lakh*1.4 cigarettes
= 19.6 Lakh Cigarettes consumed in Gurgaon in a Day

Guesstimate:

The number of people in IGI Airport on any given day

Approach Used

Demand Side

Assumptions Taken

1. No. of major cities in India to which Delhi is connected with = 24
2. No. of flights operational daily to each city, on average = 3
3. Seating Capacity of average domestic aeroplane=350
4. No. of countries Delhi is connected to = 70
5. No. of flights operational daily to each country = 2
6. Seating Capacity of average international flight =600

Number of people in IGI airport everyday

Number of domestic travellers

+

Number of international travellers

+

Airport Personnel [employees at shops, the ground staff, flight staff (attendants and pilots) and security personnel]

Assumptions Taken

7. Total Airport Personnel = 25% of total passengers

No. of domestic travellers
= No. of cities*No.of flights*Seating capacity
=24*3*350
=25,200

No. of international travellers
=No. of countries*no. of flights*seating capacity
= 70*2*600
=84,000

No. of airport personnel
=0.25 (25,200+84,000)
=27,300

Total No. = 25,200+84,000+27,300
=1,36,500

Guesstimate:

The Number of Fiction Books sold in India in a year

Approach Used

Demand Side

Clarifying Questions Asked

1. Do we include all formats of fiction books?
Ans. No, you can consider only paperbacks for simplicity

2. Should pirated books be taken into account?
Ans. Only legal books

Assumptions

Average Number of Books purchased
Urban Areas-**Rich**: 1.5 Books;**Medium**: .75 Book
Poor: .5 Book

Rural Areas-**Rich**: 1 Book;**Medium**: .5 Book
Poor: 0.25 Book

Number of people who can afford books × Average number of Paperback books purchased

INDIA POPULATION → CATEGORIES ON BASIS OF LOCATION → CATEGORIES ON BASIS OF INCOME → AVERAGE NUMBER OF BOOKS PER CATEGORY → FINAL ANSWER

Rural *(50%)* ***Urban*** *(50%)*

Rich *(10%)* ***Medium*** *(50%)* ***Poor*** *(40%)*

CALCULATION

URBAN POPULATION	140 Crore * 40%=56 Crore	RURAL POPULATION	140 Crore * 60%=84 Crore
RICH	56 Crore*10%= 5.6 Crore	RICH	84 Crore*10%= 8.4 Crore
MEDIUM	56 Crore * 50%=28 Crore	MEDIUM	84 Crore * 50%=42 Crore
POOR	56 Crore * 40%=22.4 Crore	POOR	84 Crore * 40%=33.6 Crore

Guesstimate:
The Number of Fiction Books sold in India in a year

Approach Used
Demand Side

Clarifying Questions Asked

1. Do we include all formats of fiction books?
   Ans. No, you can consider only paperbacks for simplicity
2. Should pirated books be taken into account?
   Ans. Only legal books

Assumptions

Average Number of Books purchased
Urban Areas-**Rich**: 1.5 Books;**Medium**: .75 Book
Poor: .5 Book

Rural Areas-**Rich**: 1 Book;**Medium**: .5 Book
Poor: 0.25 Book

URBAN		RURAL		TOTAL	
RICH	8.4 Crore	RICH	8.4 Crore	RICH	16.8 Crore
MEDIUM	21 Crore	MEDIUM	21 Crore	MEDIUM	42 Crore
POOR	11.2 Crore	POOR	8.4 Crore	POOR	19.6 Crore

