

Shaheed Sukhdev College of Business Studies

CASE BOOK

2023-2024



BRIDGES
FOR
ENTERPRISE
SSCBS, NEW DELHI

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First Published in June, 2023

ISBN: 978-93-5915-406-0

After a demanding placement and internship season, our team of second and third-year Shaheed Sukhdev College of Business Studies students wanted to share the information we had acquired with those who would be filling our shoes in the future.

Following two years of intensive preparation for consulting firms and interviews with numerous corporate behemoths including McKinsey, Accenture Strategy, Dalberg, and Bain & Company, we made the decision to focus on the preparation for consulting firms as our main topic.

This book, which contains information about the case interviews of influential people in the field, is **Shaheed Sukhdev's first Consulting Case Book**. Our experience and those of our fellow applicants who were hired by companies like McKinsey & Co., BCG, Dalberg, L. E. K. Consulting, AB InBev, Accenture Strategy, Bain & Company, etc. have helped us compile resources. This book includes comprehensive transcripts from the aforementioned case interviews, frameworks for various case kinds, and all additional information required for a job in consulting.

We poured our hearts and souls into our preparation for these interviews because we were so driven to succeed. With the intention of reaching out to every student, regardless of background, we will make our book freely accessible online so that anyone in need only needs to click a button. In line with our objectives, the SSCBS Placement Cell is assisting in making it accessible to the incoming batches at SSCBS.

We would also like to acknowledge that we gained knowledge that allowed us to write this book from sources such as the Case Compendium and IIM A's casebook. Lastly, regards to all the students who contributed with their interview experiences and case solutions. Thank you for helping us!

A Complete Guide To Cracking Case Interviews By



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“

Congratulations to the BfE students of SSCBS for publishing their first casebook after six to seven months of hard work and effort. This remarkable achievement sets a new benchmark for SSCBS, and I hope it inspires others to follow in your footsteps. Your dedication and perseverance have paid off, and you should feel proud of your accomplishment. I would also like to acknowledge the support and encouragement given by your friends and family, which played an essential role in helping you achieve your aim. I wish you all the best for future and look forward to reading more such books.

”

Dr. Abhimanyu Verma
Assistant Professor
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Acknowledgment

People who made the casebook a reality



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Special Thanks

Manan Khurana (SSCBS'23, McKinsey), Samridhi Goyal (SSCBS'22, McKinsey), Anmol Bansal (SSCBS'22, Bain and Company), Shreya Jain (SSCBS'22, Dalberg), Sukriti Jain (SSCBS'22, Dalberg) and Vedansh Chopra (SSCBS'22, J.P. Morgan Chase & Co., FSG)

About Bridges for Enterprise

New Delhi chapter at Shaheed Sukhdev College of Business Studies



Private enterprise plays a powerful role in advancing social and environmental change. Unfortunately, growing a social enterprise without adequate support is incredibly challenging. In the developing world, access to incubator or accelerator programmes, government support or investment is either unavailable, inaccessible, costly or ineffective. Support targeted at early-stage social entrepreneurs can make a big difference.

Bridges for Enterprise (BfE) is a non-profit that provides pro bono advisory services to social innovators in the developing world. Through our flagship Incubation Programme, we support early-stage businesses with existing revenue and a clear mission to create social impact for their beneficiaries. The services are free of charge — and always will be — as we don't believe that money should ever be a barrier for social entrepreneurs to receive additional support in scaling their ventures.

BfE is run by a global community of purpose-driven professionals and students. As a non-profit established in 2015, we expanded rapidly to operate from five student chapters and developed a client base spanning over 30 countries. We collaborate alongside a growing network of over 200 professional mentors who provide strategic guidance to chapter teams and assistance to start-ups.

BfE New Delhi was started in 2021 at Shaheed Sukhdev College of Business Studies, University of Delhi.



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Accreditation

The students of following organizations have gone through the contents of the book and support the publication



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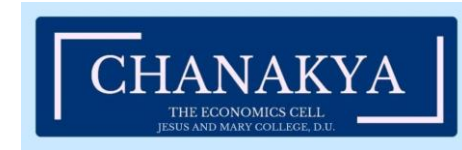
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THE UNIVERSITY
OF BRITISH COLUMBIA



TABLE OF CONTENTS



S.No.	Name	Company	Difficulty	Page No.
Guesstimates				
1	The iPhone Diaries	McKinsey	Easy	23
2	Luminati	Bain	Medium	25
3	Branching Out	Bain	Medium	28
4	The Showrunner's Worth	Bain	Medium	30
5	From A-Z, all deliveries	BCG	Medium	32
6	Gear Up	FSG	Medium	34
7	101 Dalmatians	McKinsey	Medium	36
8	Brew Master's Revenue	Bain	Hard	38
9	Lipstick on your Collar	Bain	Hard	40
10	Falling for food	Dalberg	Hard	42
Profitability Cases				
1	A 5 Star House	Mckinsey	Easy	52
2	Cementing Market Share	BCG	Easy	55



TABLE OF CONTENTS



S.No.	Name	Company	Difficulty	Page No.
3	Blooming Roses	Dalberg	Easy	57
4	The Animal Kingdom	Accenture	Medium	60
5	Time's Up	Accenture	Medium	63
6	SPOT-IF-You can	BCG	Medium	65
7	Phone a Friend	Accenture	Hard	67
8	A Couple of Oyos	By the Author (Parv)	Hard	69
9	King of Good Times	By the Author (Parv)	Hard	71
10	The Bombay Bank	Mckinsey	Hard	73

Market Entry Cases

1	VapIndia	BCG	Easy	82
2	Black Magic	Bain	Medium	85
3	Pro-FIT-able	Dalberg	Hard	87

Unconventional Cases

1	Playstation	By the Author (Parv)	Easy	91
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TABLE OF CONTENTS



S.No.	Name	Company	Difficulty	Page No.
2	Flight to Indonesia	Dalberg	Easy	93
3	Training Day	Dalberg	Easy	96
4	Dear Deer	BCG	Medium	99
5	Quora-it	BCG	Medium	101
6	A for Accident	Dalberg	Medium	103
7	Cities of India	Dalberg	Medium	105
8	Poo to Loo	Dalberg	Medium	107
9	MalNOtrition	BCG	Hard	109
10	B-I-NGO	Dalberg	Hard	111
11	Col-LABOR-ate	Dalberg	Hard	113
12	Developing Africa	Dalberg	Hard	116
13	Doctor for Patient	Dalberg	Hard	118
14	Make in India	Everest	Hard	120





INDUSTRY LANDSCAPE



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Introduction

- India's insurance penetration was pegged at 4.2% in FY21. On the other hand, total assets in the **public and private banking sectors** in India were US\$ 1,602.65 billion and US\$ 878.56 billion, respectively in FY21.
- Credit growth is expected to hit double-digits in eight years.

5.3%

Forecasted CAGR of life insurance industry in India

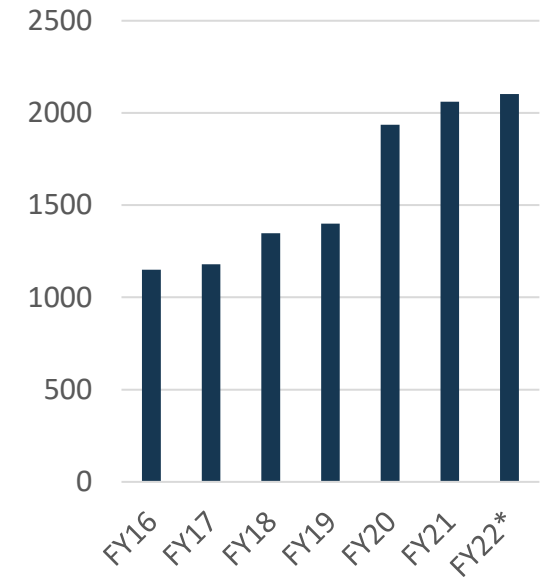
10%

Forecasted credit growth in 2022-23

Financial inclusion and customer engagement

Urban India is good with Banking system but there has to be more focus on rural Banking hence there is a sizable portion of the population that is unbanked or say underbanked, needs financial awareness, with the help of Government Indian Banks are focusing on it to increase the business growth as well as to get participated each and every individual under banking system.

Growth in Deposits (US\$ billion)



Digitalization

Electronic payment services, Real Time Gross Settlement, electronic fund transfer, electronic clearing services, ATM's point of sale terminal, m-banking, these are some new ways that **changed the way** of banking practices. In the same way Insurance companies nowadays also use online payment, telephonic and online advisory services, and cross-processes with Banks etc. resulting in multi-distribution, product innovation, claim management etc. According to Capgemini, new Fintech firms are causing threat to traditional financial institutions, in order to cope up with the proactive approach required to develop innovative offerings. The main reason behind this is **changing customer demographics** and expectations.

Role of Public sector

Within the banking system, public sector banks (PSB) continue to dominate with 73% of market share of assets and 83% of branches. There are total 27 PSB's in India while LIC is the only public sector life insurance company with 6 non-life public sector insurers. Public sector insurance firms hold a greater share of the market even though they are fewer in number. The privatisation agenda is part of the government's strategic disinvestment policy.

Key Players



Huge employment avenues

India Banking and Insurance sector has always been the most preferred avenues of employment. According to the McKinsey report on Banking, the Indian banking sector has the potential to account for 7.7% GDP with avenues of job over 2 million.

Sector Overview

- The EdTech market in India is presently worth around \$2.8 billion.
- India has 7 EdTech Unicorns, with around 5,000 Startups in the Indian EdTech space
- Number of Users has doubled in 2021 for the EdTech startups with a total paid user base of around 10 Million.
- Average time spent on EdTech Platforms also grew 1.5X post-pandemic.

37mn

Paid EdTech Users by 2025

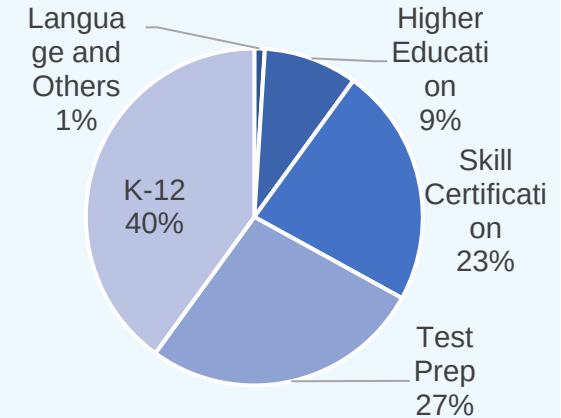
39.77%

Expected CAGR of EdTech in India

Funding Scenario

- 3rd most funded sector with cumulative funding exceeding \$4.7 Bn. in 2021
- Majority of VC funds went towards market leaders such as Byju's and Unacademy.
- Key Attractions: Favorable Government Policies and Increase in internet penetration

Market Segments



Key Enablers

- Governmental initiatives such as New Education Policy, DIKSHA, SWAYAM etc. emphasizing importance of leveraging technology in education sector
- Growing adoption and trust on EdTech tools by both academic and non-academic sectors thereby increase in market share
- Economic digitization and rising internet penetration across the country
- Rising scope of gamification and edutainment to boost engagement and community development initiatives
- Dynamic progressions in business models of startups to enhance perceived value of online education and promotion of peer-to-peer learning

Major Players



Future Prospects

- India's ed-tech industry is poised to become \$30 billion in size in the next 10 years
- Gamification is a key trend in EdTech start-ups. Companies such as Toppr, Cuemath and Byju's have introduced learning through games.
- Hybrid Model is also picking up, Online players are trying to establish offline touchpoints for students.
- The GOI announced PM e-VIDYA, allowing the top 100 universities in the country to start online courses.

KPIs

- Customer Acquisition Cost (CAC) measures the average amount of cash a startup burns in order to onboard a new customer.
- Administrative Costs per Student indicate how much an institution is spending on admin services per-student.
- Student to Faculty Ratio indicator used to know the number of students per faculty member.
- Student Retention Rate
- Indicator used to understand attendance and regularity of students

Industry Overview

- As of 2021, more than 348mn users were conducting online transactions, and nearly 140mn were shopping online
- New upcoming categories within e-commerce include ed-tech, hyperlocal and food-tech
- E-Commerce funding in India grew by nearly 600% YoY in 2021

10mn

Internet users added monthly

\$350bn

E-commerce market by 2030

Barriers to Entry

- Customer Acquisition
- Search Engine Rankings
- Web Design
- Cybersecurity
- Product differentiation
- Inventory Management
- Access to distribution channels

KPIs

- **Conversion Rate** – no. of sales divided by no. of visitors on website
- **Customer Acquisition Cost** – money spent divided by customers acquired
- **Customer Lifetime Value** – avg net profit customer is predicted to contribute.
- **Average Order Value** – avg amt a customer spends per transaction
- **Bounce Rate** – percentage of visitors who enter and leave the site
- **Gross Profit Margin** – percentage of difference of revenue and profit

Value Chain

- Inbound Logistics - Inventory management, warehousing, receiving materials
- Operations - Handling inventory and final packaging of products
- Outbound Logistics - Order management, distribution and invoice generation
- Marketing and Sales - Advertising, Promotion, Partnership, Pricing strategies
- Services - Refunds and exchanges, servicing and customer service

Growth Factors

- Growing investment in logistics and warehouses
- Development of mobile-friendly websites
- Search Engine optimization
- Faster payments
- Promotion by government
- Advertising on social media
- Diversification of product range
- Consumer behavior with respect to demand

Market Share

- Indian E-commerce industry is estimated to reach USD 188 billion by 2025 from USD 62.9 billion in 2021
- Predicted CAGR of next 4 years (2021-25) is 10%
- Online penetration in India is 36%
- With turnover of USD 63 billion in 2021, India became 8th largest E-commerce market
- Indian E-commerce market contributed to worldwide growth rate of 29% in 2021

Key players

amazon



Flipkart



Sector Overview

- The FMCG sector in India is currently worth around **US\$110Bn.**
- FMCG is the **4th** Largest sector in the Indian economy.
- The gross merchandise value(GMV) of the online grocery segment in India is expected to increase to **US\$37Bn** by 2025.

14.9%

Expected CAGR of FMCG sector in India

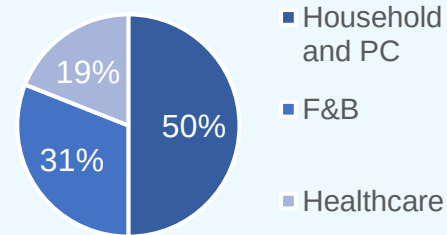
\$220_{bn}

Expected market size of FMCG sector in India

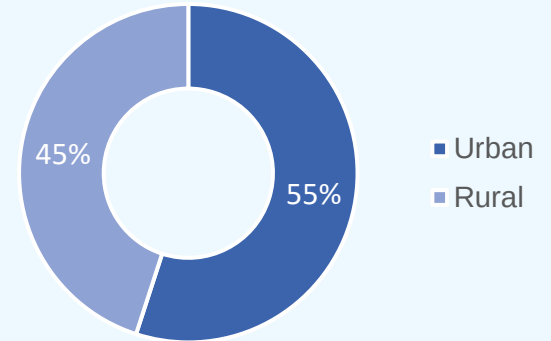
11%

Increase in the share of e-commerce in India by 2030

Segmentation



Urban-Rural divide



Key Drivers in India

- Shift to Organized Market**
Organized sector is expected to grow due to increased level of brand consciousness.
- Increase in Penetration**
Low penetration levels of branded products -> scope for volume growth -> increase in investment
- Rural Consumption**
Increase in income & higher aspiration levels -> increased rural consumption
- Easy Access**
Penetration of Internet -> easier availability of products -> convenient accessibility of products at right time & place

Major Players



Future Prospects

- Many FMCG brands are partnering with e-commerce platforms to deliver products at the doorstep.
- FMCG companies are looking to invest in energy efficient plants to benefit the society and lower costs in long term.
- FMCG companies are strengthening their rural network and expanding their consumer base in rural India.

KPI & Industry Standard

- Out of Stock Rate**
(Ability to meet customer demand)
- Average Time to Sell**
(Tracks time needed to sell products)
- Cash-to-Cash Cycle Time**
(Analyzes cash cycle time in detail)
- Carrying Cost of Inventory**
(Assess the costs your inventory holds)
- On Shelf Availability**
(Measure the impact on your sales)

Introduction

- The **automotive industry in India** is the fourth-largest in the world as per 2021 statistics.
- The Automobile Sector is seen as an **indicator of the health** of the Indian economy.
- In 2022, India became the **fourth largest** country in the world by valuation of the automotive industry.

Key Trends

- Electric Vehicles: A fast growing reality:**
Estimated to grow at a CAGR of 44% between 2020-27, the EV market is buzzing with new players, with a boost from Govt. incentives.
- Reduced ownership period leading to rise in the used car market**
The used car market has seen a steady growth of 6.2% between 2016 and 2020, despite a slowdown in new car sale during the same period.
- Emerging profit centres and the rise of car leasing**
Recently, we've seen that new models and mobility solutions have emerged as new profit centres.

Key Players



11.3%

Expected CAGR of Automobile sector in India during 2020-2027

\$282.8bn

Expected market size of Automobile sector in India by 2026

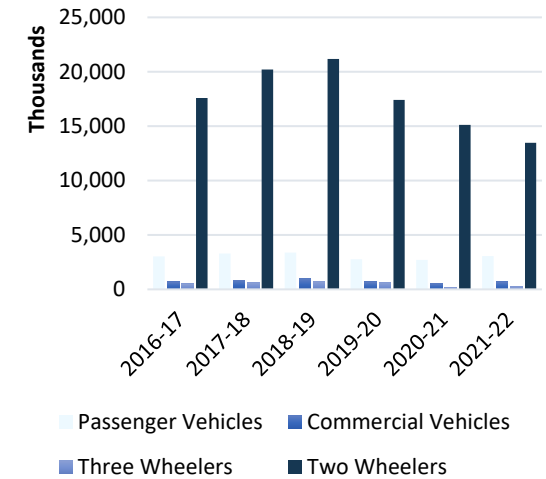
5%

Expected Share of EVs in Automobile Sales in India by 2030

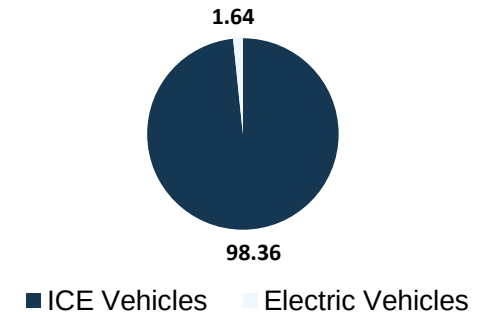
Manufacturing Clusters

- Southern Cluster**
Around Chennai is the southernmost and largest, with a **35% revenue share**, accounting for **60% of the country's automotive exports**, and home of the operations of Hyundai, Renault, Nissan, BMW, Hindustan Motors, Daimler, Caparo, Mini, Citroën and Datsun.
- Northern Cluster**
Present near NCR, and contributes **32%**. Country's largest car manufacturer, Maruti Suzuki, is based out of Gurgaon and Manesar.
- Western Cluster**
Near Mumbai, Maharashtra, along the Chakan corridor near Pune, is the western cluster, with a **33% share** of the market. Tata Motors, Mercedes, Land Rover, Jaguar, and Force Motors have assembly plants in the area.

Automobile Domestic Sales Trends



Contribution of EVs in Total Automobile Sales is less than 2% against a Global Average of 7%



Industry Overview

- The healthcare market size stands at **\$372 billion** in 2022.
- Healthcare sector is one of the largest employers of India with **4.7 million** people.
- India's public sector expenditure stood at **2.1%** of GDP in 2021 against 1.8% in 2020.