FINAL ANSWER

16.8+42+19.6=78.4 CRORE
79 CRORE

Guesstimate:
No. of Pani Puri sold in Delhi in a week

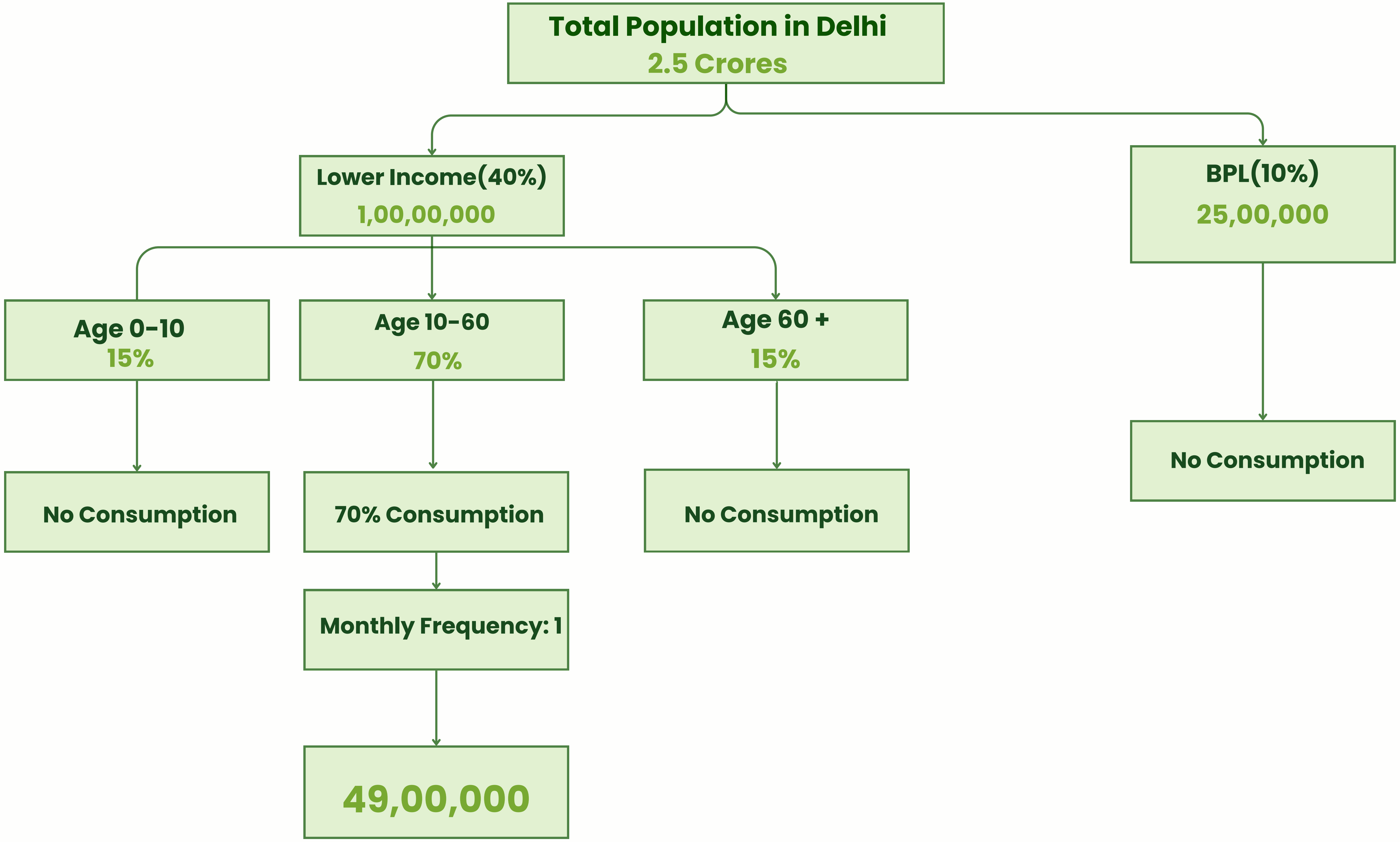
Approach Used

Demand Side

Assumptions Taken

1. We are assuming that people below poverty line do not consume pani puri
2. Number of Pani Puri in a plate = 4

Total



Guesstimate:
Number of potential customers of dog food industry in the US market

Approach Used

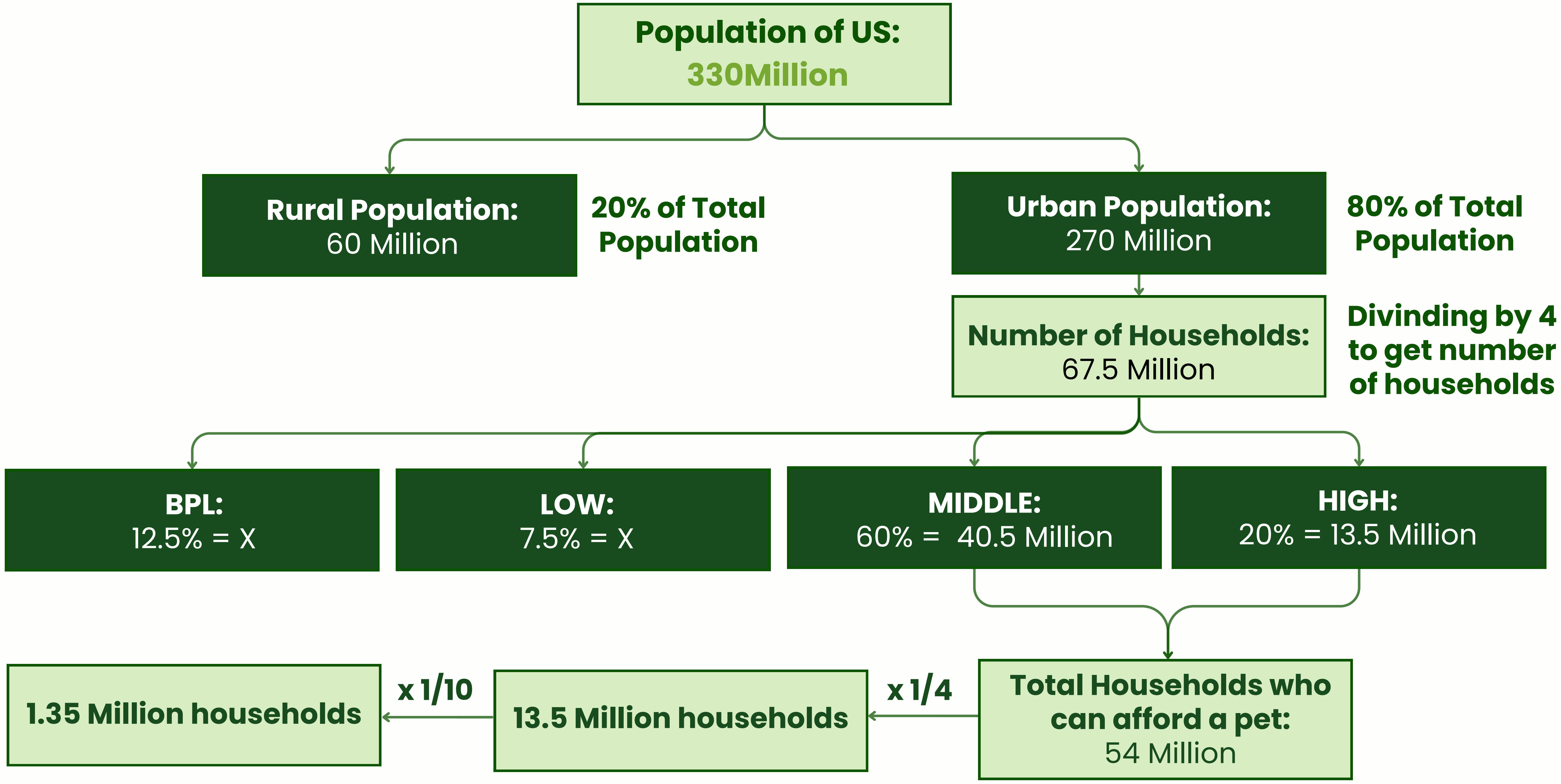
Demand Side

Clarifying Questions Asked

1. Are we focusing on **high maintenance, low maintenance dogs or as a whole?**
   Answer: All

Assumptions Taken

1. Eliminating Rural population and Below Poverty Line as well as Lower segment from Urban population as they don't really go for pet adoption due to income differences.
2. 1 out of 4 people love dogs, thus 1/4th of population who can afford dogs is the size of dog lovers market
3. Out of dog lover population, 1 out of 10 people are interested in adopting/buying a dog



Assuming half of the households would rely on dog food — **0.675 Million households in the US market**

Guesstimate:

Number of copies of your favourite book sold

Approach Used

Demand Side

Book taken into account

1. Are we focusing on **high maintenance, low maintenance dogs or as a whole?**
Answer: All

Assumptions Taken

1. The population of India is 130 crore and 77% of the nation is literate.
2. Out of the Urban population, around 10% would be interested in reading and 20% would be English readers.
3. The book can be afforded by 20% of its Target audience.
4. The conversion rate of the audience is about 2%

Population of India:
130 Crores

Illiterate Population:
100 Crore

77% of Total Population

Educated Population:
30 Crore

Total - Illiterate Population

Readers = 10%
3 Crore

Non Readers = 90%
27 Crore

English Readers = 20%
60 Lakhs

Other Languages = 80%
2.4 Crore

Target Age Group = 20%
2 Lakhs

Assuming a Conversion Rate of 2% from the Target Age Group = **2% of 2 lakhs**
4000 Copies of the book are sold

Guesstimate:

Number of Active E-commerce Users in India

Approach Used

Demand Side

Clarifying question

What is meant by active users. Is there a particular number associated with it.

Assumptions Taken

1. Active users are those with more than 3 orders per month.
2. E-commerce users under the age of 18 are 0 as they do not have access to UPI.
3. Percentage of users with age above 60 is less due to low access to technology.

Population of India: 130 Crores

Rural Population: 78 Crore

60% of Total Population

Urban Population: 52 Crore

AGE	0-18 (30%)	18-30 (30%)	30-60 (30%)	60+ 10%
LOW	0%	30%	25%	10%
MIDDLE	0%	50%	40%	20%
RICH	0%	20%	60%	25%

15.6 CR

Smartphone penetration

10.92 CR

Internet penetration

9.2 CR

Assuming Internet penetration to be 85% in urbqan population = 85% of 10.92 crores we get 9.2 CR

Guesstimate:
Footfall of Big Bazaar on a Sunday Evening

Approach Used

Demand Side

Clarifying question

Should I take the footfall for a single store or all stores in Delhi.
Ans- All stores.

Assumptions Taken

1. There are 4 people in each household.
2. Each household buys from a big bazaar store twice a week.
3. BPL and High Income households do not buy from Big Bazaar stores.

Population of Delhi:
3.4 Crores

Rural Population:
0.4 Cr

10% of Total Population

Urban Population:
3 Cr

90% of Total Population

Number of Households:
75 Lakhs

Divinding to get number of households

BPL:
25% = 18 Lakhs

LOW:
50% = 37.5Lakhs

MIDDLE:
15% = 11.25 Lakhs

HIGH:
10% = 7 Lakhs

TOTAL HOUSEHOLDS:
49 Lakhs

x 2/7

14 Lakh people

Assuming a 10% increase in sales sue to the day being a saturday **=** **15.4 Lakh people in all stores combined**

Guesstimate:
Number of White Swift Dzires in Delhi

Approach Used

Demand Side

Clarifying question

Do we take into account cars used for commercial purpose?
Ans- No

Assumptions Taken

1. No. of cars used in each bracket is assumed.
2. Share of Maruti in the market is also assumed.
3. The colours used to solve the guesstimate are assumed.

Number of Households
75 Lakhs

Income split

BPL:
25% = 18 Lakhs

LOW:
50% = 37.5Lakhs

MIDDLE:
15% = 11.25 Lakhs

HIGH:
10% = 7 Lakhs

x1 cars = 11 lakh cars

x2 cars = 14 lakh cars

Total = 25 lakh cars

Share of Maruti in Market: 15%

4 Lakh Cars

Maruti is **sold in 3 colours** and since commercial cars are excluded we assume **20% domestic Maruti's** to be white

75,000 White Swift Desires

Guesstimate:

Market size of Dream 11

Approach Used:
Demand Side

- **Total Population**
  - Rural (60%): 84 cr.
  - Urban (40%): 56 cr.

Assumptions:
Taken into account

1. The conversion rate of people below 18 years of age is 0% as they do not have access to online payment facility.
2. Market size of rural population is assumed to be 10% of the size of urban population due to lack of access to internet.

Age (Urban)

Age group	CONVERSION RATE:	Result
0-18 (30%)= 16.8 cr	0%	0 cr (A)
18-40 (30%)= 16.8 cr	60%	6.72 cr (B)
40-60 (20%)= 11.2 cr	70%	7.84 cr (C)
60+ (20%)= 11.2 cr	10%	1.12 cr (D)

Total Urban Population with access to Dream 11= A+B+C+D= 6.72+7.84+1.12=15.68 cr.

Income

BPL (25%)	Low Income(25%)	Middle Income (50%)	High Income (20%)
✗	✓	✓	✓

Total market size of Dream 11= 15.68*0.75*1.1= 12.94 cr.

Guesstimate:
The Number of white cars in Delhi

Approach Used

Demand Side

Clarifying Questions Asked

1. Does Delhi **include the NCR Region or only Delhi**?
-Specific to Delhi

Assumptions Taken

1. The average size of a family is 4 and Upper Income households own 2 cars, Upper Middle Income own 1 car and 1 in every 2 Lower Middle Income households own a car.
2. The ratio of white cars in households is assumed to be 0.4 i.e. every 4 out of 10 cars in households to be white. This is because white is a very common car.

Total Population in Delhi
3.2 Crores

÷4

Total Number of households= 80L

Upper Income(10%)	Middle Income(30%)	Lower Income(40%)	BPL(20%)
8L	24L	32L	16L
X2	X1	X0.5	☒
16L	24L	16L	

16L + 24L + 16L = 56L (TOTAL HOUSEHOLD CARS)

Total Number of White Cars (Households) = 56L X0.4 → 22.4L

Guesstimate:
The Number of white cars in Delhi

Approach Used

Demand Side

Assumptions Taken

3 We are assuming the ratio of the people taking cabs in upper income to be 0.4 because they have access to higher quality public transport but also personal transport, 0.6 for middle income as they would consume more public transportation and 0.2 for the lower income as they would not be able to afford cab rides.

4 Number of rides that a cab driver would be able to take in a day is 10.

5 White colour is much more common in taxis than in households therefore we take a ratio of 0.8. Most of the Ubers and Cabs use white colour.

Total Population in Delhi
3.2 Crores

Upper Income(10%)	Middle Income(30%)	Lower Income(40%)	BPL(20%)
32L	96L	128L	64L
X0.4	X0.6	X0.2	
12.8L	57.6L	25.6L	

12.8L + 57.6L + 25.6L = 96L (TOTAL CAB RIDES/DAY)

Total Number of cabs in Delhi = 96L $\xrightarrow{X0.1}$ 9.6L

Total Number of white cabs(commercial) in Delhi = 9.6L $\xrightarrow{X0.8}$ 7.68L

Total Number of white cars in Delhi = Commercial Cars+ Household Cars=22.4L+7.68L=30.08L

Guesstimate:
Just the Tip

Approach Used

Demand Side

Clarifying Questions Asked

Where is the hotel **situated**? What is the **rating** of the hotel?
Answer: 5-star hotel situated in New Delhi.

Assumptions Taken

1. 2 floors have deluxe rooms, the next 2 floors with ultra-deluxe rooms, and 2 floors would have suites.
2. The number of people per room is usually 2
3. The AOR is assumed to be 70%.

AMOUNT OF TIPS IN A DAY

Number of Customers X Percentage of People who Tip

Number of Rooms X Average Occupancy Rate X People per Room

Number of Rooms:
- Suites 2 x 2 +
- Ultra Deluxe 4 x 2 +
- Deluxe 8 x 2 +
- Family 4 = 32

Average Occupancy Rate:
- Seasonal Factors: Peak 90% AOR; Lean 50% AOR
- Economic Factors: As a 5-star hotel, the AOR is lower due to limited affordability
- Capacity: The hotel's below-average room count results in a high AOR

Thus, the AOR is assumed to be 70%.

People per Room: People per room = 2

Number of Customers = 32 x 70% x 2 = 44.8 = 45

Guesstimate:
Just the Tip

Assumptions Taken

1. A 5:1 ratio of customers from the upper to the middle income group.

TOTAL ADDRESSABLE MARKET

Middle Class = 1/6 + Upper Class = 5/6

PERCENTAGE WHO TIP: x 20% | x 80%

Total Percentage of People who Tip = [1(20%) + 5(80%)]/6 = 70%

AMOUNT OF TIPS IN A DAY = Number of Customers x Percentage of People who Tip = 45 X 70% = 31.5

Amount of Tips in a Year = 31.5 x 365 = 11,497.5 = 11,498

Guesstimate:
The size of spectacle market in Delhi

Approach Used

Demand Side

Clarifying Questions Asked

Should the size be calculated in terms of **population** or **revenue generated**?
Answer: Revenue Generated.

Assumptions Taken

1. Discarding BPL as an eye test and spectacles can cost Rs. 500 in India.
2. The number of people per room is usually 2
3. The AOR is assumed to be 70%.
4. A 5:1 ratio of customers from the upper to the middle income group.

Total Population in Delhi
3 Crores

Upper Income(10%)
0.3 Cr

Middle Income(30%)
0.9 Cr

Lower Income(40%)
1.2 Cr

BPL(20%)
0.6 Cr
✕

Total Addressable Market = 2.4 Cr

0-18: 30% = 72 L x 20% = **14.4 Lakhs**
+
19-25: 20% = 48 L x 40% = **19.2 Lakhs**
+
26-60: 40% = 96 L x 60% = **57.6 Lakhs**
+
60+: 10% = 24 L x 80% = **19.2 Lakhs**

= **110L** ✕ **75%** = $\frac{\textbf{82.8L} \times \textbf{Rs. 1000}}{2}$

Size of Spectacle Market
= **Rs. 414 Crores**

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Case Library

Guesstimate:

Calculating the size of the EV taxi market

Approach Used

Demand Side

Clarifying Questions Asked

1. Where is the hotel **situated**? What is the **rating** of the hotel?
   Answer: 5-star hotel situated in New Delhi.

Assumptions Taken

1. Discard BPL; they prefer public transport over cabs.
2. Lower Upper Class percentage due to car ownership; Lower Class less likely to use taxis due to cost.
3. Children 0-14 usually don't take taxis alone; they use school buses or private cars.

Total Population in Delhi
3 Crores

Upper Income(10%)	Middle Income(30%)	Lower Income(40%)	BPL(20%)
0.3 Cr	0.9 Cr	1.2 Cr	0.6 Cr
X0.6	X0.5	X0.1	✕
18L	45L	12L	

18L + 45L + 12L = 75L

TOTAL AVAILABLE MARKET
75L

DIVIDING THE TARGET POPULATION INTO AGE BRACKETS

75L

0-14(27%)	15-65(67%)	66+(6%)
20.25L	50.25L	4.5L
✕		

SERVICEABLE AVAILABLE MARKET
54.75L

Guesstimate:

Calculating the size of the EV taxi market

Assumptions Taken

4. With taxis running 10 hours daily and rides lasting 0.5 hours, each taxi can manage 20 rides/day.

5. Urban areas in Delhi, covering 75% of the land, have abundant EV charging stations. About 60% of the population prefers EVs for short commutes and avoids areas without charging stations. Thus, we can assume moving forward that the potential target base is almost 20% of this population.

CALCULATING OBTAINABLE MARKET ON THE BASIS OF PROBABILITY

54.75L

15-65 Yrs
50.25 L

X0.6

30.15L

66+ Yrs
4.5L

X0.1

0.45L

SERVICEABLE OBTAINABLE MARKET
30.6L

POTENTIAL MARKET

30.6 L → DAILY NUMBER OF RIDES ÷20 → **1.53L**

TOTAL PERCENTAGE OF EV TAXIS		URBAN LAND AREA		PEOPLE TAKING SHORT COMMUTES		PEOPLE ACTUALLY WILLING TO BUY
9%	=	75%	X	60%	X	20%

TOTAL MARKET = 1.53L X 9%=13,770

Guesstimate:

Calculating the size of smart watch market in Delhi

Approach Used

Demand Side

Clarifying Questions Asked

1. Is there a **time frame** involved with this?
Answer: No

Assumptions Taken

1. Discarding BPL as an eye test and spectacles can cost Rs. 500 in India.
2. Eye conditions increase with age, correlating to higher risk factors as individuals get older.
3. Children 0-14 usually don't take taxis alone; they use school buses or private cars.