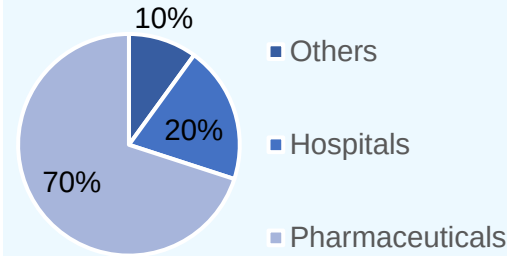
22%

Expected CAGR of Healthcare sector in India

\$ 13.42bn

Expected size of Indian medical tourism market by 2026

Segmentation



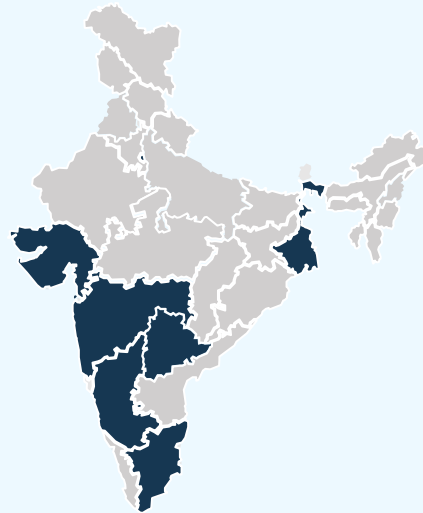
Key Players



Value Chain

- **Producer** – Comprises of pharmaceuticals and medical device companies.
- **Supplier** – Consists of wholesaler groups & purchasing organizations that buy medical equipment & requisites
- **Intermediary** – Mainly includes insurance companies & HMOs.
- **Care Centres** – Comprises of hospitals and medical clinics.
- **Payer** – Comprises of the government, institutions and individuals.

Major Healthcare Centers in India



Cost Drivers

- Due to insurance coverage, government regulation, a lack of individual choice, lack of pricing transparency, the **absence of free-market principles** working in health care drives up costs.
- Changes in the breadth of private and public health **insurance coverage have an impact on the usage of services by lowering the effective price paid** at the point of service by consumers.

KPIs

- **Average Hospital Stay**
(Average length of time that patients stay in the hospital)
- **Claims Denial Rate**
(Number of denied insurance claims/ total number of insurance claims)
- **Average Treatment Charge**
(Total Treatment Charges divided by Number of Treatments)
- **Doctor-population ratio**
(Counts the number of doctors in an area with respect to its population)

GUESSTIMATES



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What are they? And how to approach them

What are Guesstimates?

A guesstimate requires an interviewee to estimate a figure based on very minimal information. Interviewee is expected to approach the problem in a structured manner, use knowledge which they might already possess and drill to number which may be near to the exact figure. It is worth noting that in most cases interviewers aren't expecting an extremely close estimate, but they really want to see is your approach towards the problem, your ability to play with numbers and how well you can communicate all of it.

Guesstimates may be a separate case in themselves or a way to do market sizing in other type of cases.

Ways to Approach

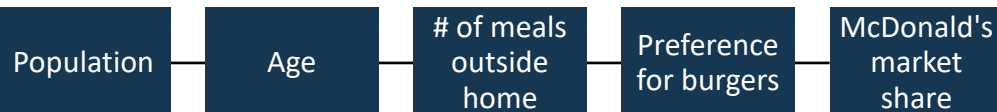
Example: How many burgers are sold by a McDonald's outlet in a day

DEMAND SIDE

Here, we try drill down on how many burgers are demanded and being bought. We can start with the population of the city and narrow down to how many people would want to have burgers in a day and how many people would end up choosing McDonald's. Post which we can estimate how many burgers are consumed per person and the number of outlets.

SUPPLY SIDE

In this approach we can try to spot the bottle neck of supply and try to estimate how many burgers a chain is selling. We can do this by understanding the structure of an outlet and estimating the total number of counters, time taken by each counters to serve one order and once again, the average number of burgers per order.



Preliminary Questions

Ask questions related to the scope of the problem, for example:

- Unit of the final answer
- Day of the week is it
- Working day or an off day
- Geography

Beware of grey areas in your scope

Plan the approach

- Have your Interviewer understand the full logic of what you are going to do before estimating (help the interviewer evaluate you)
- Use top-down structures to make sure that, you're not leaving anything out and that the interviewer understands your ideas easily
- Explicitly state the algebra in your structure

Finalise assumptions

- Use data logic to backup your assumptions (Example: Avg. number of cars in a household)
- Focus on what matters- use the 80/20 principle and state those assumptions which greatly affect the outcome of your guesstimate
- Get creative with numbers- use ratios, averages and weighted averages
- Ask interviewer if you are confused about some assumption.

Calculate

- Use data logic to back-up your assumptions (Example: Avg. number of cars in a household)
- Focus on what matters- use the 80/20 principle and state those assumptions which greatly affect the outcome of your guesstimate
- Get creative with numbers- use ratios, averages and weighted averages
- Ask interviewer if you are confused about some assumption.

Sanity Check

- Don't wait for the interviewer to ask you to do this
- Compare your value to something to get an idea of whether it makes sense or not
- Get creative of what methods you use to do the sanity check
- Don't just check the calculations but also the approach

Guesstimates Cheat Sheet

Common Data Points to keep in mind while attempting guesstimates



Age - Population	
0-18	30%
18-35	40%
35-60	20%
60+	10%

Total Area	in sq. kms
India	3.2M
Delhi	1500
Mumbai	600
Bangalore	750
Land – world	150M (29%)
Water-world	360M (71%)

Language	
English	15%
Chinese	15%
Hindi	10%
Spanish	5%
Other	55%

Populations	in Cr.	in Million
India	140	1400
Delhi	2	20
Mumbai	2.5	25
World	775	7750
Bangalore	1.5	15
USA	33	330
London	0.8 ~ 1	8
New York	0.8 ~ 1	8

India	
Metro Cities	8
States	28
UTs	8

Literacy Rate	
India	75%
Male	85%
Female	65%
World	85%

Indian Ports	
Major Airports	50%
Int. Airports	20%
Dom. Airports	20%
Shipping Ports	10%

Household Expenses	
Food	50%
Travel	20%
Other	20%
Saving	10%

Avg Household Size	
Urban	4
Rural	5

Gender	
Male	50%
Female	50%

Penetration	India	World
Internet	400M (33%)	56%
Smart Phone	300M (25%)	83%

Urban-Rural	
Urban	30%
Rural	70%

Income split	India	World
Upper Class	20%	15%
Upper-Middle Class	30%	35%
Lower-Middle Class	30%	40%
Below Poverty Line	20%	10%

Religion	World	India	Delhi
Hindu	15%	80%	80%
Muslim	23%	15%	15%
Christian	31%	2%	1%
Others	15%	13%	14%
Atheist	16%	0%	0%

Transcript

Guesstimate the number of iPhone 14s that will be selling in India in one year

Alright, can you please clarify if we are calculating just the personal usage sales or commercial sales also? And what about second-hand sales?

Let us focus on personal usage sales only for now. We can assume second-hand sales to be negligible.

Okay. So, I would like to approach this guesstimate from the demand side as for supply side a lot of assumptions will need to be taken

Sounds fair, you may go on

So, I will start with the population of India which is 1.4 billion. Then I will divide the population into rural and urban split assuming a 7:3 ratio. After this we can further divide into lower, middle and high-income classes. For rural areas it can be taken as 60, 35, 5 and for urban areas 30, 50, 20. Here I think it will be reasonable to assume that only the high-class people in rural areas will be able to afford an iPhone. For urban areas, both middle and high-income brackets will be the target market. Does this approach seem fair?

Sounds good till now, please continue.

Rural population = $0.7 \times 1.4B = 98M$, Urban population = 42M

Income Split- Rural: 60M, 34M, 4M: Urban: 13M, 21M, 8M

I will assume that in rural areas only 10% of high-class people will be able to afford an iPhone and in urban areas, 50% of middle-class people and 100% of high-class people can.

This leaves us with $400k + 10M + 8M = 18M$ people who can afford iPhone

For simplification, let us assume that there is a 50-50 split between Android users and iPhone users. That gives us 9M iPhone users.

Does this seem okay?

Yes, it looks fine. What else will you factor in?

Now I will factor in the replacement time period. So, I will assume that the lifetime of an iPhone is 3 years. So, iPhone users will buy a new iPhone every 3 years which gives us $9/3 = 3M$ iPhones sold. We can assume that $2/3^{rd}$ of these sales are for the latest version iPhone 14s, which gives us 2M iPhone 14s sold.

There may be some Android users also who will switch to iPhone 14s upon its release. Android users are 9M and taking 3 years lifetime again we get 3M android users who will purchase a phone this year. Let's assume 5% of them will switch to Apple. This gives us 150k. So, the total number of iPhone 14s sold will be 2,150,000.

Total number of iPhone 14s sold = existing iPhone users purchasing new iPhone + Android users shifting to Apple

Sounds okay, we can end the guesstimate here.

The iPhone Diaries

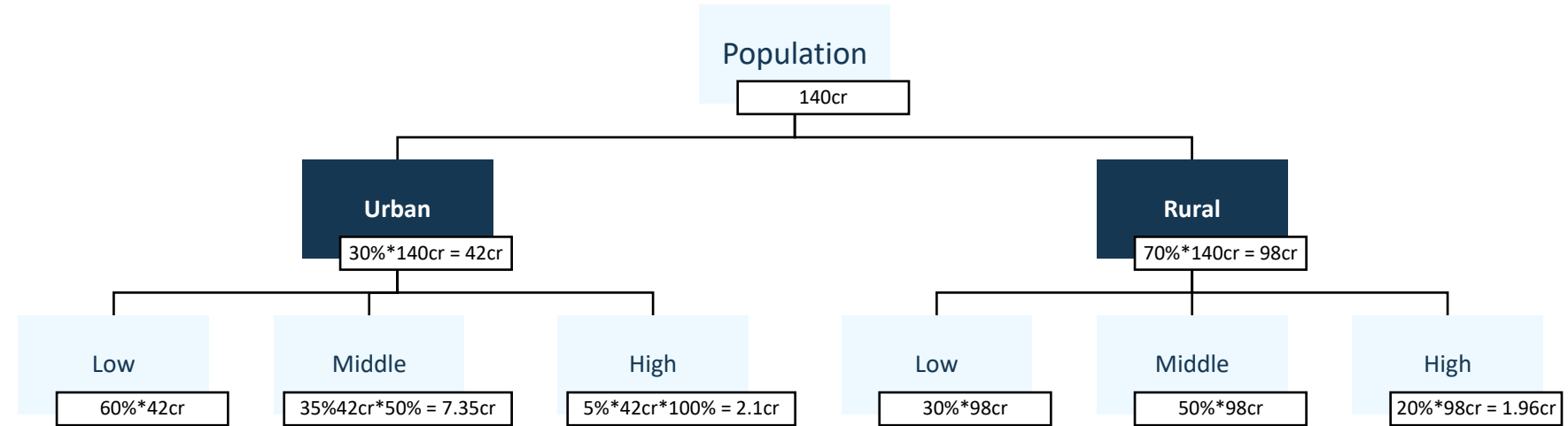
McKinsey / Difficulty - Easy



Assumptions

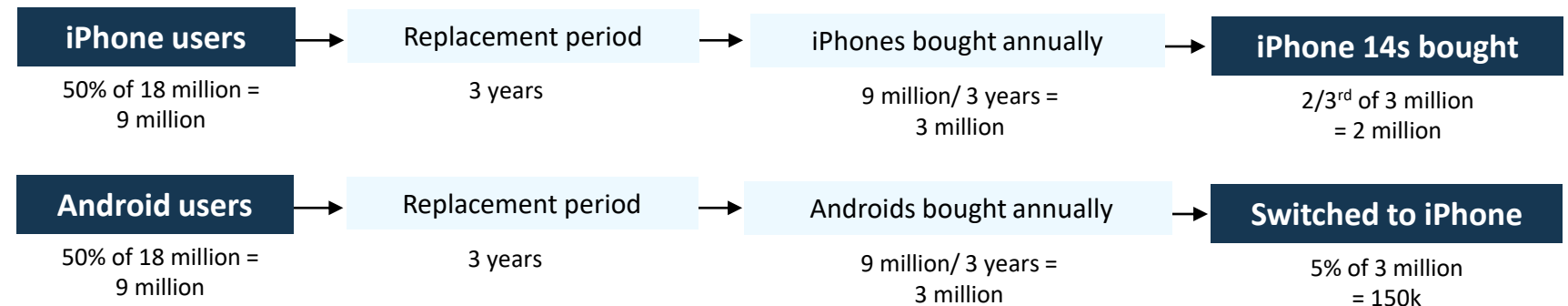
1. Sales for only personal usage are considered
2. Second hand sales are not considered
3. Only upper class people can afford an iPhone in rural areas whereas in urban areas middle and upper classes can
4. 50-50 split between iPhone and Android users is assumed
5. Lifetime of an iPhone is 3 years
6. 5% of Android users are expected to switch to iPhone

Framework / Approach



Can afford an iPhone

18 million (based on approximated figures from the transcript)



Transcript

Hey, let's begin with a quick case. You are required to estimate the number of Tube-lights in India

Okay, Tube-lights comes in various shapes and sizes. Do I need to consider a specific size of tube light? Should I include only the LED tube lights or old cylindrical tube lights too? Also Do I need to consider defected/burned out tube lights?

Let's stick to all kinds of standard-sized tube lights that are currently used in India.

Alright, Tube lights will mostly be used in Households and Workplaces. Here workplace includes everything from hospitals, schools, and factories to offices, malls etc.

$$\begin{aligned} & \text{Number of Tube-lights in India} \\ &= (\text{Number of Households} * \text{Average number of tube-lights in a household}) + (\text{Number of Workers} / \text{Average number of workers under 1 tube-light}) \end{aligned}$$

Sounds great so far, Go ahead with your approach.

Okay, So for calculating the number of households in India, I would assume

1. India's population to be 140 Crores and The average household size in India to be 5 people per household

$$\text{So, the Total Number of households} = \text{Total Population} / \text{Average Household size}$$

After arriving at the total number of households we can divide them according to income level

1. 15% of the households would be below the poverty line and would have no tube lights
2. 15% of the households belong to the lower class and have, on average, 2 tube-lights per household
3. 50% of the households belong to the middle class and have, on average, 5 tube-lights per household
4. 20% of the households belong to the high class and have, on average, 8 tube-lights per household

$$\text{And Number of Tube-lights in households} = \text{Number of household} * \text{Average number of Tube-lights in each household}$$

After making all the calculations, the number of Tube-lights used in household = 123.2 crore

Very good, Now let's move to the number of tube-lights in workplace

Framework / Approach

Sure, To arrive at number of workplaces I would like to start with the working population. People in the age bracket of 18-60 constitute the workforce, which is around 60% of the population $\approx$ 84 Crore. Eliminating 15% of this who might be unemployed brings us to $\approx$ 63 Crore. They can further be segmented based on the nature of the activity

1. Agriculture employs roughly 50% of the workforce.
2. Manufacturing employs roughly 25% of the workforce.
3. Services also employs 25% of the workforce.

$$\text{Tube-lights used in workplaces} = \text{Number of Workers} / \text{Average number of Workers per Tube-light}$$

Agricultural workplaces require few to no Tube-lights and hence can be neglected. In the Manufacturing sector on average 5 workers will require 1 tube-light while in the services sector on average 3 workers will require 1 tube-light.

After calculating we arrive at 7.87 crore Tube-lights at workplace

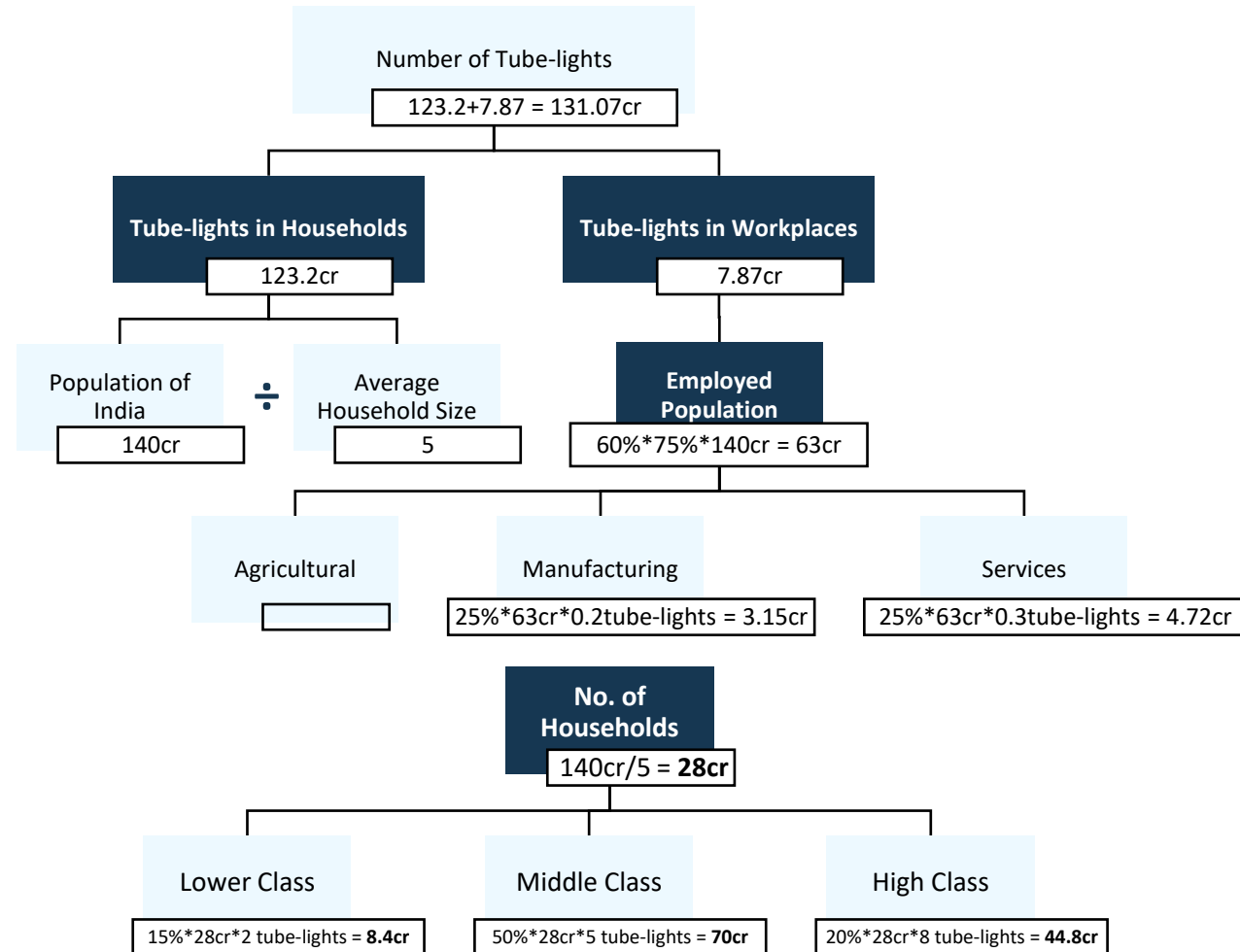
$$\text{Total number of Tube-lights} = 7.87 + 123.2 = 131.07 \text{ Crore Tube-lights}$$

Great, that sounds like a fair estimate. Let's end the case here.

Assumptions

1. Upper class people have larger houses for same number of people, hence require more tube-lights.
2. Below poverty line people have no house and hence no tube-light
3. Unemployment rate is assumed
4. Manufacturing will have lower number of tube-lights per person

Framework / Approach



Transcript

The Trees present a good solution to the Pollution problem of Delhi, let's begin by estimating the number of trees in Delhi

Okay, By Delhi do we mean the NCR or just the city of Delhi?

Hmm, Let's just stick to the city of Delhi for the sake of simplicity.

Alright, to the best of my knowledge, the area of Delhi is 1500 sq. Kms; also, since Delhi is primarily urbanized only 10% of Delhi would be covered in Forest. Is that a fair assumption?

1500 sq. km and 10% Forest cover are fair estimates. Go ahead with the case.