Total Population in India
1400 Crores

- **Urban Population(40%)**
  560 Crores
  - Upper Income (15%) 84 Cr
    - 0-25(50%) 42 Cr
    - 25-60(30%) 25.2 Cr
    - 60+(20%) 16.8 Cr
  - Upper Middle Income(20%) 112 Cr
    - 0-25(50%) 56 Cr
    - 25-60(30%) 33.6 Cr
    - 60+(20%) 22.4 Cr
  - Lower Middle Income(40%) 224 Cr
    - 0-25(50%) 112 Cr
    - 25-60(30%) 67.2 Cr
    - 60+(20%) 44.8 Cr
  - Below Poverty Line(25%) 140 Cr
    - ✕
- **Rural Population(60%)**
  840 Crores
  - Upper Income (5%) 42 Cr
    - 0-25(50%) 21 Cr
    - 25-60(30%) 12.6 Cr
    - 60+(20%) 8.4 Cr
  - Upper Middle Income(10%) 84 Cr
    - 0-25(50%) 42 Cr
    - 25-60(30%) 25.2 Cr
    - 60+(20%) 16.8 Cr
  - Lower Middle Income(50%) 420 Cr
    - ✕
  - Below Poverty Line(35%) 294 Cr
    - ✕

Guesstimate:

Calculating the size of smart watch market in Delhi

Assumptions Taken

4 With taxis running 10 hours daily and rides lasting 0.5 hours, each taxi can manage 20 rides/day.

5 Urban areas in Delhi, covering 75% of the land, have abundant EV charging stations. About 60% of the population prefers EVs for short commutes and avoids areas without charging stations. Thus, we can assume moving forward that the potential target base is almost 20% of this population.

Market Penetration

Urban Population(40%)

Upper Income		Upper Middle Income		Lower Middle Income	
0-25(50%) 42 Cr	x 10% = 4.2 Cr	0-25(50%) 56 Cr	x 7.5% = 4.2 Cr	0-25(50%) 112 Cr	x 5% = 5.6 Cr
25-60(30%) 25.2 Cr	x 7.5% = 1.89 Cr	25-60(30%) 33.6 Cr	x 5% = 1.68 Cr	25-60(30%) 67.2 Cr	x 2% = 1.34Cr
60+(20%) 16.8 Cr	x 5% = 84 L	60+(20%) 22.4 Cr	x 2.5% = 56 L	60+(20%) 44.8 Cr	x 1% = 44.8 L

Rural Population(60%)

Upper Income		Upper Middle Income	
0-25(50%) 21 Cr	x 40% = 8.4 Cr	0-25(50%) 42 Cr	x 20% = 8.4 Cr
25-60(30%) 12.6 Cr	x 25% = 3.15 Cr	25-60(30%) 25.2 Cr	x 15% = 3.78 Cr
60+(20%) 8.4 Cr	x 15% = 1.26 Cr	60+(20%) 16.8 Cr	x 10% = 1.68 Cr

Total Market Size = 173.432 Lakh

Guesstimate:
Number of basketballs owned by people in India

Approach Used

Demand Side

Clarifying Questions Asked

1. Can the rural population be ignored?
Answer: Yes

Assumptions Taken

1. 25% of people who belong to Below Poverty Line section may be excluded.
2. Therefore population under consideration= 40% * 75% * 1.4 Bn = 420000000

1.4 Billion	
Rural	Urban
60%	40%

Males
230 Mn.

Age	Percent	Percent who play	Percent who play basketball	Number
0-18	30%	40%	15%	4158000
19-25	20%	10%	10%	462000
26-40	30%	10%	5%	346500
41-60	10%	1%	0	0
60+	10%	0	0	0

4966500

Females
190 Mn.

Age	Percent	Percent who play	Percent who play basketball	Number
0-18	30%	20%	0.25	2835000
19-25	20%	5%	12%	226800
26-40	30%	1%	5%	28350
41-60	10%	0	0	0
60+	10%	0	0	0

3090150

Male 55%
Female 45%

Total Basketball Players	Own 0 basketball (60%)	Own 1 basketball (35%)	Own 2 basketballs (5%)
8056650	4833990	2819827	402833
	x0	x1	x2
Total Balls	0 +	2819827 +	805666

=3625492 Balls

Guesstimate:

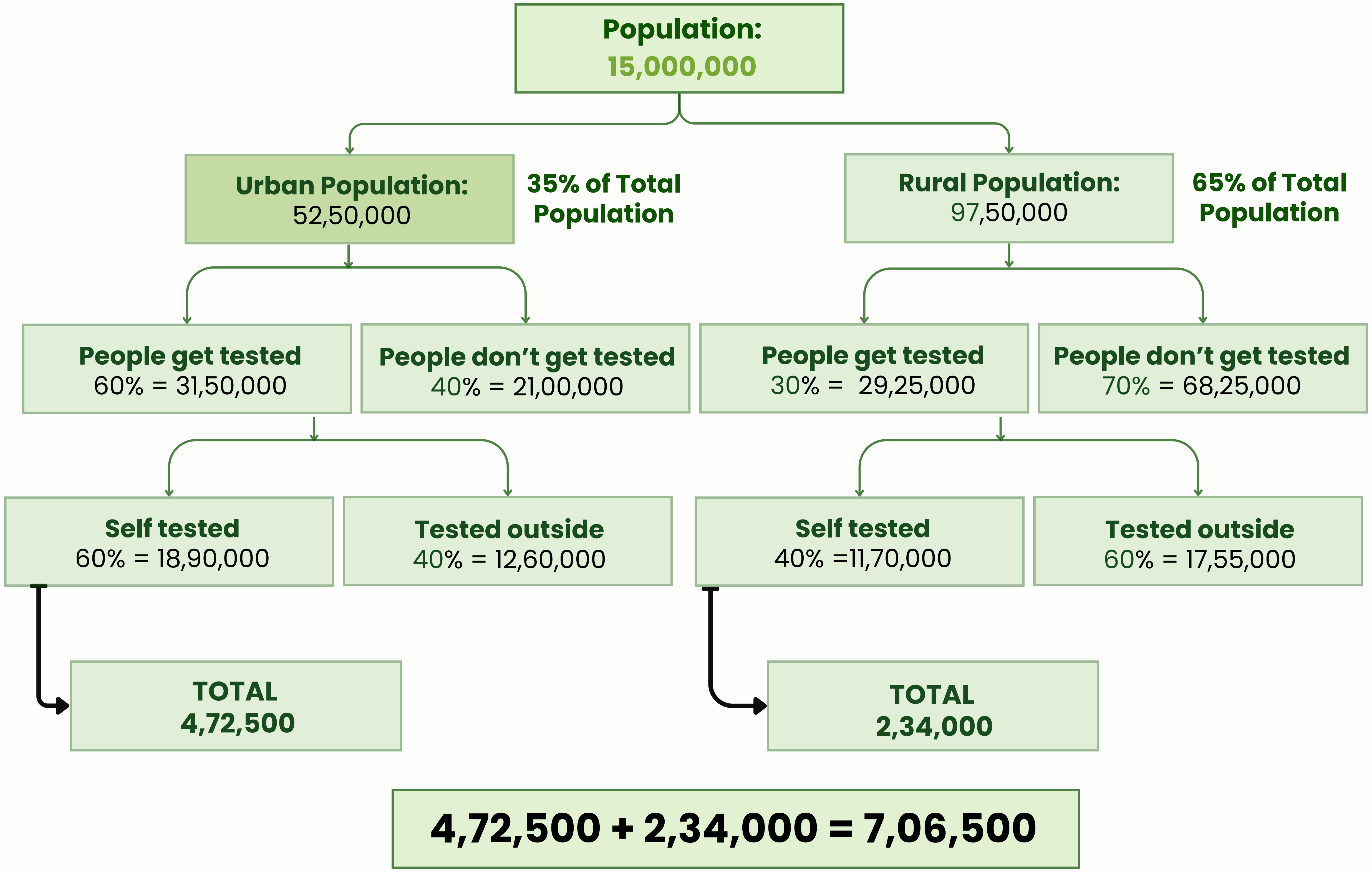
No. of Self-Test Covid kits sold in a city during COVID - 19

Approach Used

Demand Side

Assumptions Taken

1. The population of Mumbai is assumed to be **1.5 crores**
2. **Average family size** in urban areas is 4, and rural areas is 5 members.
3. **Number of households** = population/average family size
4. Self test kit used **per household** is 1 only, assuming that other members don't get tested



Guesstimate:
Number of Villages in India

Case Library

Approach Used

Supply Side

Assumptions Taken

1. Only Rural Population is taken into consideration to arrive at the final number.
2. There are 4 people in each rural household.
3. Average number of families in a village is assumed to be 250

Population of India:
140 Crores

Urban Population:
40% = 56 Crores

Rural Population:
60% = 84 Crores

Number of Households:
21 Crores

÷ 4

Number of Villages:
8.4 Lakhs

÷ 250

The total number of villages in India will be = 8 Lakh 40 Thousand

Guesstimate:

How many families can contribute to a Philanthropical Drive

Approach Used

Demand Side

Assumptions Taken

1. Only Families belonging to the **Higher Income Urban** Group would have the required capital for donating
2. Average Household Size in Urban India is of 4 people
3. Only 10% of the people believe in Charity and donating for a good cause.
4. Only 1% of the people would approach a particular organisation.

Population of India:
140 Crores

Rural Population:
70% = 98 Crores

Urban Population:
30% = 42 Crores

Number of Households:
10.5 Crores

÷ 4

LOW:
30% = 3.15 Crores

MIDDLE:
40% = 4.20 Crores

HIGH:
30% = 3.15 Crores

People who are willing to Donate
10% = 31.5 Lakhs

People who will approach a particular organisation to Donate (1%) = **31,500**

Guesstimate:
The Number of E-Rickshaws in Delhi

Approach Used

Supply Side

Clarifying Questions Asked

1. Should I Calculate the number of rickshaws at a **particular instance or over a period of time?**
   Answer: At a Particular Instance

Assumptions Taken

1. 80% of all the rickshaws in Delhi are Electric

Rickshaws in Delhi

- **Metro Stations**
  - 10 Metro Routes
  - x
  - 25 Stations
  - x
  - 2 Gates
  - x
  - 15 Rickshaws
- **The Markets**
  - 70 Constituencies
  - x
  - 40 Markets
  - x
  - 40 Rickshaws
- **Railway and Airport Terminals**
  - 5 Terminals
  - x
  - 275 Rickshaws
- **Residential Areas**
  - 240 Wards
  - x
  - 10 Colonies
  - x
  - 10 Rickshaws
- **Online Cab Services**
  - 1800 KM Square
  - ÷
  - 10 km Square area on app =180
  - x
  - 20 Rickshaws

Total Number of Electronic Rickshaws in Delhi (80%) = **39,000**

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Guesstimate:

Number of Functioning AC's on a peak summer day in Gurgaon

Approach Used

Demand Side

Assumptions Taken

1. Average Household Size in Urban Areas is 4 people and in Rural, its 5 people
2. AC's per household in Rural Areas is assumed to be 1, while in Urban Areas its 1
3. Area of Gurgaon is 7,00,00,00,000 sq. ft
4. Only Split AC Units are being considered
5. It is Assumed that only 50% of the AC's are operating at a particular instance

Use Cases:

Residential Units:

- **Urban:** 70 Lakhs
  - Number of Households: 17.5 Lakhs
  - Number of ACs: 35 Lakhs
- **Rural:** 30 Lakhs
  - Number of Households: 6 Lakhs
  - Number of ACs: 6 Lakhs

Commercial Units: Area covered by them

	Hospitals: 70 Crores (10%)	Schools: 35 Crores (5%)	Companies: 140 Crores (20%)
Average Area Covered	5 Lakhs	3.5 Lakhs	8 Lakhs
Number of Units	1400	1000	1750
x Number of Floors	1400	1000	1750
x Number of ACs on 1 Floor	10	10	20

Total Number of ACs in Gurgaon = 45.84 Lakhs

Total Number of Working ACs in Gurgaon at one point = 22.92 Lakhs

Only 50% Operating in a particular instance

Guesstimate:
The Market Size for Motor Taxi Services

Approach Used

Demand Side

Clarifying Questions Asked

1. Can I use the **10%** of the amount that I came up with for the Urban Population to be used for the **Rural Population**
Answer: Sure