Okay, so the 10% of 1500 is 150 sq km, Assuming 10,000 Trees per sq Km considering forests would not be very dense; we arrive at 15,00,000 Trees.

$$\text{Total Number of Trees} = \text{Trees under Forest cover} + \text{Trees in Built up area}$$

Coming to the rest 1350 sq km, we can further divide the land on the basis of its use

1. Roads – Since Delhi has a huge network of roads roughly 25% of area would be roads
2. Parks – Considering 10-15 major parks and several small roughly 15% of area would be parks
3. Building Complex- roughly 60% area will be occupied by schools, offices, residential space etc.
4. Crop land – This would be very low hence insignificant

Is that a good estimate?

Yes, sounds fair. Carry on with your calculations

Okay, so considering only some roads have trees on their sideways we can take an average of 100 Trees per sq km of road. Similarly, parks would have an average 500 Trees per sq km. Building Complexes can be further divided into Workplaces, Malls, Stadiums, Parking, etc. which would have few to no trees and Schools, Colleges, Residential complex etc. which would have trees in and around the complexes for example in the ground and sidewalks. Assuming only half the building complexes have trees in and around the premises an average of 100 Trees per sq. km.

$$\text{Number of Trees} = \text{Trees around roads} + \text{Trees in and around park} + \text{Trees in and around building complexes}$$

After calculating all the above figures, we arrive at a total of 1.71 Million Trees.

Yes, sounds fair. Carry on with your calculations

Branching Out

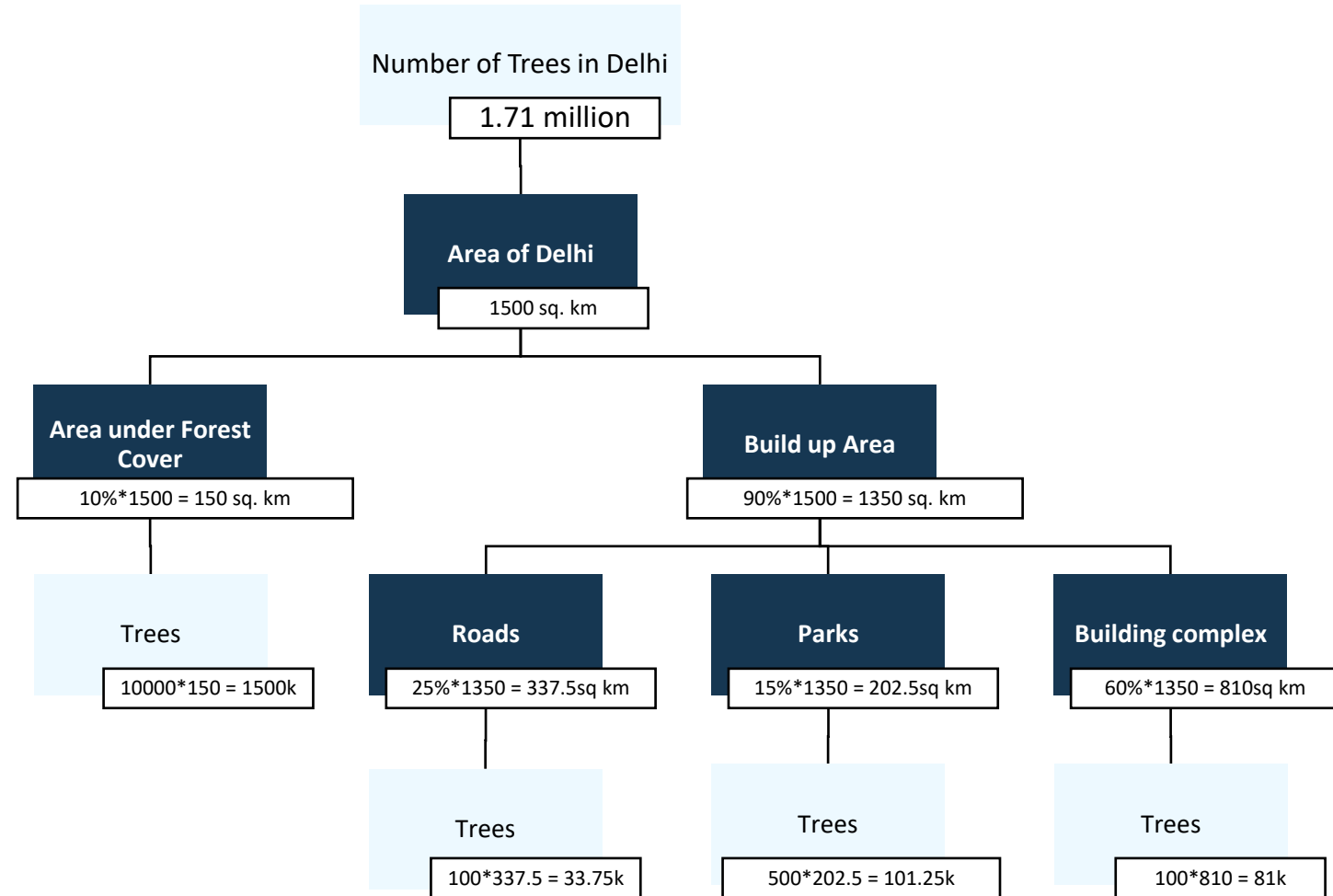
Bain / Difficulty - Medium



Assumptions

1. Crop land area is assumed to be insignificant
2. Forest land in Delhi is considered as just 10%
3. 10000 trees per sq. km is assumed to be present in the forest areas
4. Big parks like Sundar Nursery, Nehru Park, Lodhi Garden etc are assumed to take up 15% of area.
5. Only half the building complexes have trees in and around the premises

Framework / Approach



The Showrunner's Worth

Bain / Difficulty - Medium



Transcript

Can you calculate the revenue of Netflix in India.

Sure. I'll do a top down approach for the guesstimate, if that's okay.

Sounds good. Go Ahead.

So, I'll start with India's population i.e. 140 Cr. I'll divide the population on the basis of internet penetration. 60% of India has access to decent speed internet on which OTT apps like Netflix would work fine.

Sounds Reasonable

Further, I'll divide the population on the basis of income since the propensity of consuming content on OTT changes with varying income levels. The division is high income, medium income and low income. In each division that we make, there would be a certain percentage of people who consume OTT content. Also, in each division the market share of Netflix would vary. Further, the sharing rate varies with income level. Since, there are multiple plans for Netflix, I'm making the assumption that the revenue is higher for higher income group of people.

Hence for each group, the revenue can be calculated as

*= Total population in the group with access to internet * Percentage of people consuming OTT * Netflix market share in the group * 1 - Sharing rate of Netflix * Average Revenue*

The approach seems fair, why don't you fit in the numbers and tell me the final figure.

Sure. The Indian population is 140 crore, for a penetration level of 60%, 84 Cr people have access to the internet. 16.8 Cr people belong to the higher income group, out of which 25% people use OTT platforms, the market share of Netflix in this group is 40%, the sharing rate is 25% and the average revenue is Rs 300. For this group, the revenue is 126 Cr per month.

For the middle class, the number of people are 50 Cr, out of which 10% people use OTT platforms, the market share of Netflix in this group is 25%, the sharing rate is 50% and the average revenue is Rs 200. For this group, the revenue is 125 Cr per month

For the lower class, the number of people are 16.8 Cr, out of which 5% people use OTT platforms, the market share of Netflix in this group is 10%, the sharing rate is 70% and the average revenue is Rs 150. For this group, the revenue is 84 Cr. Hence, the total number is 169.25 Cr per month or 2031 Cr per annum.

This figure is close to the actual number. Good job, we can wrap the guesstimate up now.

The Showrunner's Worth

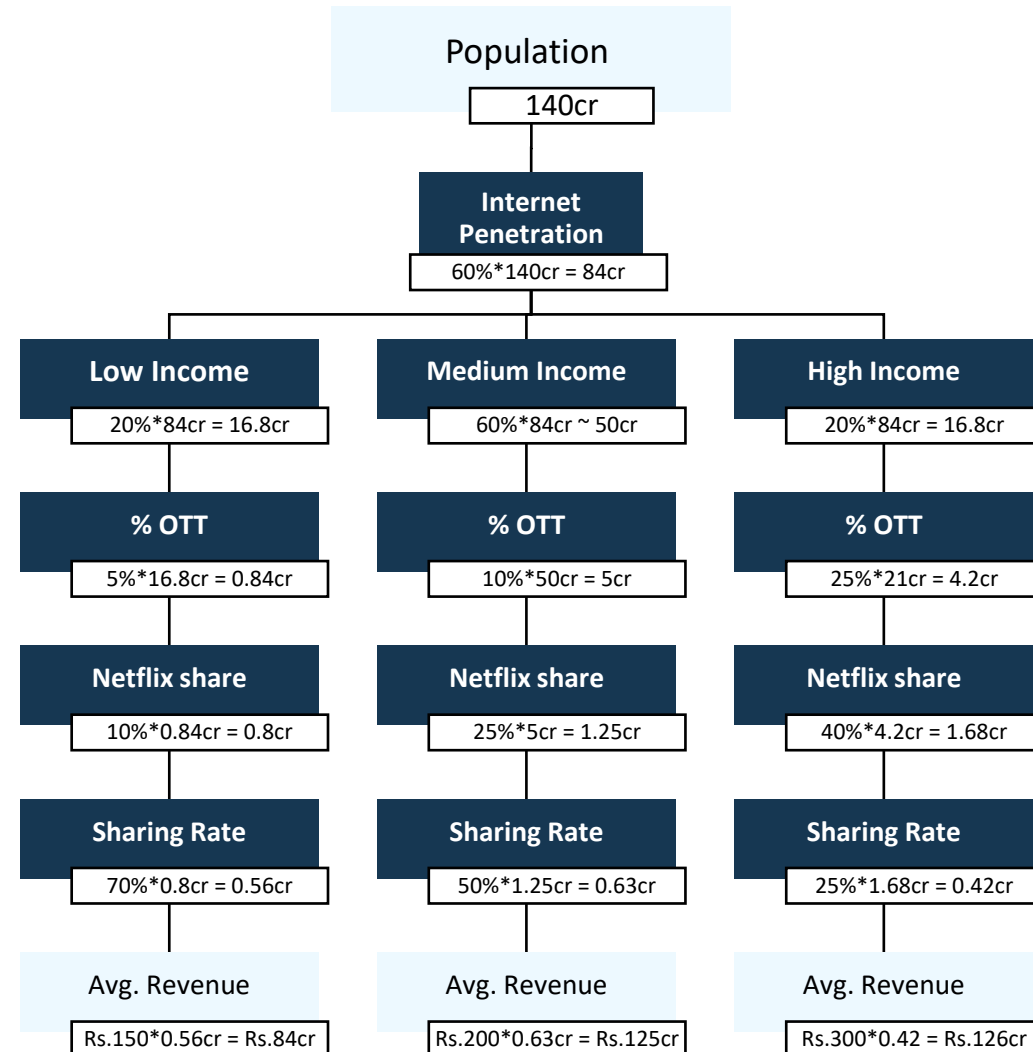
Bain / Difficulty - Medium



Assumptions

1. It is a common phenomenon that people buy Netflix accounts in groups
2. It is more likely that higher income groups would consume Netflix due to higher price point
3. Sharing would be less in higher income groups
4. More expensive plans would be bought in high income groups

Framework / Approach



Monthly Revenue of Netflix

84cr+125cr+126cr = Rs. 335cr

Transcript

You are required to estimate number of deliveries made by Amazon in a day in India.

I would like to clarify if we are taking into consideration all types of goods, perishable or non-perishable, and if it is fine to assume number of people in each household to be 5?

Yes, you have to consider both the types of goods and 5 is a fair number to assume.

So, my approach for this would be to divide India into Tier 1, 2 and 3 cities and further dividing the households into two categories on the basis of income levels, for simplicity. According to me, we can safely assume that low income category households don't really use e-commerce for their needs. Further we can assume proportion of such households placing e-commerce orders in a month and divide it by 30 to reach at per day orders. Thereafter we can segment orders into two types of goods: 1) perishable, and 2) non-perishable. As per my experience, Amazon doesn't have a considerable share in perishable goods market is insignificant, so we can focus entirely on non-perishable goods. And to calculate the same for tier 2 and 3 cities we can take a suitable multiple of tier 1 cities. We can arrive at the final figure through:

*Number of deliveries in a day in tier 1 cities = Number of households * proportion living in tier 1 cities * proportion who can afford * proportion willing to buy * (average number of orders made in a month)/30 * share of non-perishable goods * share of Amazon*

That sounds comprehensive. Let's put numbers into this.

Sure. We can assume population of India to be 1.4bn which gives us 280mn households out of which 20% can be assumed to be in tier 1 cities. According to my observation, 50% of those will be the ones who can afford e-commerce. Their average number of e-commerce orders per month can be estimated to be 3, of which 50% should be non-perishable items. And lastly if we talk about Amazon's market share, it should be 50%. This gives us:

*Number of Amazon deliveries in a day in tier 1 cities = 280mn * 20% * 50% * 75% * 3/30 * 50% * 50% = 530k (approx.)*

OK. That's fine. And what if we consider Tier 2 and Tier 3 cities as well?

According to me, for tier 2 cities we can assign a multiple of 0.5 and for tier 3 cities 0.01 should be good enough. That gives us final figure of:

*Total daily deliveries made by Amazon in India in a day = 530k + 0.2 * 530k + 0.05 * 530k = 660k (approx.)*

That should be a fair estimate. Well attempted.

From A-Z, all deliveries

BCG/ Difficulty - Medium



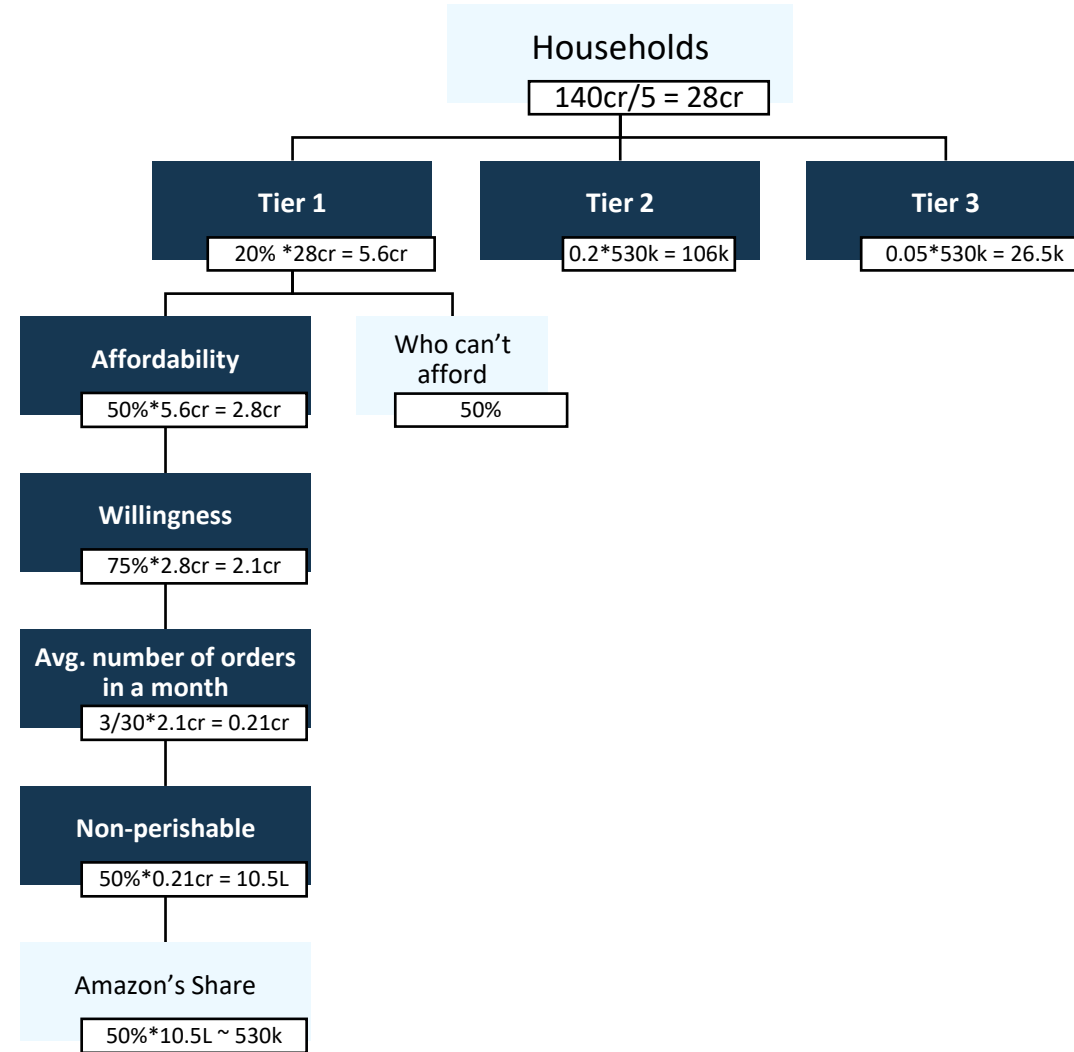
Assumptions

1. Usage of E-Commerce sites by lower class people is insignificant
2. Amazon doesn't have a significant market share in delivery of perishable items in the urban Indian market
3. Average number of e-commerce orders is assumed to be 3

Framework / Approach

No. of Deliveries

530k + 106k + 26.5k = **662.5k**



Framework / Approach

Estimate the number bicycle of tires sold in a year.

Here the tires will be 2 times the number of cycles sold in a year + the replacement demand. Here we assume that the average life of a tire is 5 years.

These seem like fair assumptions, why don't you go ahead with the guesstimate.

First, we take the population of India which is 140 Cr. and divide the population into Rural and Urban in the ratio of 70:30. Moving ahead we divide the population on the basis of income into Lower Class, Middle Class and Upper Class. Within the lower class, mostly the earning age group would be able to afford a bicycle as it would be an asset. In the middle-class segment, a few of the children and old people might be able to afford a bicycle while all the middle-aged people would possess one as all of them would be working and this would serve as the primary means of commute. For the rich people in rural areas, bicycles would serve no purpose and a negligible number of people would possess them. In rural areas, lower-income people might use it to commute while middle-income kids and higher-income people might consider bicycling a sport and use bicycles. In order to make calculations simpler, we will assume that bicycle to human ratio will be 10% of the ratio in rural areas.

These seem fair. How will you go about estimating for rural areas?

We will again divide the population into income segments of lower, middle and upper class.

Here the percentage of lower and middle-class population will be higher. We again divide the population into age segments as in the case of urban areas. And follow the same process as before.

This only gives us the number of cycle buyers in India. How will you calculate the number of tires sold in a year?

We will multiply the number of cycles by 2 to estimate the number of tires. Since the life of a tire is 5 years; we divide the total sales by 5 to arrive at sales per year. Above this a further 20% will replace their tires due to excessive wear and tear or other reasons. Taking this into account we arrive at our final number.

That seems fair, we can end the guesstimate here.

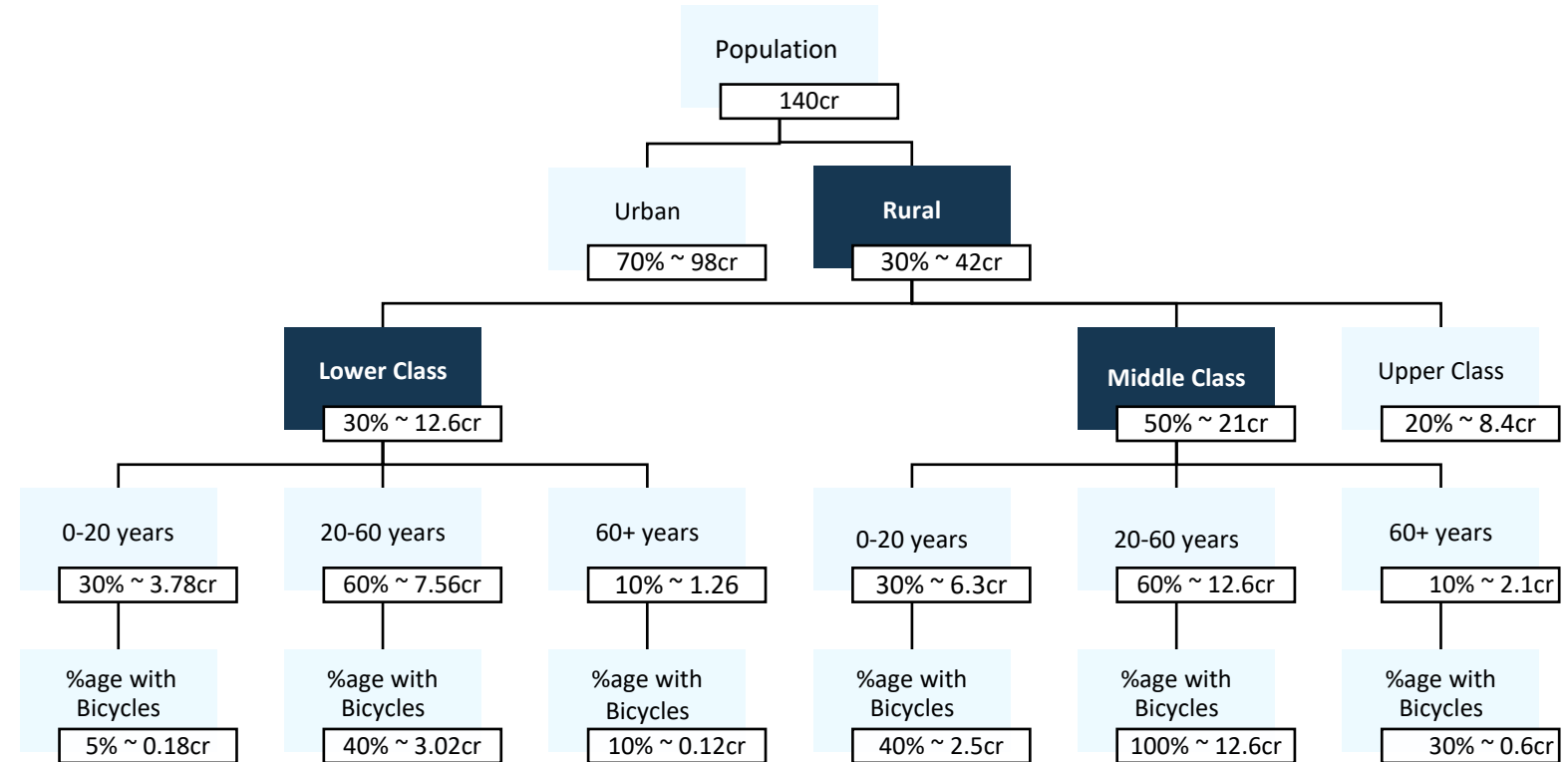
Assumptions

1. The average life of cycle is 5 years
2. We are considering India only
3. In the lower class a low percentage of people will own cycles.
4. 60+ aged people are considered to be too old to own a cycle
5. Due to excess wealth of upper class people, they have access to lavish alternatives to cycles

Brownie Points

- Taking a higher percentage of population using cycles in Rural Areas than Urban Areas
- Dividing the population in terms of income groups and further into age groups

Framework / Approach



$$\text{Bicycle : Human (Rural)} = 19.02\text{cr} : 42\text{cr} = 1 : 2.20$$

$$\text{Bicycle : Human (urban)} = 0.1 : 2.2 = 4.45\text{cr} : 98\text{cr}$$

$$\text{TOTAL BICYLES} = 19.2\text{cr} + 4.45\text{cr} = 23.65\text{cr}$$

$$\text{TOTAL TYRES} = 19.2\text{cr} + 4.45\text{cr} = \{[(23.65\text{cr}) * 2] / (5)\} * 1.2 = 11.352\text{cr}$$

Transcript

Dogs are a human's best friends. If you were told to estimate the number of hair on a dog, how would you approach the problem ?

Dogs are my favourite too. Coming to the question, what kind of a dog are we talking about here?

Assume the dog is a retriever.

Got it. So, first of all I'll estimate the density of hair on a dogs body. Since the density is not the same everywhere, I'll divide its body parts into 4 parts, the face, the legs, tail and the core. I'll assume the core to have 15,000 hair per square inch. Since the face and legs have lesser hair, I'll assume them to have 5000 hair per square inch. The tail is the hairiest part of a dogs body, hence it should have a density of around 30000 hair per square inch.

Sounds good. Go Ahead.

Now, I need to calculate the area of a dogs body. Since the division of the body is done. I'll calculate the area likewise. The legs can be assumed to be cylinders, the core and tail can be assumed to a cylinder as well. The face can be assumed to be of a conical shape. I'll calculate the surface area of each part and multiply with specific surface area density.

Sounds Reasonable

For the legs, the height is around 10 inches with a radius is 2 inches. The surface area exposed is $2 \cdot \pi \cdot R \cdot H$. Multiply that by 4 legs, we get around 500 sq. inches of surface area. Similarly for the tail, the length is around 10 inches and radius is about an inch. For the core, the length is about 27 inches and radius is around 7 inches. Hence, the surface area is around 70 square inches for the tail and 1188 for the core. The mouth is shaped like a cone whose radius is 3 inches and height is 6 inches. Hence the surface area is 91.5 square inches.

Now, to find the total number of hair, we'll multiply the surface area of each surface with respective density.

$$\begin{aligned} &= \text{Hair on legs} + \text{Hair on tail} + \text{Hair on core} + \text{Hair of mouth} \\ &= 500 \cdot 5000 + 70 \cdot 30000 + 1188 \cdot 15000 + 91.5 \cdot 5000 \\ &= 22,877,500 \text{ Hair} \end{aligned}$$

The approach seems fair, I think we are done with the guesstimate now. Good Job.

101 Dalmatians

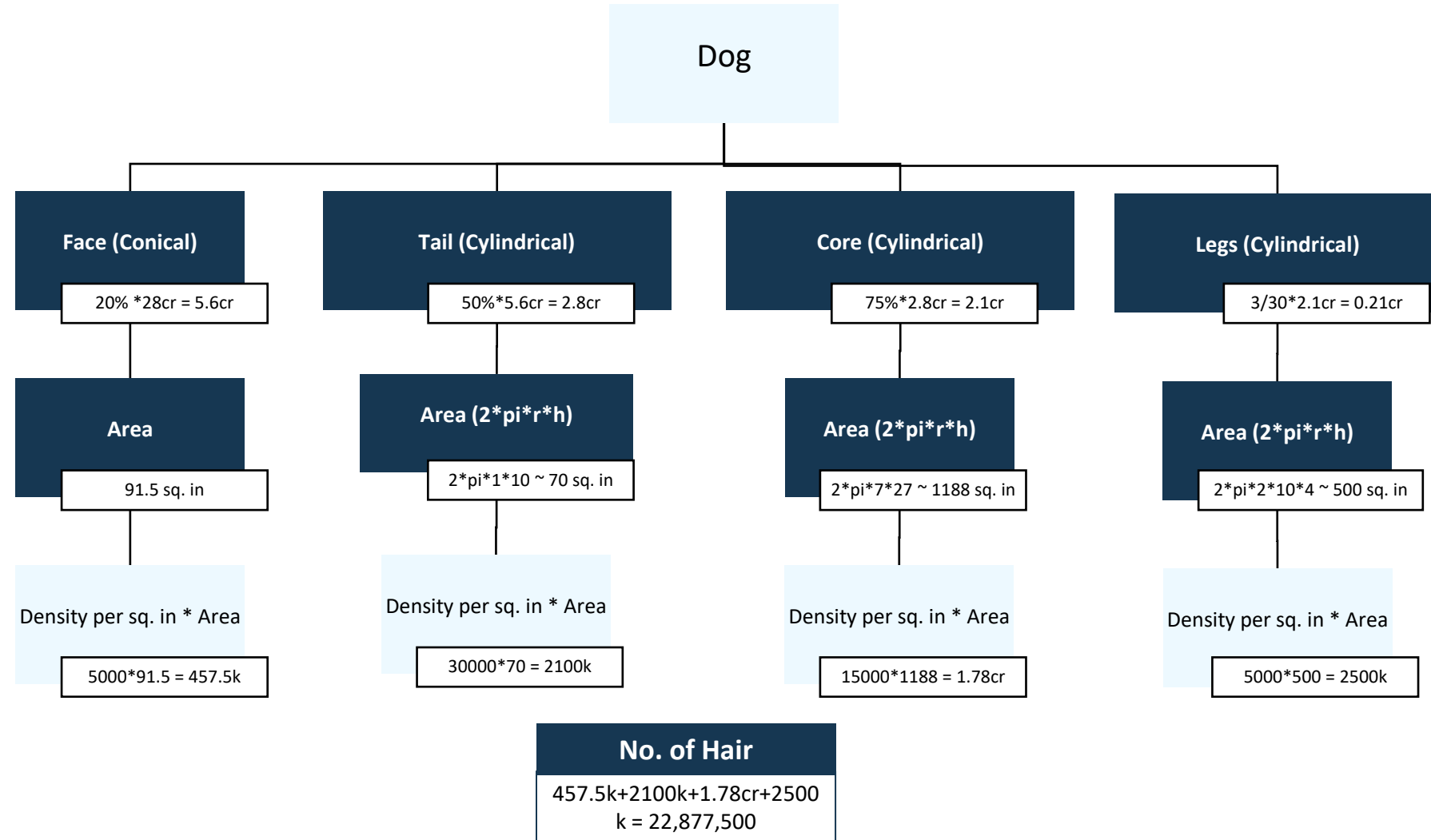
McKinsey / Difficulty - Medium



Assumptions

1. A dog's body is divided into different shapes for easy calculation
2. Hair per square inch is assumed for different body parts
3. Legs, core and tail are assumed to be cylindrical, and face to be conical.

Framework / Approach



Transcript

Estimate the revenue of Starbucks in Cyber-hub in Delhi

Starbucks is an established brand in Delhi. Coming to the question, are we considering the revenues from the restaurant only or the delivery orders and what is the time period under consideration?

For simplicity, consider only the revenues from the restaurant only. The time period under consideration is a day.

Got it. I would use the supply side approach to move forward. Further I would divide the total operational hours in a day of Starbucks into peak and non-peak hours. Now I would want to calculate the maximum number of customers that can be catered to by the store in one hour. Does that sound like a decent approach?

Sounds good. Go Ahead.

To calculate the maximum number of people that can be catered to in one hour.

$$\text{Number of people} = \text{No. of Counters} * 1 \text{ hour} / \text{Ordering time per person}$$

Therefore, to arrive at the number of people that can place an order in one hour, we will multiply the number of orders that can be placed per counter into the total number of counters. For calculating the number of orders that can be placed in an hour, we will divide an hour period by the ordering time per person

Sounds Reasonable

Now to calculate the maximum revenues that can be earned in an hour, the number of orders placed in an hour will be multiplied by the average order value. Further we can divide the orders into three categories, Food, Beverage and Merchandise. We can assume the average price of Food to be Rs 300, Beverage to be Rs 250 and Merchandise to be Rs 350.

$$\text{Average Order Value} = (3 * \text{Average Price of Food}) + (5 * \text{Average Price of Beverage}) + (1 * \text{Average Price of Merchandise}) / 8$$

For calculating the Average order value, we will take the weighted average of the average price of food, beverage and merchandise. For calculation of the total revenues in a day, we divide the restaurant hours into peak and non-peak hours. In the peak hours, which last about 4 hours, the occupancy is 90% and in the non-peak hours the occupancy 40%. Hence, the weighted average of all occupancy rates is 60%. These number of hours will then be multiplied by average value of orders in an hour.

After making all the calculations, the average revenue of Starbucks in Cyber -hub comes to be around 99,000.

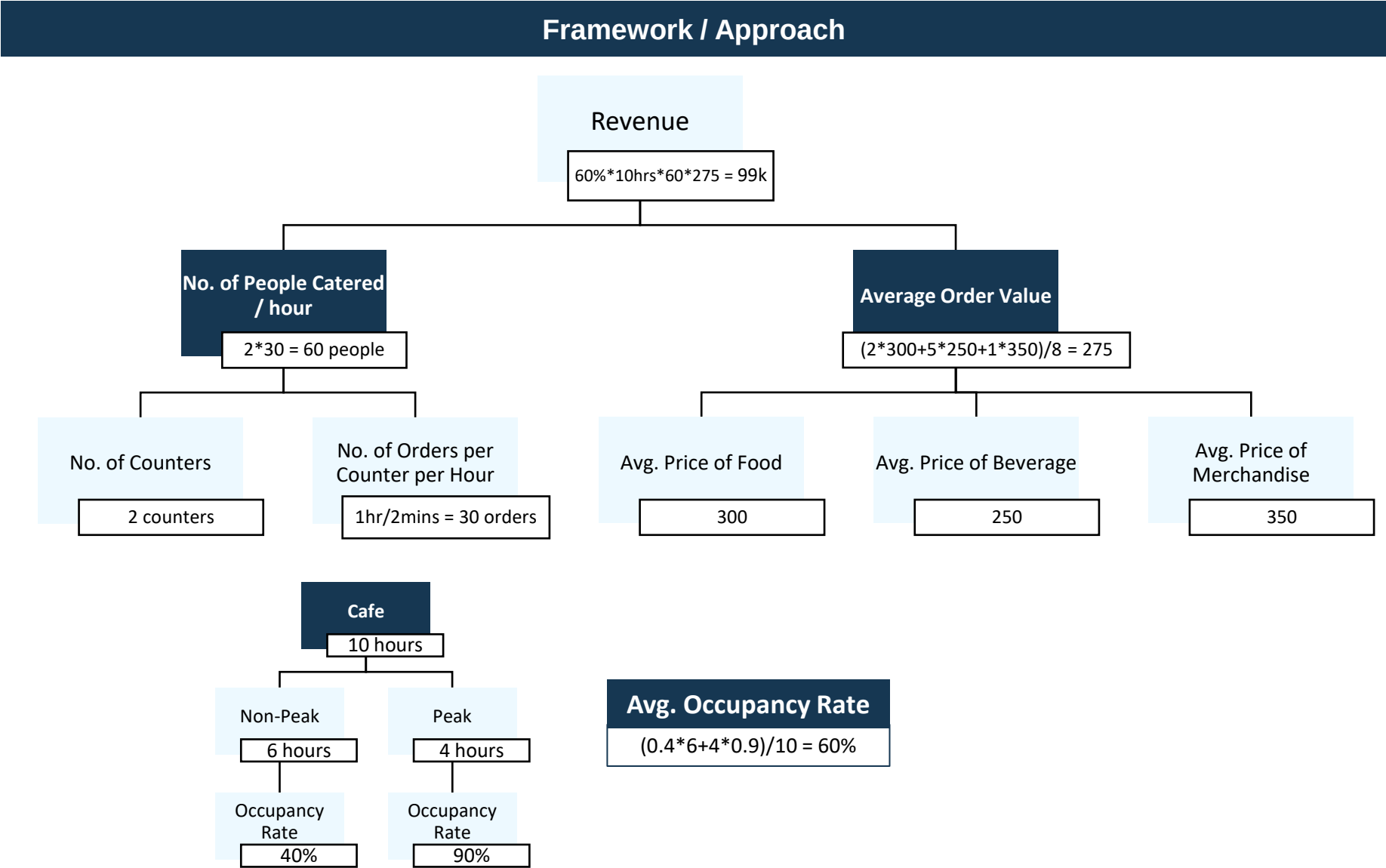
Sounds okay, we can end the guesstimate here.

Brew Master's Revenue

Bain / Difficulty - Hard



- Assumptions
- 1. Revenue from only restaurant is considered and not deliveries
 - 2. The time period under consideration is a day
 - 3. The average price of Food is assumed to be Rs 300, beverage to be Rs 250 and merchandise to be Rs 350
 - 4. Peak and non peak hour and their occupancy rates are assumed



Lipstick on your Collar

Bain / Difficulty - Hard



Transcript

Estimate the number of lipsticks sold in India in a year. Further, calculate the number of lipsticks sold through Nykaa online.

Starting off with the number of lipsticks sold in India, I think it is safe to assume that regardless of income level, all women on an average feel the need to own a lipstick. However, it is necessary to omit the women population lying below poverty line. Further, I would like to assume that girls between the age of 0-15 and women above the age of 60 will not be using lipsticks frequently enough.

These are fair assumptions. Continue.

Sure. So, I'll divide the Indian population into men and women which is roughly 70 Cr. each. I think it's safe to omit the population of men. Then, I'll divide the women population into urban and rural in the ratio of 30:70, the main point of difference being that there is a higher percentage of women using lipsticks in urban areas than in rural areas. This can be further divided into age groups with 20% of the population lying below the age of 15, 60% between the ages 15-60 and the remaining 20% above the age of 60. Upon this division, the different shades of lipsticks can be divided into Frequently Used shades and Non-Frequently Used shades with an approximate division of 35% and 65% respectively. The Frequently Used shades will have a lower replacement time of around 4 months whereas the Non-Frequently used shades will have a higher replacement time of around 2 years due to lower usage and drying up. Adding the number of lipsticks sold in Rural and Urban areas will help us to arrive at a final number of lipsticks in a year.

Sounds like a fair approach. You can go ahead with estimating the number of lipsticks sold through Nykaa online. In this part of the guesstimate, you can leave out the numbers. Just lead us through the approach.

Sure. I would like to assume that lipsticks are sold online only in India in Urban parts of the country. Is it fair to assume that Rural areas will not have access to platforms in order to shop lipsticks online?

Yes, go ahead.

Sure. I would further divide the urban population into income groups i.e. High, Medium and Low. Here, I would assume that people in the high income group would buy less lipsticks online due to the unavailability of luxury brands and due to their preference of trying lipsticks before purchasing. Therefore, the share of Nykaa in this income group would be lower. People in the medium income group would prefer buying online more due to offers and the share of Nykaa in this group would therefore be the greatest. People lying in the low income group could be omitted due to lower technology and smartphone penetration among this group. These income groups can be further divided into the percentage of lipstick sales done online and offline. This will help us arrive at a final number.

Sounds reasonable. We can end the guesstimate here.