Assumptions Taken

1. People with a car wont be availing the Service
2. People below the age of 15 and people above the age of 50 wont be availing the service
3. Motor Taxi Services are commonly used by people belonging to the Lower Income or BPL Groups

Population of Delhi: 3 Crores

- **Rural Population:** 15 Lakhs — **5% of Total Population**
- **Urban Population:** 2.85 Crores — **95% of Total Population**

AGE GROUP		BELOW POVERTY LINE	LOW INCOME	MIDDLE INCOME	HIGHER INCOME
		15%	**40%**	**25%**	**20%**
0-15	**25%**	1068750	2850000	1781250	1425000
15-25	**25%**	1068750	2850000	1781250	1425000
25-35	**20%**	855000	2280000	1425000	1140000
35-45	**10%**	427500	1140000	712500	570000
45-50	**5%**	213750	570000	356250	285000
50+	**15%**	641250	1710000	1068750	855000

Middle →	**615600**
Low →	**2394000**
BPL →	**2599200**

People who dont own a vehicle but use Motor Taxi Service in Urban Areas

Market Size for Motor Taxi Services including Rural Areas
=
61,69,680

Guesstimate:

Number of sandwich sold in College Canteen in a week

Approach Used

Demand Side

Clarifying Questions Asked

1. Are there any other food items that could affect the sales of sanwich?
Ans: Yes

1. Estimate number of students in college?
Ans: 2000

Assumptions Taken

1. Considering it to be a typical day.

1. 1200 students turn up on a normal day.

Number of students: 1200

- **Do not visit canteen:** 720 — **60% of turned up students**
- **visit canteen:** 480 — **40% of turned up students**

Preferences of students

- **Main Course** 20%= 96
- **packaged food** 20% = 96
- **Fast food** 30% = 144
- **Nothing** 30%= 144

Students who prefer sandwich, being a healthy snack → **30%**

Total number of sandwiches sold in College canteen = 43 units

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Guesstimate:
Number of Pets in USA

Approach Used

Demand Side

Clarifying Questions Asked

1. Are we only taking into account the households in the USA?
Ans: Yes

Assumptions Taken

1. Size of Average Household : 3
2. Excluding rural inhabitants, individuals below the poverty line, and the lower segment of the urban population from consideration, as they typically exhibit lower rates of pet adoption due to income disparities.
3. Average pet holding of a household: 1.6

Population of USA:
330 Million

Number of Households:
110 Million

Rural
20% = 22 Million

Urban:
80%= 88 Million

Lower Income
15% =13 Million

Middle Income
45% = 40 Million

High Income
40% = 35 Million

Total number who can afford a pet:
75 Million

Will actually own a Pet
55% = 42 Million

Total No Of Pets In USA = 67.2 Million

Guesstimate:

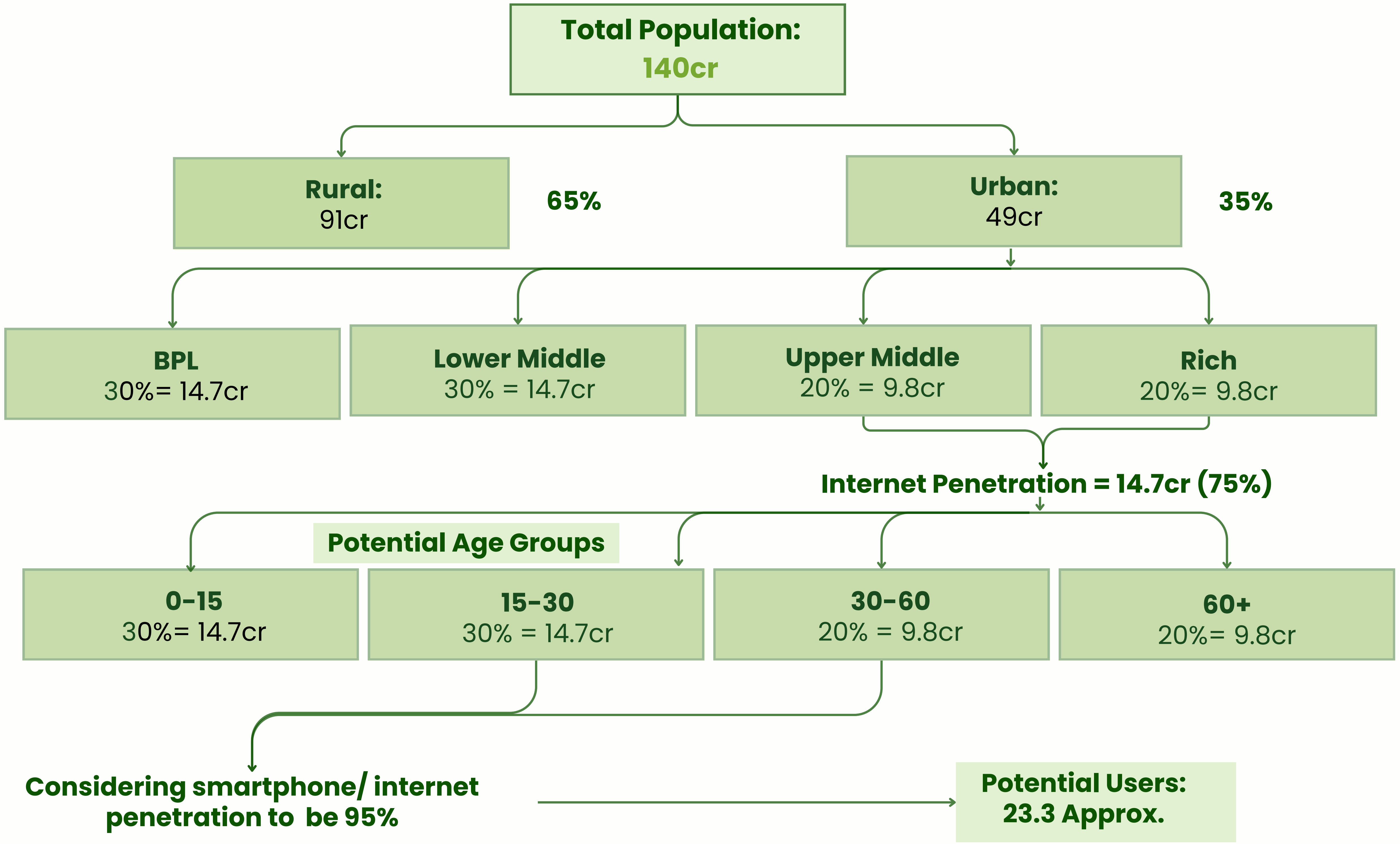
Calculate the number of potential users of Amazon in India.