Lipstick on your Collar

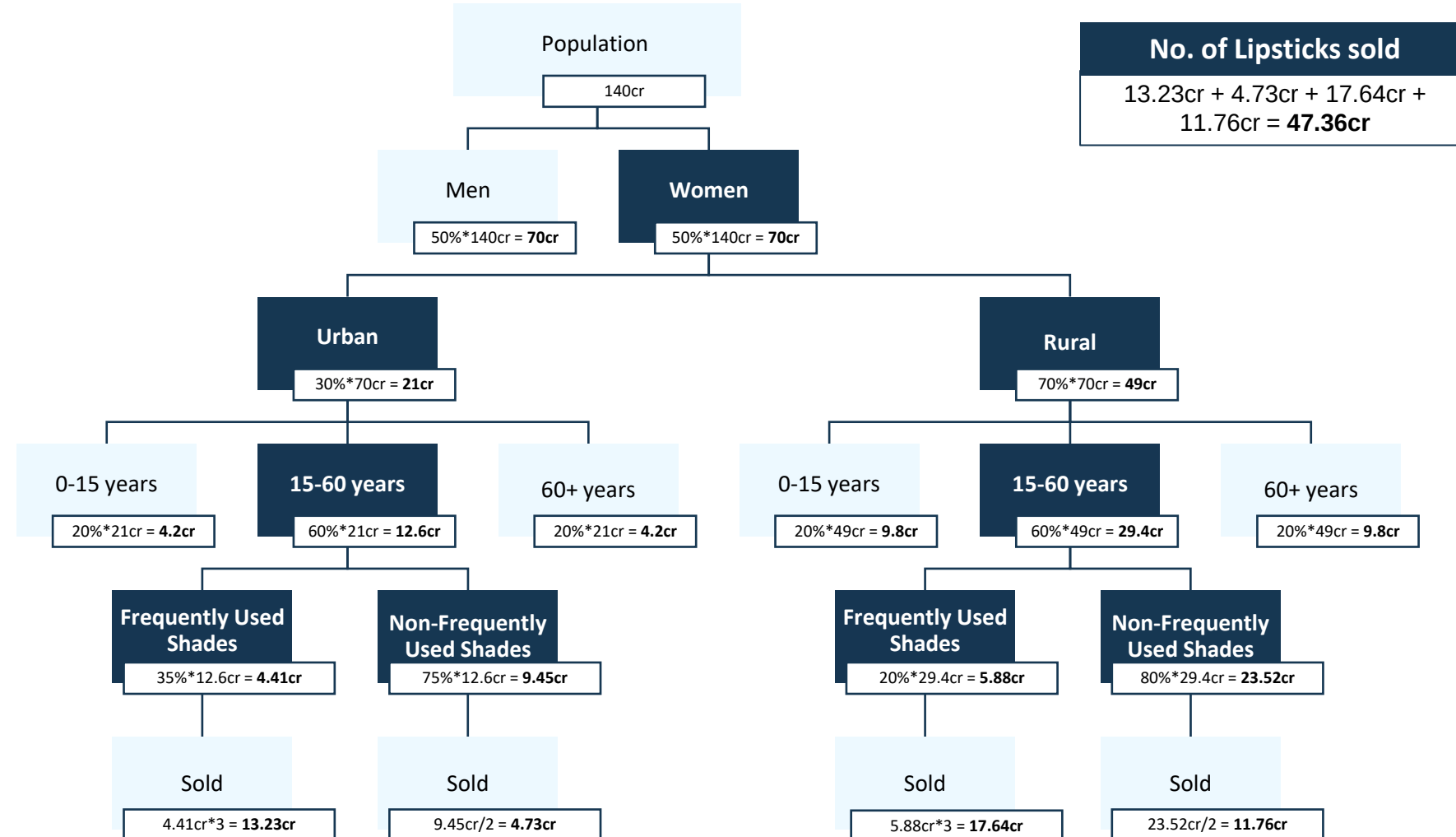
Bain / Difficulty - Hard



Assumptions

1. Regardless of income level, all women on an average feel the need to own a lipstick
2. Below poverty line women won't buy a lipstick
3. Girls between the age of 0-15 and women above the age of 60 will not be using lipsticks frequently enough
4. Frequently used lipsticks will have a lower replacement time whereas non frequently used lipsticks will have a longer replacement time
5. Lipsticks are sold online only in urban areas
6. People in the high income group would buy less lipsticks online due to the unavailability of luxury brands

Framework / Approach



No. of Lipsticks sold

$$13.23\text{cr} + 4.73\text{cr} + 17.64\text{cr} + 11.76\text{cr} = 47.36\text{cr}$$

Framework / Approach

Delhi is quite famous for its food. If you were told to estimate the number of restaurants in Delhi, how would you go about solving the problem ?

Delhi sure is famous for its food. Coming to the question, what kind of places be considered as restaurants for the sake of the problem ?

Any place where you can sit and eat indoors can be considered as a restaurant.

Got it. So, first of all I'll estimate the number of people visiting any restaurant in a week. We use the timeline as weekly because the frequency is easiest to gauge during this timeline. Then, I'll estimate the total made by Delhiites in a week. These can be used to calculate the number of restaurants in Delhi.

$$\text{Number of restaurants In Delhi} = (\text{Total number of visits in a day}) / (\text{Capacity} * \text{Occupancy})$$

Sounds good. Go Ahead.

To calculate the number of people visiting restaurants in a week.

We divide the population into 3 levels i.e., the lower income middle income and high income. We do this because people from lower income people go to restaurants very few times and the rest do go to some kind of restaurant once in a while, say 30% of people belong to the lower income group.

Sounds Reasonable

Now let's calculate the capacity of a restaurant:

Let's assume the average number of tables in a restaurant is around 10 tables. Also, the number of working hours of a restaurant is about 10 hours and the average visiting duration is about 1 hour. For the calculation of occupancy, we divide the restaurant hours into peak and non-peak hours. In the peak hours, which last about 4 hours, the occupancy is 90% and in the non-peak hours the occupancy 40%. Hence, the weighted average of all occupancy rates is 70%.

After making all the calculations, the number of restaurants in Delhi comes to be around 26,429.

Sounds okay, we can end the guesstimate here.

Falling for food

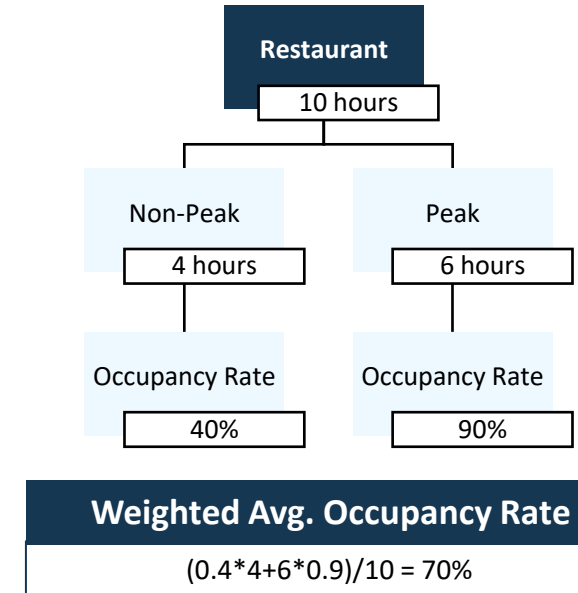
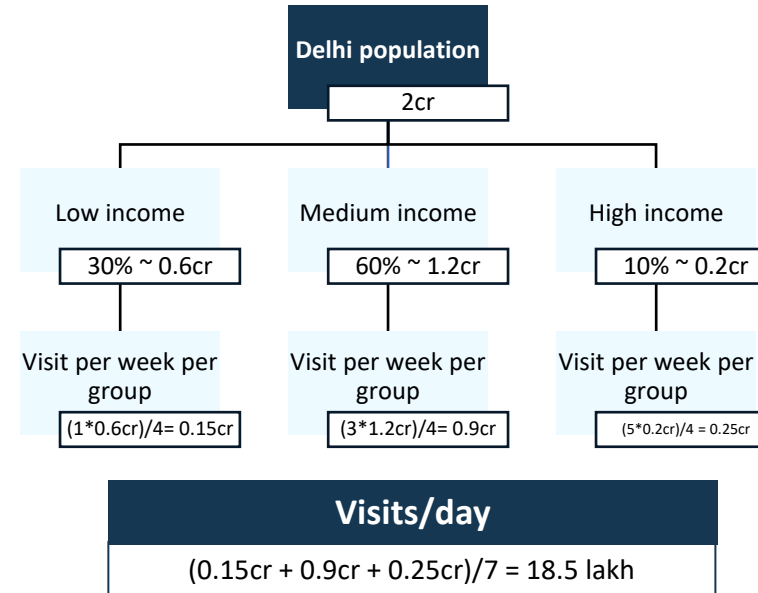
Dalberg / Difficulty - Hard



Assumptions

1. Timeline is taken as weekly
2. The average number of tables in a restaurant is assumed to be ten with the average time spent as 1 hour
3. Occupancy rates during peak and non-peak hours are assumed

Framework / Approach



CAPACITY CATERED BY EACH RESTAURANT = $10 \times 1 \times 10 \times 70\% = 70$

TOTAL RESTAURANTS NEEDED

$$= \frac{18.5 \text{ lakh}}{100 \times 70\%}$$

$$= \frac{\text{Total Visits in a day}}{\text{Total capacity} \times \text{Occupancy rate}}$$

26,429

CASES



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How to Use your Paper

Proposed way to use the Blank sheet while solving cases and guesstimates

You can divide the paper along the dotted lines into segments which you can use for various purposes as mentioned below

1 PROBLEM STATEMENT		
2 PRELIMINARY QUESTIONS	4 ISSUE TREE	5 INTRIGUING THOUGHTS
3 ANSWERS		6 CASE NUMBERS

How to Summarize a Case effectively

Template to summarize a case effectively at the end of the interview when asked to do so

At the end of case interviews, interviewers often ask candidates to summarize the case and give recommendations

The questions may look like this:

- Can you please summarize the case for me
- Please highlight the important aspects of the case
- Imagine you met the CEO of the firm in the lift, and they ask you "how's the project going?", what will you tell them?

Summary Framework

ROOT CAUSE/RECOMMENDATION

- Support statement 1
- Support statement 2
- Support statement 3 (If needed)

Explain what the root causes of the problem are or what solutions are the team pondering upon. This will give the CEO an idea of **what the team is up to** and how far the case has progressed.

RISKS

- Risk 1
- Risk 2
- Risk 3 (If needed)

Things always don't pan out as expected. So, as consultants you need to make sure that you **set the expectations right** by giving out potential risks. This will help you as consultant in front of the client or the CEO in case things go wrong.

NEXT STEPS

- Strategy 1
- Strategy 2
- Strategy 3 (If needed)

In this segment you should tell the CEO what your next steps are going to be so that the CEO knows what you will be working on next. It also gives the CEO confidence that you as consultant have a **plan of action** ready.

PROFITABILITY



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Profitability Framework

Proposed way of solving a profitability case problem



In a profitability case, the case problem generally looks like - “Profits of Company ABC are down by X%, analyze the reasons for the same”

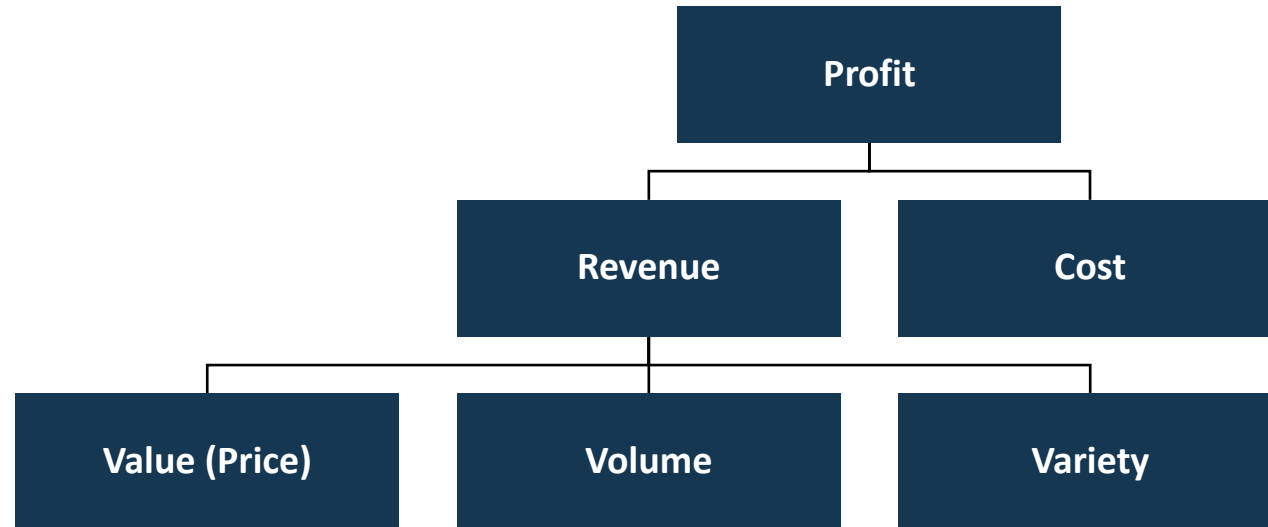
As goes the thumb rule while solving cases - before any analysis, it's best to break down the situation at hand into its basic components. For a profitability case, the first step is to write down the components of profit i.e., revenue and cost and discuss it with the interviewer to narrow down the focus areas.

Clarifying Questions

- Why does the company do/sell? (Understanding the Company and its product/services)
- What Geographies does the Company operate in?(Helps to understand the regional problems/context)
- Is it an Industry-wide issue or Company-specific problem?
- What is the Time period, and the extent of Profit/Loss company is witnessing?

Framework

- Profit = Revenue - Cost
- Revenue = Price * Units
- Cost = Variable Cost + Fixed Cost



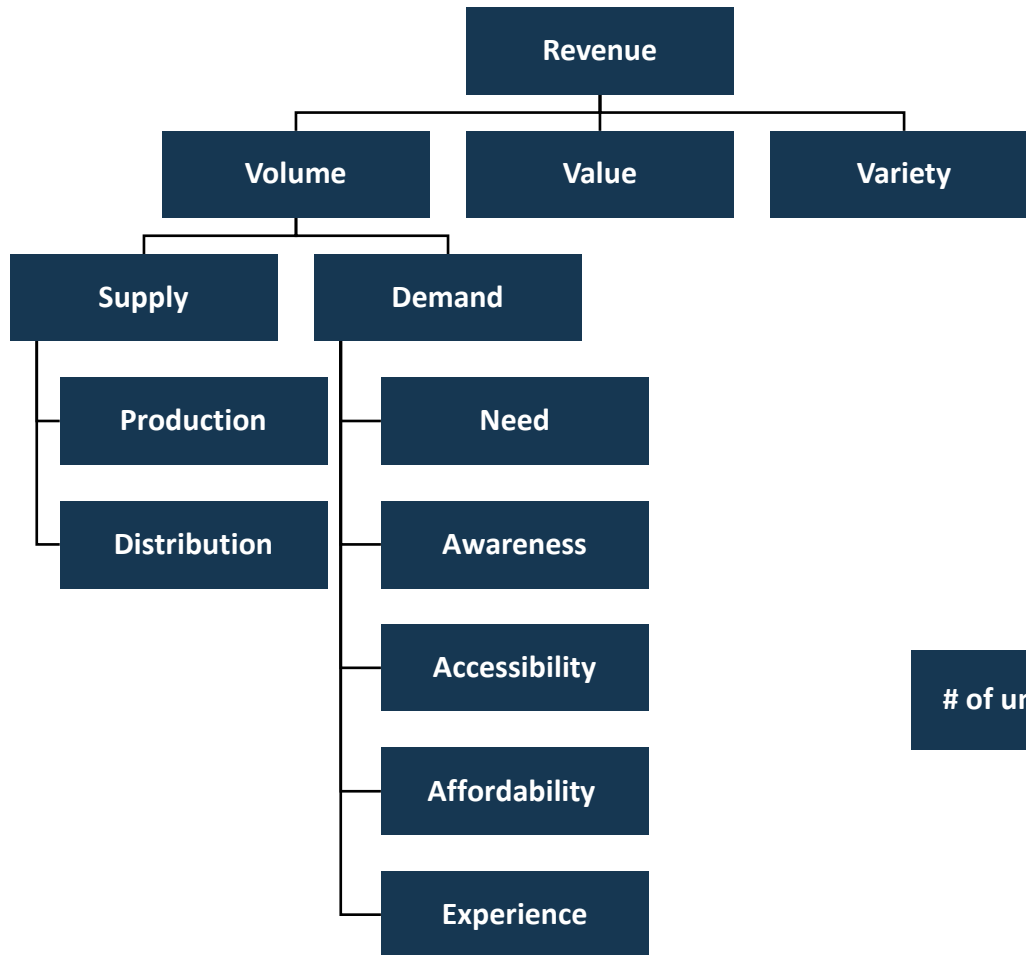
Post the segmentation of profits – it is easier to identify and choose which component to start from. In most cases, the interviewer themselves will ask you to focus on just one of the components and analyze it in detail. In other cases where the interviewer is indifferent – it is still important to prioritize one of the components with proper reasoning (you can use the **Pareto's 80/20 Principle** here, in case specific information about the decline is given and prioritize the component which has a greater magnitude of decline).

Profitability Framework

Proposed way of solving a profitability case problem



Now let's break down individual components and see what are the common factors which can be a cause of concern in case problems:

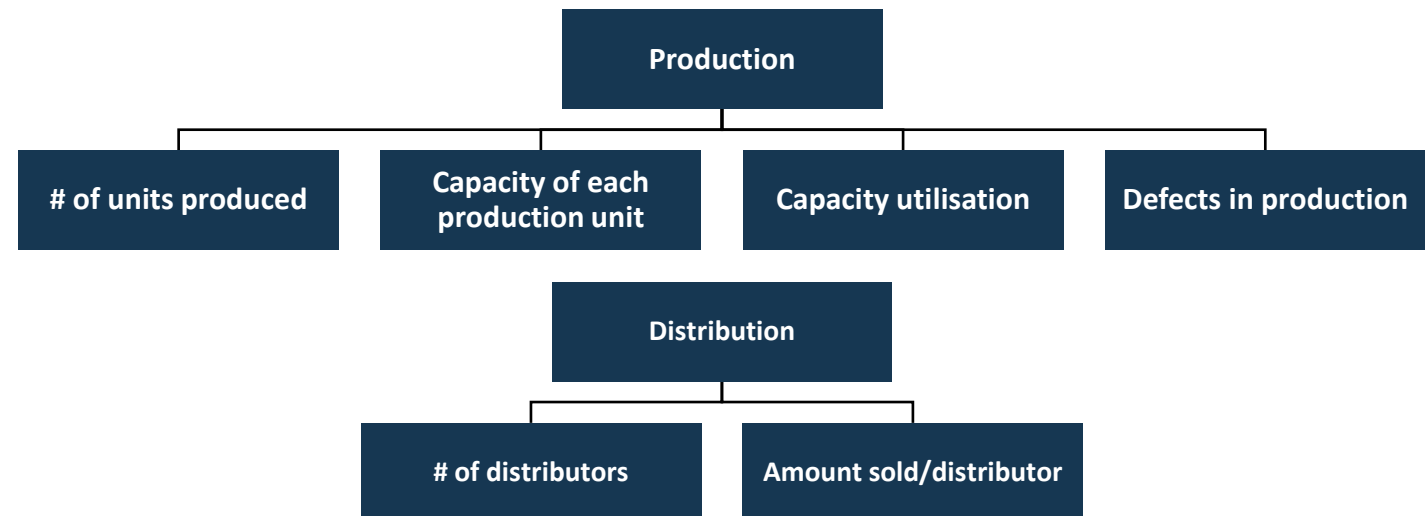


The decline in revenue can be due to any of the following factors:

- (i) Volume: Decline in the # of units sold
- (ii) Value: Reduction in the price charged from customers
- (iii) Variety: Discontinuation of a specific type of product

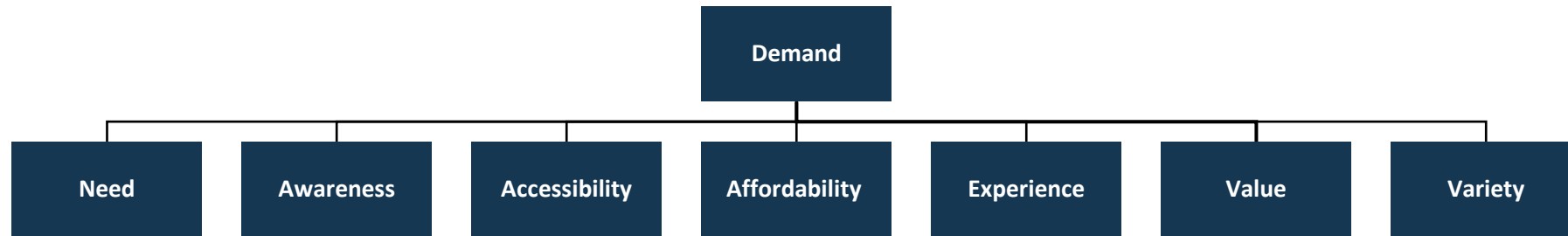
Under volume, we can further look at the supply and demand factors.

Supply is affected by the Production and Distribution. The Idea is to list all the possible issues under these two to isolate the problem



Profitability Framework

Proposed way of solving a profitability case problem



Under demand, the following factors can be looked at

1. **Need**- Explore the utility and use cases of the product/service
2. **Awareness**- See if the audience is aware about the product/service
3. **Accessibility**- Explore if the audience can access the product
4. **Affordability**- If the products/services fit in the budget of users
5. **Experience**- it is best to lay out a customer journey to identify the root cause of the problem
6. **Value**- Explore if Consumers are deriving enough value for the money spent
7. **Variety**- Consumers seek variety and options and inability to offer can be a problem

Finally, keep in mind that these frameworks are just general proposed ways of solving a profitability case – but don't restrict yourself with the factors discussed. In profitability cases, it's best to break down headers into components and try to make formulae.

Brownie Points

- Knowledge about the Industry and Sector comes very handy while solving Demand and Supply Side problems
- It is also helpful to ask questions about the product mix and if the decline has been specific to any product line
- Wherever possible, it is extremely helpful to convert the factor in consideration into a mathematical formula (example: Ticket Sales = Footfall * Avg Ticket Price)

Profitability Framework

Proposed way of solving a profitability case problem

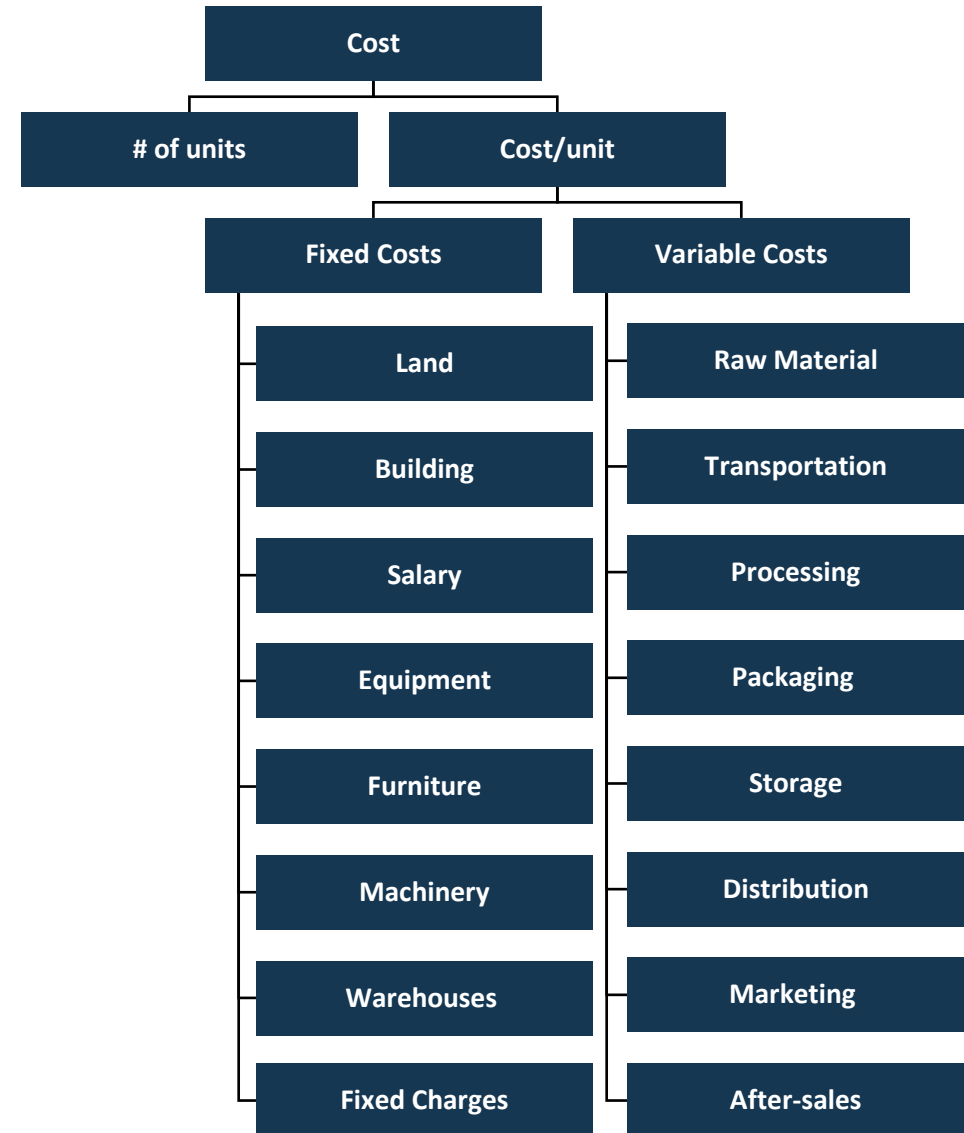
Coming to Cost, for a profitability case, the most basic way to breakdown is to divide it into **Cost/unit * No. of units**.

There are primarily two kinds of costs which can make the structure MECE:

1. **Fixed Costs** – These costs remain constant over a specific period of time, regardless of the number of units produced or sold. Some examples are: Land, Building, Salary, Equipment, Furniture, Machinery, Warehouses, Fixed Charges, etc.
2. **Variable Costs** – These type of business expense vary with changes in the level of production or sales volume. Some examples include: Raw Material, Transportation, Processing, Packaging, Distribution, Marketing, After-sales services, etc.

Points to remember

- Often, the categorization of costs depend upon the sector provided in the case problem. Thus, the breakdown should be modified accordingly.
- **Fixed costs for one sector may be variable cost for another.** For example, the cost of renting a warehouse space may be a fixed cost for a manufacturing company, but it could be a variable cost for a retail business that leases space on a short-term basis



Profitability Case: A 5-Star House

BCN / Difficulty - Easy



Transcript

Let's start with the case. There is a hotel in Delhi, whose revenue has been declining. You have to determine the extent of decline in revenues in the past year.

Sure. I want to clarify the situation. Is it a standalone hotel or a chain of hotels? And is it a hotel specific issue or industry wide?

This is a standalone hotel, and this issue is faced by all hotels in Delhi.

All right. That's interesting. What is the rating of the hotel and its location in Delhi?

You can assume it to be a 5-star hotel which is situated in Central Delhi.

Perfect. Since it is an industry wide problem, we can write revenues as:
 $\text{Revenue generated} = \text{No. of hotels} \times \text{No. of customers} \times \text{Avg. revenue/ customer}.$
It is unlikely that no. of hotels will decrease. So, do we have any knowledge about decrease in any of the other factors?

Yes. Decline in no. of customers has been seen.

OK. There are primarily two types of customers: Tourists and Businessmen. Do we know which category has seen a decline?

Hotels have seen a decline in tourists.

Further tourists can be segmented into domestic and international. Do we have any information about either?

You can assume that both categories have seen a decline.

That is an interesting situation. If both categories are declining, there might be an issue related to Delhi only.

Yes. That's correct.

So, the problems that can affect tourism can primarily be divided into two categories: 1) Damage to nature 2) Damage to man-made structures or monuments.

The problem is somewhat related to damage to nature.

I think as far as Delhi is concerned, there are issues related to extreme temperatures during summers and winters, air pollution & water pollution.

Perfect. The number of tourists has been declining due to increasing air pollution in Delhi. You can now proceed with calculating the decline in revenues for the hotel.

Sure. Revenue sources of a hotel are primarily: Rooms, Banquet halls, Shops, Restaurants & Recreational Activities.
Since, we have diagnosed that the number of customers walking in have been declining, the major impact would be on rooms' revenue. Do we have data regarding no. of rooms and fare of each room?

Yes, we do have that data. There are 50 rooms in the hotel and average fare can be assumed to be Rs.7000.

Profitability Case: A 5-Star House

BCN / Difficulty - Easy



Transcript

Great. According to my knowledge, at a given point of time, a premium hotel in Central Delhi would have 40% of its customers as businessmen and the rest as tourists. And assuming the average occupancy ratio without the effect of air pollution to be 60%, we have 12 rooms occupied by businessmen and 18 rooms occupied by tourists. Since, air pollution is a seasonal phenomenon in Delhi which lasts about 5 months, we can assume rooms occupied by tourists during those months to be 5. To calculate the extent of decline, the formula would be:

Decline in revenues = Revenue from tourists (without air pollution effect) - Revenue from tourists (with air pollution effect)

Decline = $(18 \times 7000 \times 30 \times 5) - (5 \times 7000 \times 30 \times 5) = \text{Rs. } 1,36,50,000$

Very well done. That's correct. Can you suggest some solutions for the same?

As short-term measures, the hotel management can:

1. Install air purifiers in the hotel.
2. Compensate for seasonal loss during the rest of the year by introducing new packages to increase average revenue/customer.

That sounds good. You attempted the case very well. We can wrap it up now.

Profitability Case: A 5-Star House

BCN / Difficulty - Easy



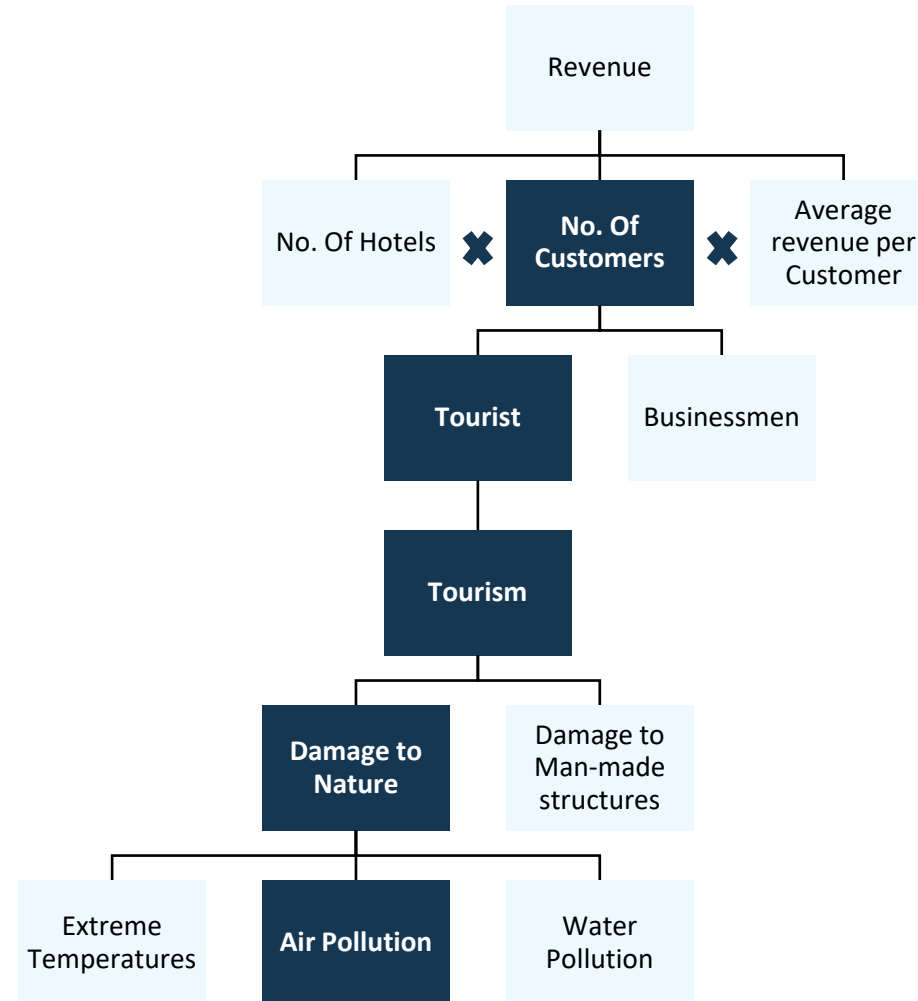
Clarifying Questions

- Is it a standalone hotel or a hotel chain? (standalone)
- Is this an industry wide issue or company specific? (Company Specific)
- What is the rating of the hotel? (5 star)
- What is its location? (central Delhi)

Brownie Points

- Bifurcation of customers into tourists and businessmen
- Assuming a time period for pollution

Framework / Approach



Profitability Cases: Cementing Market Share

BCG / Difficulty - Easy



Transcript

Your client is a Cement company based out of Sri Lanka. They are concerned about a decline in their market share over the past two years. You have been hired to identify the source of the problem.

Sure, thanks for the case. To begin, where does the company lie in the value chain?

The company is a cement manufacturer and had a 50% market share for the last five years, but it has dropped down to 30%.

Interesting, is the decline in market share Industry-wide or Company specific. Additionally, is it affected by the geography? Do we have any data on the same?

Yes, there has been a decline in the market share of our company only. However, the decline is uniform across geographies.

Alright, before I proceed with my analysis, how has the profitability been affected due to decline in market share?

There has been a similar decline in profits as well.

Right. Profits are affected by revenues and costs. How have these factors changed?

There has been no increase in costs, I would like you to move forward with analysing the revenue aspect.

Alright, revenues are further affected by quantity sold and price. Has there been any change in the price of our cement?

No.

Okay. I would like to hypothesize that there has been a fall in the demand for cement rather than supply. Is that a fair assumption to make?

Yes that has been the case.

Great, since we are a manufacturer in Sri Lanka, our value chain is most likely to include importing of raw materials, production in our plants and distribution of the cement domestically by distributors who sell it in the retail market.

Good, you can focus on the distribution part of it.

Is there any segmentation among the distributors on the basis of volume of operations or are they equally competitive?

Absolutely, we have both large and small scale distributors. Due to wider access to markets and low prices of large distributors, the demand for cement from small distributors has plummeted. Do you have any suggestions to rectify the situation?

The company can try onboarding more large distributors and clearing the accounts of small distributors to regain market share in Sri Lanka.

Perfect. Let's end the case here.

Thank you.



Profitability Cases: Cementing Market Share

BCG / Difficulty - Easy



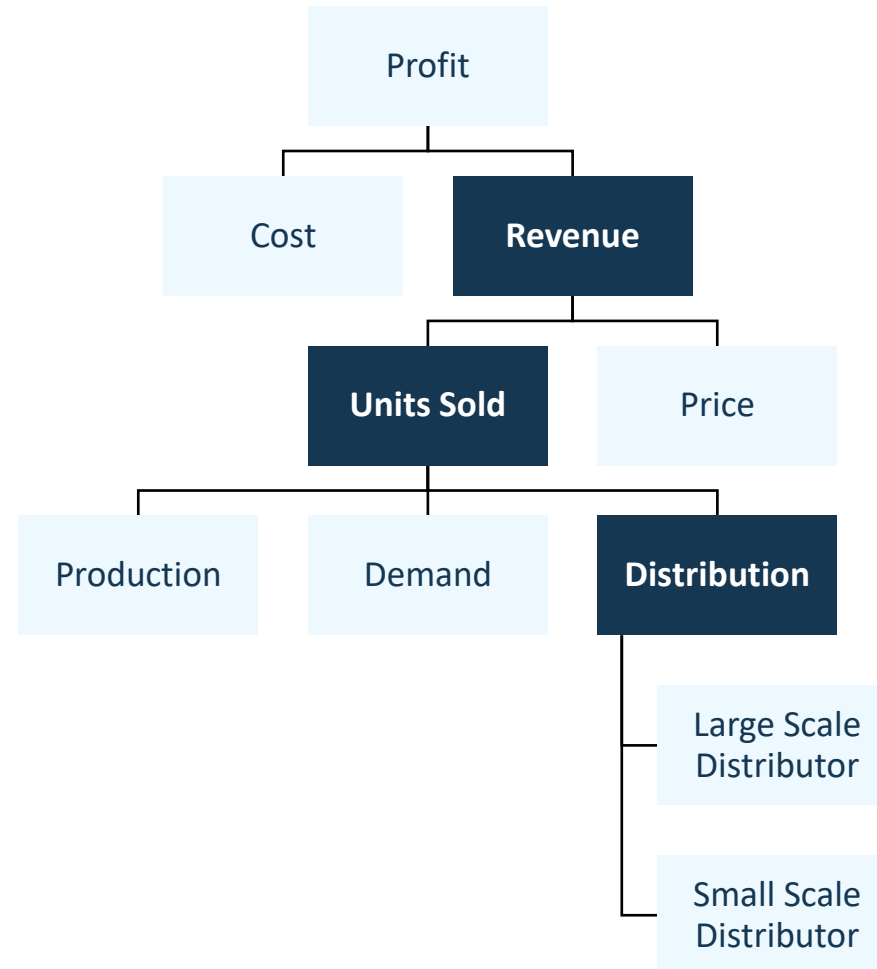
Clarifying Questions

- Position of client in the value chain
- Since when have we been facing the decline?
- Has profitability been impacted by the decline in market share?
- Is this an industry wide issue or company specific?

Brownie Points

- What is the objective behind this?
- Finding innovative ways to structure the problem like low, medium, high
- Why are increasing costs of “onboarding and training” a problem?

Framework / Approach



Profitability Case : Blooming Roses

Dalberg / Difficulty - Easy



Transcript

There is a florist shop whose profits are declining.

Alright, is there only one shop in the area or are there other players as well?

There is only one store in Mumbai and there is no direct competitor.

Got it, since when have we been facing the decline? And how much is the magnitude?

The shop is seeing this decline since the past 2 months and there's a 30% decline.

Okay, do we know who are the customers and what does the distribution channel look like?

Yes, so we cater to premium and high-end customers and the distribution channel is offline.

Alright, further are we facing the decline for a specific type of flower or is it overall?

The decline is specifically seen in the sale of white roses.

Okay, so the profit decline can be attributed to a fall in revenue or an increase in costs.

Correct. So we do know that costs have remained constant.

Okay, so we can go ahead and break down the revenue into No. of Units Sold*Price

Perfect. Here the price is constant, there is a decline in sales volume.

Got it, we can further breakdown sales volume into supply and demand decline.

There have been no hindrances in supply.

In that case, we can breakdown demand into Need, Accessibility, Awareness, Affordability and Experience. Under need, we'll analyze whether people even need fresh flowers anymore, this may be due to use of artificial flowers. Since we have only one store in Mumbai, people may not be able to access this store. Under awareness, any change in marketing strategy or investment in awareness may lead to a decline. Under affordability, we know price has remained constant however, the purchasing power may have declined.

Perfect, why don't you go ahead and describe customer's experience as well?

Sure, so customer experience can be divided into - decision to buy, travel, availability of white roses, buying and post buying experience. Decision cannot be broken down further. Travel can be broken down into mode of travel, travel time, cost and location of the store. For availability, we can check if the roses are readily available or do you have to pre order. For buying, we can look at the payment methods available. For post buying, life of the flower and fragrance of the flower can be seen.

Sounds good. Analyze the post buying experience. There is a problem in the quality of the flowers. People aren't picking up flowers from the shelf.

Okay, so quality of flowers can be divided into look, smell and feel.

There is a problem in the feel of flowers.

This could be due to two reasons - source or the shop environment. For source, there could be internal and external reasons why we are being supplied bad flowers. This can be due to either us being on bad terms with the supplier or us having missed payments. External reasons can be include a problem in the transport of flowers.

There is no problem from the suppliers-side. There is a problem with our storage.

Reasons for spoilage during storage could be attributed to temperature, maintenance, pests and packaging.

Profitability Case : Blooming Roses

Dalberg / Difficulty - Easy



Transcript

Right, so there is a problem with the temperature.

Okay so the temperature is affected by the number of thermostats and the quality of thermostats. Do we have any information on either of these?

In the white roses ware-house there is a person in charge of switching on and off the thermostat. Recently, he has not been performing his job.

We can divide this into ability and want of this person. Ability relates to the physical and mental capability and want relates to the financial and non-financial incentives offered to him

There was a death in this person's family due to which he was taking a lot of leaves and was unable to do his job. We can conclude the case here.