Approach Used

Demand Side

Assumptions Taken

1. Considering smartphone penetration as base to amazon user
2. Negating BPL and Lower middle income groups from income segmentation, since these groups have negligible access to internet
3. Negating 0-15yrs and 15-30yrs age groups from potential age groups, since these groups have negligible contribution in internet penetration



Guesstimate:

Estimate the market size of running shoes in India

Approach Used

Demand Side

Clarifying Questions Asked

1. Is the market size to be determined for professional athletes or for whole population
Ans: Professional atheletes

Assumptions Taken

1. A runner purchases 3-4 pairs of shoes in a year
2. 10% of sportspersons are runners

Total Population: 140cr

Population of sportsperson 14cr — 10%

Population of Runners in Sportsperson 3.5cr — 25%

Estimated pair of shoes purchased by a runner in a year 3-4

Considering average pairs to be 3.5

Average price of pair ₹4,000

Estimated market size
3.5cr x 3.5 x ₹4,000

=₹49,000cr

Glossary

B2B	B2B refers to transactions between businesses, where products or services are sold from one business to another.
B2C	B2C refers to transactions between a business and individual consumers, involving the sale of products or services directly to end-users.
Balanced Scorecard	Defines the overall performance (financial, customer value, business) of an organization and measures its mission by analyzing its quantifiable objectives and performance. It is used to update the business strategy according to changing needs. Metrics used are cash flow, liquidity status, rate of improvement index, break-even, etc.
Benchmarking	Comparing performances between companies against best standards/practices. Ex: A company comparing its products with the market leader.
Bottleneck	It is a point of congestion in the operation process that stops or slows down the process.
Bottom-up	Bottom-up refers to an approach or analysis that starts with specific details or individual components and builds up to form a larger perspective or conclusion.

Glossary

Break Even Point	It is the point that measures the number of quantity that needs to be sold to meet the cost linked to that product. It is the point at which total revenue and total costs are equal.
CAGR	Acronym for"compound annual growth rate." It describes the rate of growth for an investment or market over a year.
Competitive Advantage	Competitive advantage is a unique strength or attribute that allows a business to outperform its competitors, gaining a superior position in the market.
Competitor-based approach	The competitor-based approach determines product pricing by analyzing the prices set by competitors in the market.
Core Competencies	The notion that companies have a limited number of things they are innately good at.
Cost-based approach	The cost-based approach sets product or service prices by considering the production costs, ensuring that the selling price covers expenses and provides a desired profit margin.

Glossary

Cost/Revenue Drivers	All those factors that affect and drive revenue/cost. Key revenue drivers are cash, profit, sales, marketing activities, assets, growth and people.
Cross-Selling	Cross-selling involves offering customers additional products or services related to their initial purchase, aiming to enhance the overall value of the transaction.
GTM	Go-to-market refers to the set of tactics a company uses to bring its product or service to market successfully, including marketing, sales, distribution, and support.
Horizontal Integration	The acquisition of additional business activities at the same level of the value chain.
Inbound/Outbound Logistics	Inbound logistics involves the management of goods and materials coming into a business, while outbound logistics focuses on the distribution of finished products to customers.
Key Performance Indicators	Measures to evaluate the effectiveness of a business in achieving objectives

Glossary

Market Share	Market share represents the percentage of total sales or revenue a company holds within a specific market or industry, indicating its position relative to competitors.
MECE	MECE is a principle used in problem-solving and analysis, ensuring that categories or options are distinct (mutually exclusive) and together cover all possibilities (collectively exhaustive).
Outsourcing	Outsourcing involves contracting out certain business functions or processes to external third-party providers, often to reduce costs or leverage specialized expertise.
Paradigm Shift	A paradigm shift refers to a fundamental change in the way people perceive, think, or approach a particular subject or concept, often resulting in a significant transformation.
Portfolio	Every asset including investments owned by a company that can grow in value and provide returns to the company.
Stand-alone value	Stand-alone value refers to the intrinsic or independent value of a product, service, or component when considered separately, without taking into account any synergies or additional benefits derived from combining it with other elements.

Glossary

Synergy	The idea that the value and performance of two companies combined will be greater than the sum of the separate individual parts. Used mostly in M&A.
Top-down	Top-down refers to an approach or analysis that begins with a broad overview or general principles and then breaks down into specific details or components.
Upselling	Upselling is the strategy of encouraging customers to purchase a more expensive or upgraded version of the product or service they initially intended to buy.
Value Chain	Set of activities performed by an organization working in a particular industry to create valuable products for its customers.
Value-based approach	A value-based approach involves setting prices for products or services based on the perceived value to the customer, rather than solely on production costs or competitor pricing.
Vertical Integration	The degree to which a firm owns its backward suppliers or forward buyers.

Thank You!

To all the aspiring consultants who made it through our Case Interview guide - CONGRATULATIONS! We want to sincerely thank you for dedicating your valuable time to this comprehensive resource. Your commitment is truly commendable

We express our deep gratitude for taking the time out of your busy schedules to go through this comprehensive guide. Your efforts will undoubtedly pay off as you navigate your path into making it to your dream consulting organization.

Additionally, we would be incredibly grateful if you could take a few minutes to fill out a short feedback form. Your insights will help us identify areas for improvement and enhance the quality of our content for future learners.

Please click on the link below to access the feedback form:

[Form Link]

Your honest opinions and suggestions are invaluable to us. We are committed to continuously refining our resources to provide the best possible learning experience.

Thank you once again for your participation and support. We wish you the very best in your consulting journey!

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