Profitability Case : Blooming Roses

Dalberg / Difficulty - Easy



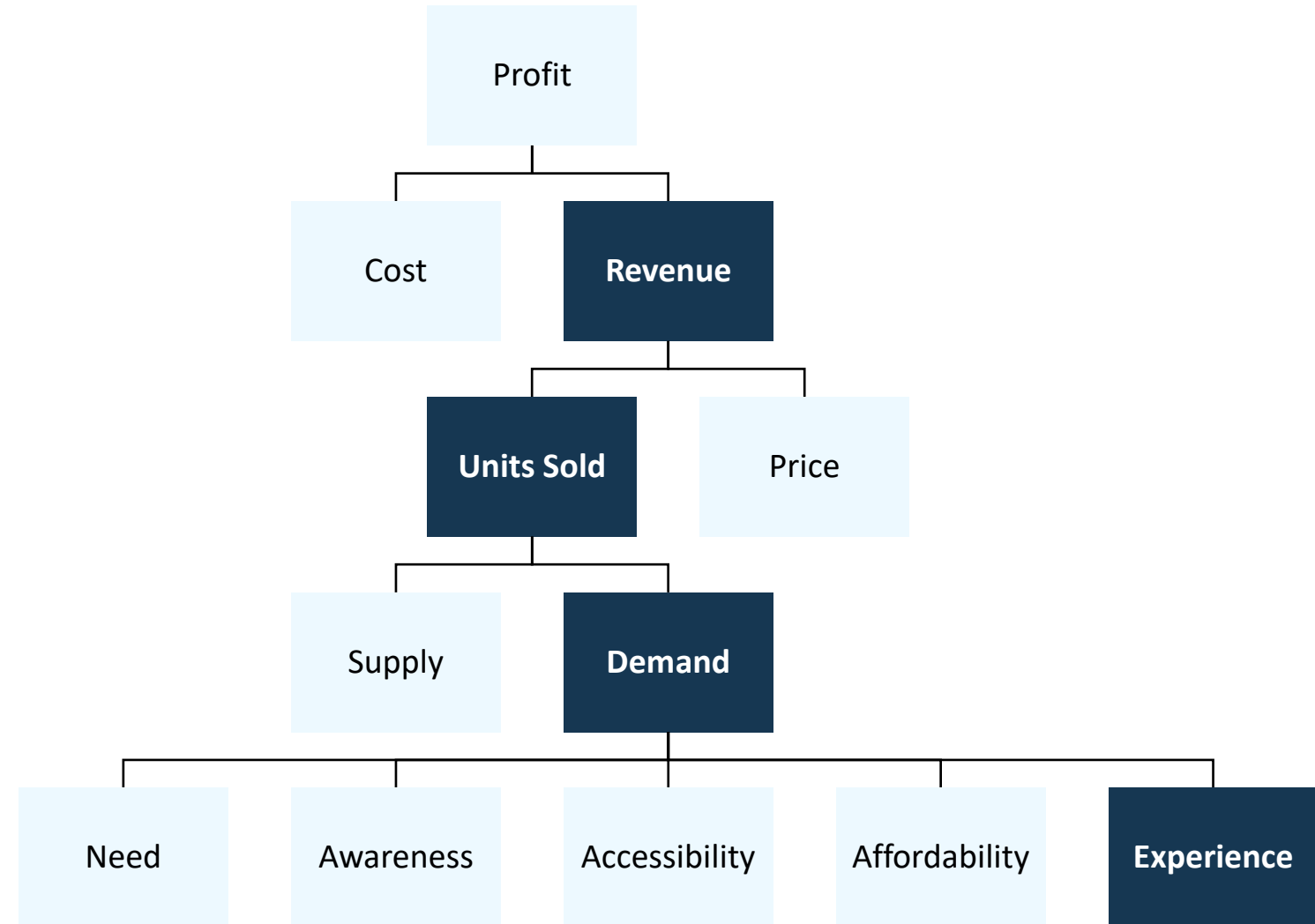
Clarifying Questions

- What is the extent of the decline in profits?
- Since when have we been facing the issue?
- Which flowers have seen the decline?
- Who are the customers and what is the distribution channel?

Brownie Points

- Dividing the Customer experience into phases
- Finding innovative ways to structure the problem
- Isolating the problem by further dividing each factor

Framework / Approach



Profitability Cases : The Animal Kingdom

Accenture / Difficulty - Medium



Transcript

Your client is a zoo in Chennai which has been facing a decline in profits. It has asked you to identify the issue and solve it.

Okay that's an interesting issue, since when has the client been facing this decline and what is the magnitude of the same?

The client has been facing a 20% decline in revenue for the past 6 months.

Okay, do we know anything about the offerings that the zoo offers its visitors?

The zoo has both animals and birds including exotic animals such as the white tiger as well. Apart from this it has standard offerings such as food, cart service and a gift shop.

Is there any information on a new zoo opening in the city?

No there isn't any new zoo in the city.

Okay. So, the decline in profitability can either be a revenue or a cost side problem, do we have information on change in revenues or costs?

The revenues of the zoo have gone down even though the ticket prices and costs have remained the same over the past 6 months.

Revenue of Zoo = Number of visitors * Avg. ticket price + revenue from other sources, these can be further bifurcated as:

Number of Visitors

- Number of Tickets sold online
- % of People turning up
- Number of Walk-in ticket sales

Sources of Revenue, is affected by

- Child to Adult Ratio of visitors as the price of children's tickets might be cheaper
- Food & Beverages sold, revenue of gift shop
- Special Services such as a golf carts and binoculars.
- Advertisement Revenue .

Has there been any change in the number of visitors or the other sources of revenue?

The number of visitors has remained the same, there has been a decrease in revenue from advertisements without any change in the area available.

Revenue from Advertisements = Area Available(sq. ft.)*%Area utilized*Price/sq feet

% of Area Utilized

- Number of Advertisers that reach out to get their advertisements published
- Number of Ads booked by a single advertiser
- Area taken by each advertisement

Price/Sq. feet depends on

- Visibility of the Advertisement i.e., how many people are likely to see an advertisement in the zoo
- Quality of the Advertisement i.e., the kind of paper used to publish advertisements

Profitability Cases : The Animal Kingdom

Accenture / Difficulty - Medium



Transcript

They are facing an issue with the visibility of advertisements.

Visibility includes the number of people viewing an advertisement and the time for which each individual views an advertisement. Which one of these has been affected

Okay. So, both these factors have gone down in number as there are trees blocking some advertisement boards, hence the zoo has been forced to reduce the price/sq feet for them. What recommendations would you give to rectify the situation?

Okay, to improve visibility, we can either keep the billboards in the same location or shift them to another location. The following solutions can be implemented accordingly :-

Same Location

- Remove the trees altogether
- Regular trimming in areas
- Convert Trees into advertisement space

Different Location

- Popular Viewpoints in the zoo, Entrance
- New spaces, brochures of the zoo etc.

Great, I think we can wrap the case here.



Profitability Case : The Animal Kingdom

Accenture / Difficulty - Medium



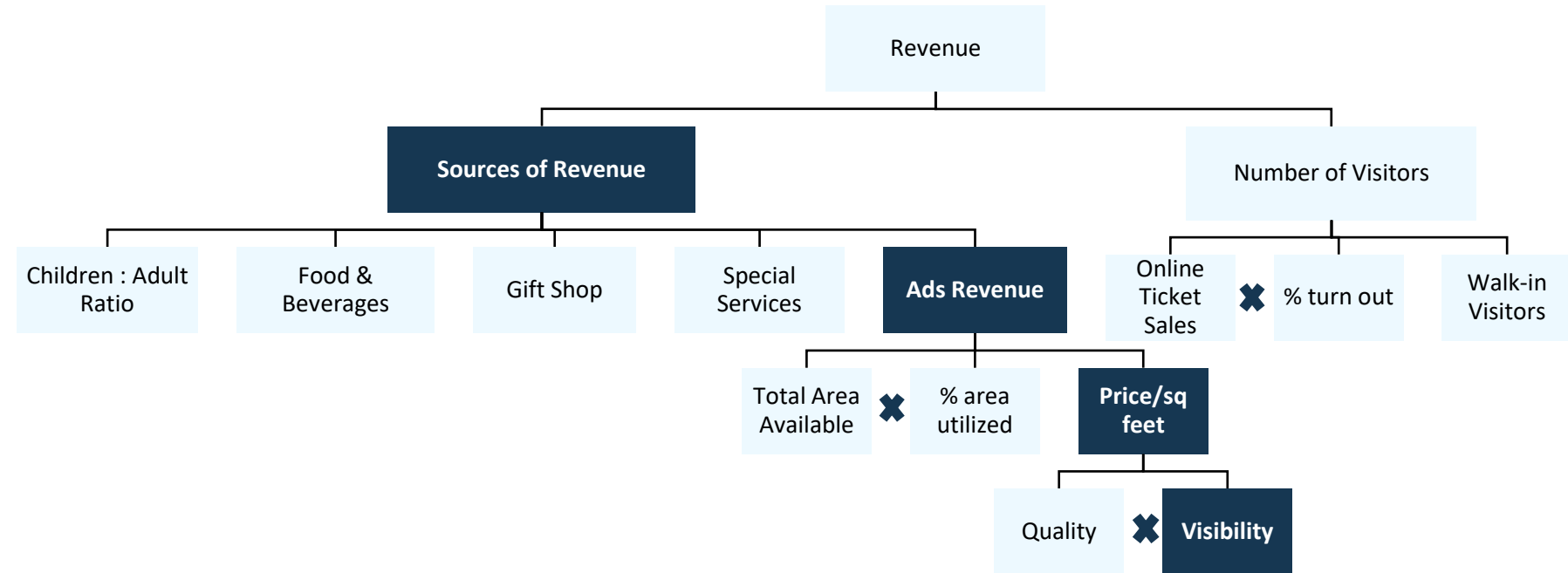
Clarifying Questions

- What is the extent of fall in profits and time frame? (5% & 6 months)
- Offerings of the Zoo?
- Are there any new competitors in Chennai? (No)

Brownie Points

- Bifurcation into offline and online ticket sales
- Identifying Advertisements as a source of revenue for the zoo.

Framework / Approach



Transcript

Your client is a watch manufacturing company facing a decline in revenues, you've been asked to assess the situation and give suggestions.

Okay, since when has the client been facing this decline and what is the magnitude of the same?

The client has been facing a 25% decline in revenue for the past couple of years.

Where is our client located and is it an industry-wide problem?

The manufacturer is located Pan-India and this is not an industry-wide problem, it is client specific.

Is there any information on the range of products and the distribution channel of our client?

You can assume that there is only 1 type of analog watch that our client manufactures. The distribution channel includes our own retail stores and online retail as well.

Ok. So, the decline in revenue can either be a demand or a supply side problem. The supply aspect can be bifurcated into two factors – Production & Distribution. The demand side has five factors – Need, Awareness, Accessibility, Affordability & Experience. Now, Production can further be divided into – Variable & Fixed costs. Variable factors include Efficiency, Waste & Cost of Raw Material, fixed factors are poor and obsolete machinery

Distribution channel has three components, warehousing, transport & retail outlets

You've analyzed the supply side factors really well! However, the supply of our manufacturer remains unaffected, can you elaborate on the experience part.

The customer experience can be evaluated at each step, starting from the decision to buy the watch and then moving on to other steps, the distribution channel whether it is online or at a store, placing the order, making the payment & aftersales services such as warranties & repairs. Is there information on which part of the customer journey are we facing an issue

You've slightly touched upon it. The client has noticed an issue on the decision-making step as a lot of people aren't deciding to purchase their watch

The Decision can be affected by factors such as Budget of customers, features of the watch & the brand reputation of our client itself.

Yes, the clients are facing an issue with the features of our watch. There has been a general shift among the consumers towards smart watches. Can you recommend steps to averse the situation

I would like to divide my suggestions in 3 buckets

- 1. Geographical Expansion** – It is possible that the market for analog watches is saturated in India, but the client can explore other parts of the world, if they're open to international expansion
- 2. Exploring New Revenue Streams** – This can be done by introducing smart-watches which maybe a long-term alternative. For the short term, our client can introduce high-end Analog watches as a status symbol
- 3. New Customers** – The overall watch market is really fragmented and there isn't a general distinction between preferences of different age groups. However, smart watches aren't preferred by kids and senior citizens, so it is possible that we can divert our focus on these new customers by introducing designs targeted at them

Okay, I think we can wrap up the case here, you've comprehensively identified the issue and suggested remedies.

Profitability Case : Time's Up

Accenture / Difficulty - Medium



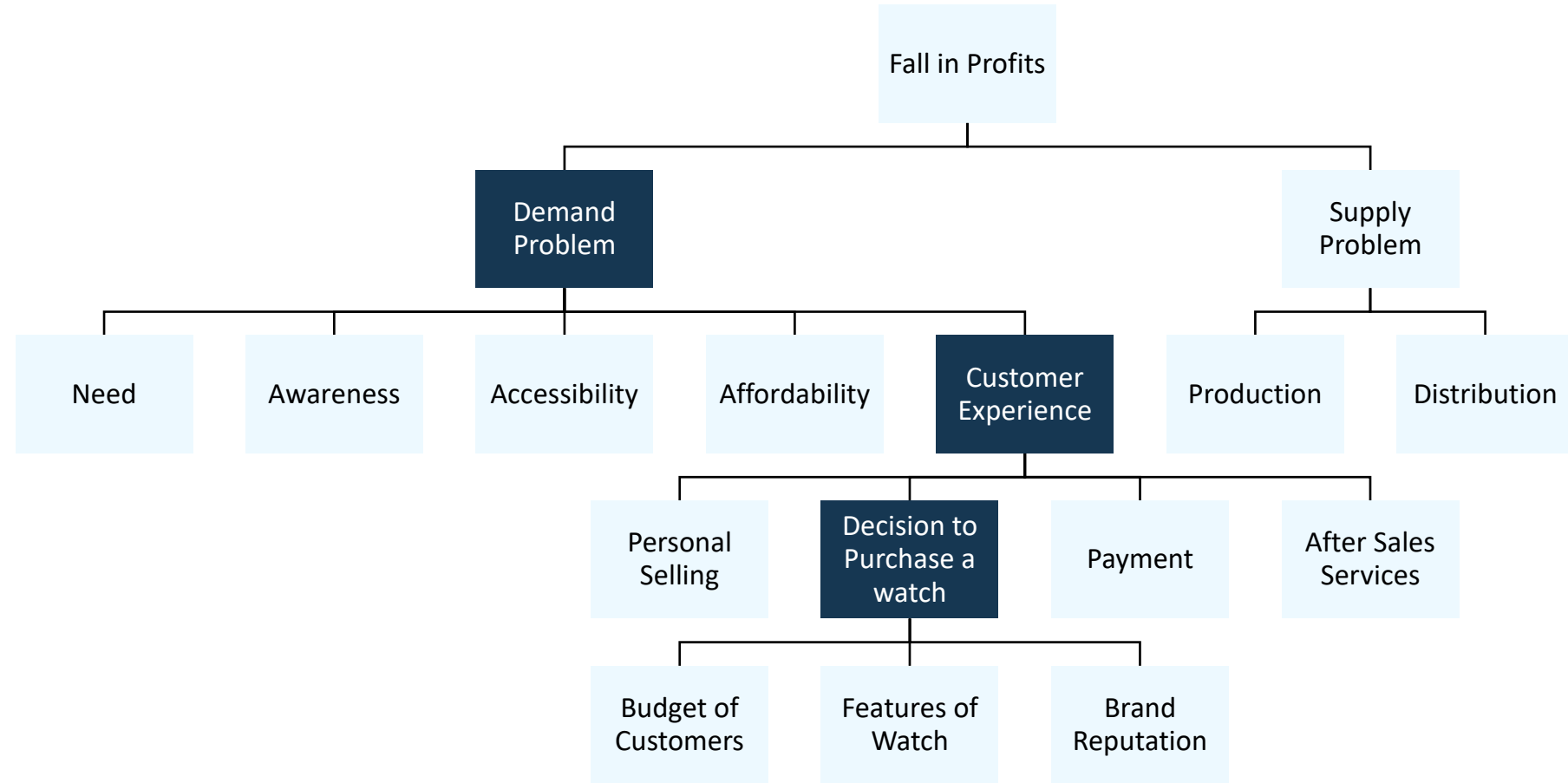
Clarifying Questions

- What is the extent of fall in profits and time frame?
- Is it a company-specific or an industry-wide issue?
- What are the product Offerings of the client?

Brownie Points

- Analyzing the customer experience journey
- Structuring recommendations

Framework / Approach



Profitability Cases : SPOT-IF-You can

Boston Consulting Group / Difficulty – Medium



Transcript

You have been approached by Spotify. They are facing a decline in profitability. They want you to analyse why.

Alright. Before we start, I have a few preliminary questions. Since when have they been facing this problem and how much is the decline? Is it industry-wide or company-specific?

All right. So, the company has been facing a 10% percent decline in profitability and this is a company specific issue.

Okay, got it. I would like to delve deeper into the issue to identify the source of the problem. Spotify's profitability is driven by 2 aspects – The artists and the listeners. I'll start from the artist journey to better understand the problem.

Sounds good. Go ahead.

So, the artist on journey can be divided into 2 parts – pre release and post release

Pre Release

- Signing contracts with Spotify
- Song Released on Spotify, which is further affected by
 - a) Ability to release
 - b) Willingness to release

Post Release

- Promotion by Spotify
- Song discovery by Audience
- Number of songs played

So, let's start with pre release first. Has there been a decrease in the number of contracts or the number of songs released by Spotify ?

Yes, you're right. The number of songs released by Spotify has decreased.

Okay. I don't think the ability to release songs has changed. The willingness might change because of the decrease in the reach of the listeners or because of higher commission charged by Spotify. Can you tell me if both these factors have changed ?

The commission has not changed from Spotify's part, but the number of listeners have gone down.

All right. Have similar trends been seen in the post release phase with song discovery and the number of songs played ?

Yes, the total number of songs played have decreased.

Makes sense. Are these trends specific to any genre of music?

Yes, this trend is specific to Punjabi Music only.

Got it. So, essentially the number of Punjabi songs played have decreased and this has caused the artists to release lesser number of songs for the audience.

Perfect. You summarised the case well. The Punjabi artists have released lesser number of songs because the number of Punjabi songs played have gone down. What would your recommendations be?

For the short term, giving Punjabi songs a feature and promoting Punjabi playlists would help gain traction. For the long term, however, there needs to be a change in the algorithm to promote Punjabi music, because there is a sizeable market in India for that genre.

That sounds good. We can end the case here.

Profitability Case : SPOT-IF-You can

Boston Consulting Group / Difficulty – Medium



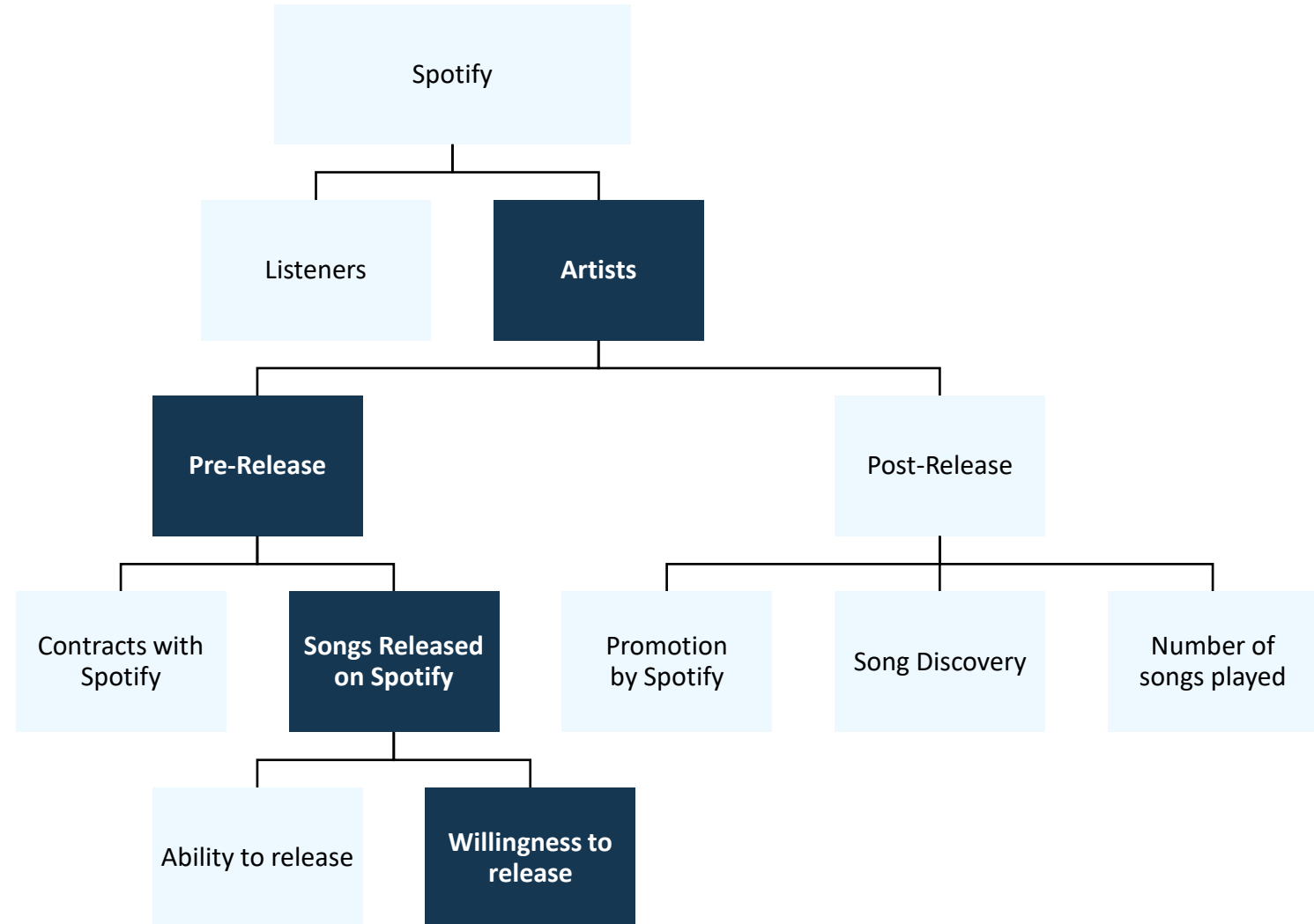
Clarifying Questions

- What is the extent of decrease in profitability?
- How long has the issue been there for?
- Is it specific to geography, genre or artist?

Brownie Points

- Dividing the artist journey into pre and post release to structure better.
- Giving long term and short-term recommendations.

Framework / Approach



Profitability Case: Phone a Friend

Accenture / Difficulty - Hard



Transcript

You have been approached by EIL Ltd., a telecom equipment manufacturer and service provider. Costs of EIL Ltd. are rising. How do you propose to cut their costs?

To start with, I would like to have clarity on some part. Since when are the costs increasing and what is the extent of increase? Also is this an industry wide issue or company specific?

All right. So, the company has been facing a 5% increase in costs over the past 1 year. And this is a company specific issue.

Okay, got it. Since our client is engaged in two kinds of activities, I would like to list down the costs involved in those two kinds of businesses.

Sue, go ahead.

- | | |
|-----------------------------|------------------------------------|
| • Equipment Manufacturing: | • Service Provider Business: |
| 1. Procurement | 1. Fixed Cost |
| 2. Processing | a) Spectrum License Charges |
| 3. Packaging | 2. Variable Cost |
| 4. Distribution & Logistics | a) Selling |
| | b) General & Administration Charge |
| | c) Salary & Wages |
| | d) After Sales Service |

Yes. That sounds reasonable

So, now I would like to know which business segment is facing increase in costs?

The service providing business of the company has been seeing increase in costs.

Okay, first of all, I would like to drill down into the fixed costs. Can I assume that there's no increase in the spectrum license charges, since this issue is company specific? If yes, then which part in the variable cost is facing a rise?

Your assumption makes sense. The company has been facing issue due to rise in salaries & wages.

All right. Further salaries & wages can be divided into 2 factors: No. of employees & CTC per employee. So, has the company seen increase in no. of employees over the past year?

No. The company has not seen a major increase in the no. of employees over the past year. However, the CTC per employee has seen an increase.

Okay. As per my knowledge, CTC has three main segments namely: On-boarding & Training, Basic Salary and Benefits. Which one of these is the pain point?

Well done. The company has been facing increase in the On-boarding & Training costs. Reason being the time spent on training the employee has increased. The 1-year employee turnover has increased resulting in the non-utilisation of trained manpower. How do plan to solve this?

So, for this we need to alter the onboarding process or reduce the onboarding the time.

I can think of three recommendations for the same:

1. Conduct training in stages over a period of a few months instead of providing the same in the beginning.
2. Conduct bulk training using online channels
3. Improving employees' experience in the company, encouraging initiatives, providing opportunities for growth and addressing grievances

That sounds good. We can end the case here.

Profitability Case: Phone a Friend

Accenture / Difficulty - Hard



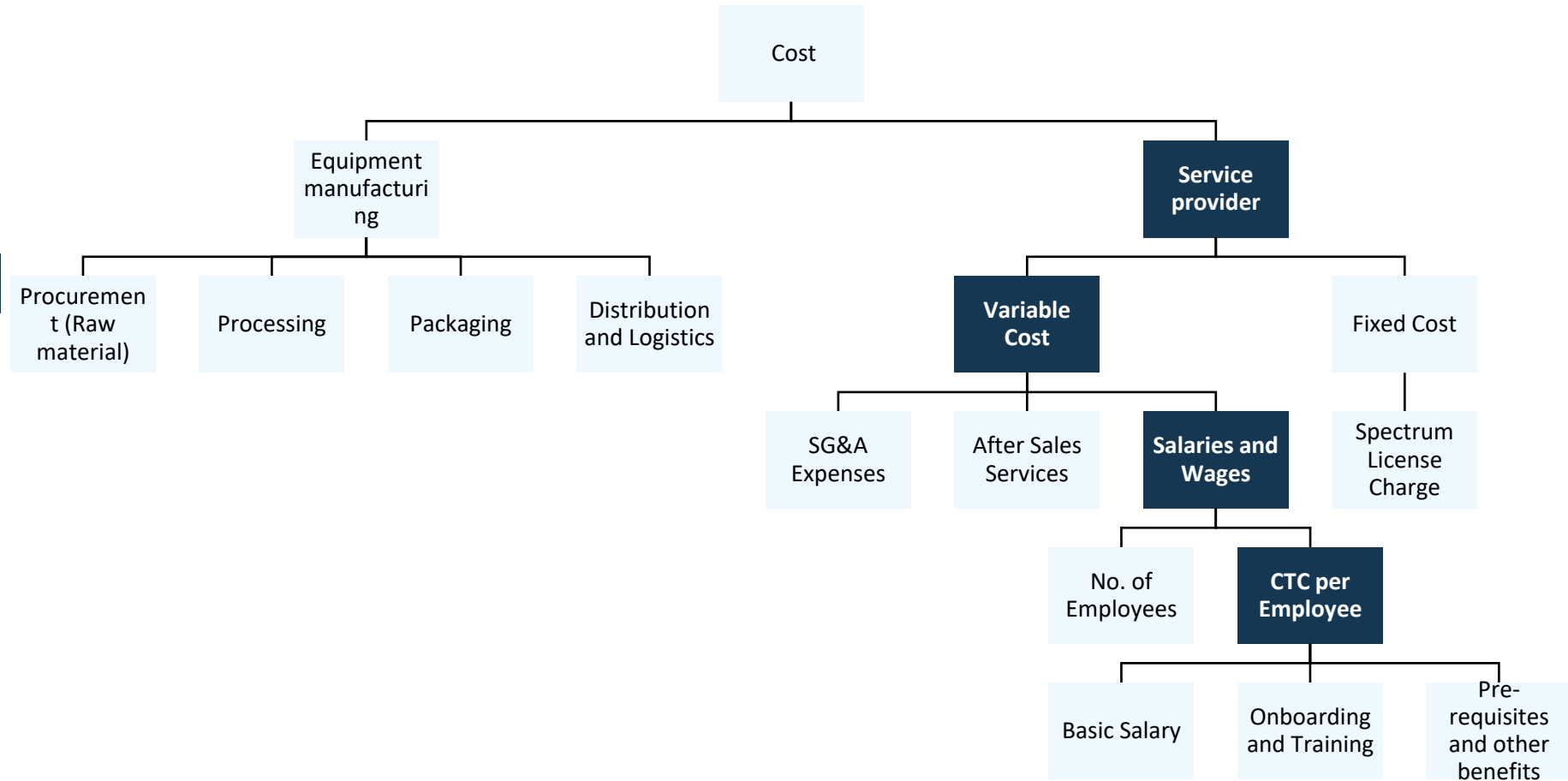
Clarifying Questions

- What is the extent of increase in costs?
- Since when have we been facing increase in such cost?
- Is this an industry wide issue or company specific?

Brownie Points

- 1. What is the objective behind this?
- 2. Finding innovative ways to structure the problem like low, medium, high

Framework / Approach



Profitability Case: A Couple of Oyo's

Parv Jindal / Difficulty – Hard



Transcript

Your client is Oyo rooms. They have seen a decline in revenue. They have approached you to solve the problem.

Alright, what is the magnitude of this decline and since when have they been facing it?

There has been a 20% decline in profits since the last 6 months.

Is there any particular geography, or a segment of the business in which the decline is faced?

The decline is faced pan-India in the room business of Oyo.

Alright. I would like to start my approach by breaking down profits into revenue and cost (i.e. $\text{Profits} = \text{Revenue} - \text{cost}$). Further, I would like to start by exploring the revenue side, do we have any information about any decline in revenue?

Yes, the decline in the profits is due to a decline in revenues. Can you break down the revenues for me?

Sure. The revenue for Oyo is a function of the product of number of customers, average nights per customer and the average price per room. Has the price per room changed?

No, the prices have remained the same, but there is a decline in the demand of Oyo rooms by the customers.

Okay, the number of customers depends on either the supply or the demand of the customers. The demand can further be broken down into 5 factors i.e, need, accessibility, affordability, awareness, experience.

That seems comprehensive enough, could you elaborate more on the need of customers?

Sure. To evaluate the need of customers, we need to assess the types of customers expected. These are

- Religious tourists
- Couples
- Students
- Low-income families

Is there any particular segment out of these which is facing a decline?

Yes, we are receiving less demand from the couples.

Okay. So, the decline in the demand from couples can be because of possible alternative accommodations, including luxury hotels, hour-based pricing hotels, hostels and PGs. Is there any new alternative gaining more popularity amongst couples?

Yes, you found the reason. In recent times there has been an increasing trend of hour-based hotels, because of which we experienced a decline in the demand for Oyo rooms. Can you recommend some suggestions for this?

Some of the possible suggestions could be,

- Introducing a flexible price model
- Provision of complementary services to develop popularity and loyalty
- Increasing availability and accessibility near railways and airports

Great we can close the case now.

Profitability Case: A Couple of Oyo's

Parv Jindal / Difficulty – Hard



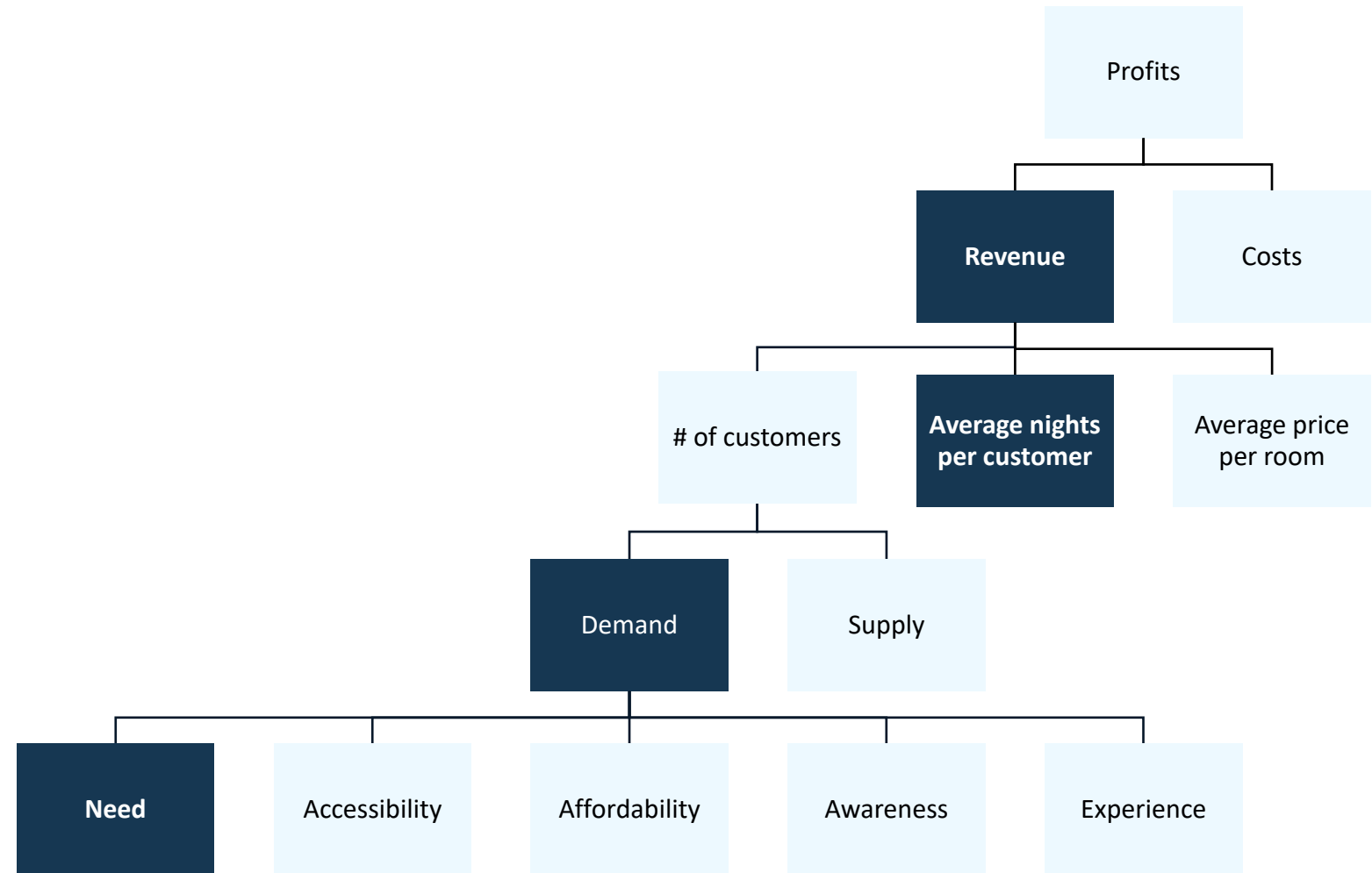
Clarifying Questions

- What is the extent of decline? (20%)
- Since when have we been facing increase in such cost? (6 Months)
- Is there a particular geography facing this issue? (Pan-India)

Brownie Points

- Demographic segregation of demand of rooms.

Framework / Approach



Profitability Case: King of Good Times

Parv Jindal / Difficulty – Hard



Transcript

Your client is an Indian beer manufacturer. They are seeing unusually high profits and want to know why.

Okay. Since when have we been experiencing these profits and what is the magnitude? Additionally, why are high profits being a concern?

The profits are 12% higher since the last 8 months, the client wants to know if high profits are sustainable

Alright, are all the beer manufacturers facing a similar increase, or is it just our client?

No, it is just our client.

Okay. I would like to know more about the various types of beer our client manufactures

For simplicity, you can assume that there is only one type of beer.

Alright. I would like to start my approach by breaking down profits into revenue and cost (i.e., $\text{Profits} = \text{Revenue} - \text{Cost}$). Further, I'd like to start by looking at the revenue side - is the increase in profits due to an increase in revenue?

Yes, can you break down the sources of revenue for the client?

Sure. Revenue depends upon the number of bottles sold and the price per bottle. The number of bottles sold is a function of our market size and market share of our client. The market share of the client depends on the likeness for the client's brand and the dislike towards our competitors. The likeness depends on the product itself and the branding of the product.

Okay that seems comprehensive enough, can you elaborate further on the product?

Sure. There can be 2 components of product:

1. Beer - which includes the volume provided in a bottle, the shelf life of a bottle, and the taste of the beer
2. Packaging - which includes the shape of the bottle, the color of the bottle, label used and the cap of the bottle

Yes, you found the reason, the increase in the profits is due to the packaging. The structure of the bottle appeals to the customers and the cap is easy to open, and no opener is needed which boosts positive customer preference. Can you recommend some measures to help the client sustain these profits?

Yes sure. Some of the measures can be:

- Getting a patent of the structure of the bottle
- Introducing cans as well (alternative sizes)
- Exploring other packaging materials such as plastic (to ensure eco-friendly packaging, use recycled plastic)
- Introducing new flavors of beers

Great, we can end the case here.

Profitability Case: King of Good Times

Parv Jindal / Difficulty – Hard



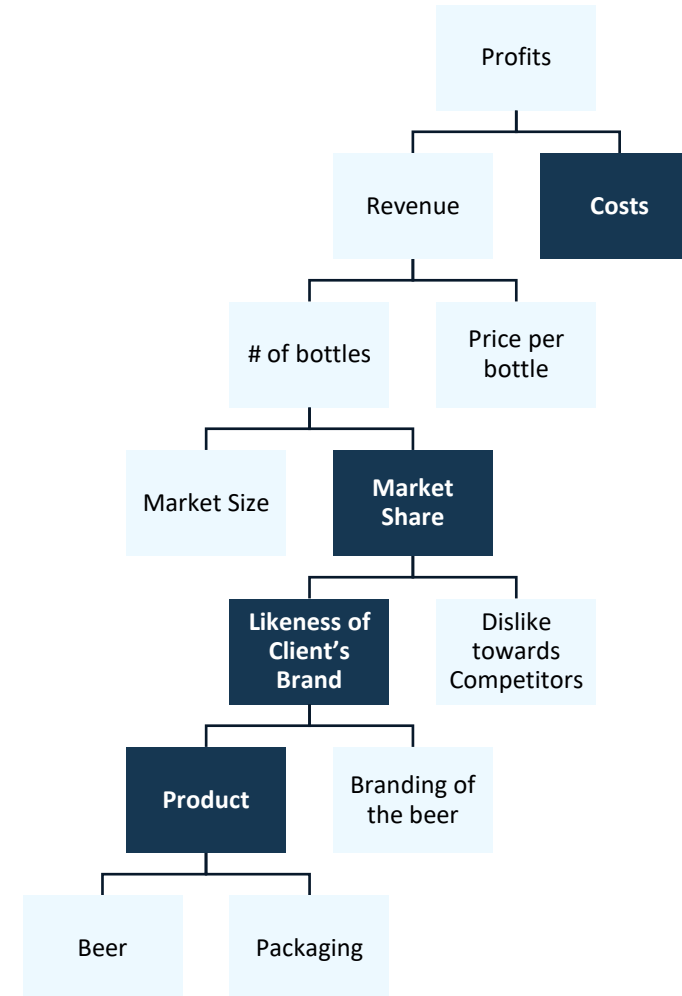
Clarifying Questions

- What is the extent of decline? (12%)
- Since when have we been facing this issue? (8 Months)
- Is this an industry-wide issue? (No)

Brownie Points

- Describing the components of beer
- Including the cap of the bottle in packaging

Framework / Approach



Profitability Case: The Bombay Bank

Mckinsey / Difficulty- Hard



Transcript

A retail bank is facing issues with its bottom line declining. What could be the reasons for the same?

Got it. Where is our client located? What is the magnitude of decline we are facing and since when are we facing this decline?

The client is present nationwide with a significant presence in all Metro cities. The bank has seen a decline of 15% in profit and has been facing this problem for 1 year now.

Interesting. Have other retail banks been facing a similar decline?

Several banks are facing a similar issue

Understood. It seems like an industry wide problem.

$$\text{Profit} = \text{Revenue} - \text{costs}$$

Do we have any information on which revenue stream has been the most affected? As per my knowledge, the major revenue sources are a) interest on loans, b) fee-based income, c) gains on capital investment, d) Commission on third party products.

You can look at interest on loans.

Sure. Interest on loan = (# of customers) * (% interest charged) * (average principle of loan disbursed)

Do we know if any factor might be causing the decline?

Yes, we have observed that the average loan amount disbursed has been declining

The average principle of loan disbursed depends on both demand and supply side. On the demand side, there could be 2 reasons for this.

- 1) Decline in demand for loan
- 2) Diversion of demand to other sources like neo banks

Good. You can stop here and look at the cost side now.

The major areas where we will be incurring cost would be the interest on demand deposits, along with selling, general, operational and administration expenses.

Yes, we are incurring heavy costs on administration expenses. You have rightly identified the problem. Do you have any suggestions to turn things around for the bank.

Yes, let's look at what we can do:

- 1) Provide competitive interest rates
- 2) Employee training programs
- 3) Financial literacy programs

Great suggestions. We can close the case now.

Profitability Case: The Bombay Bank

Mckinsey / Difficulty- Hard



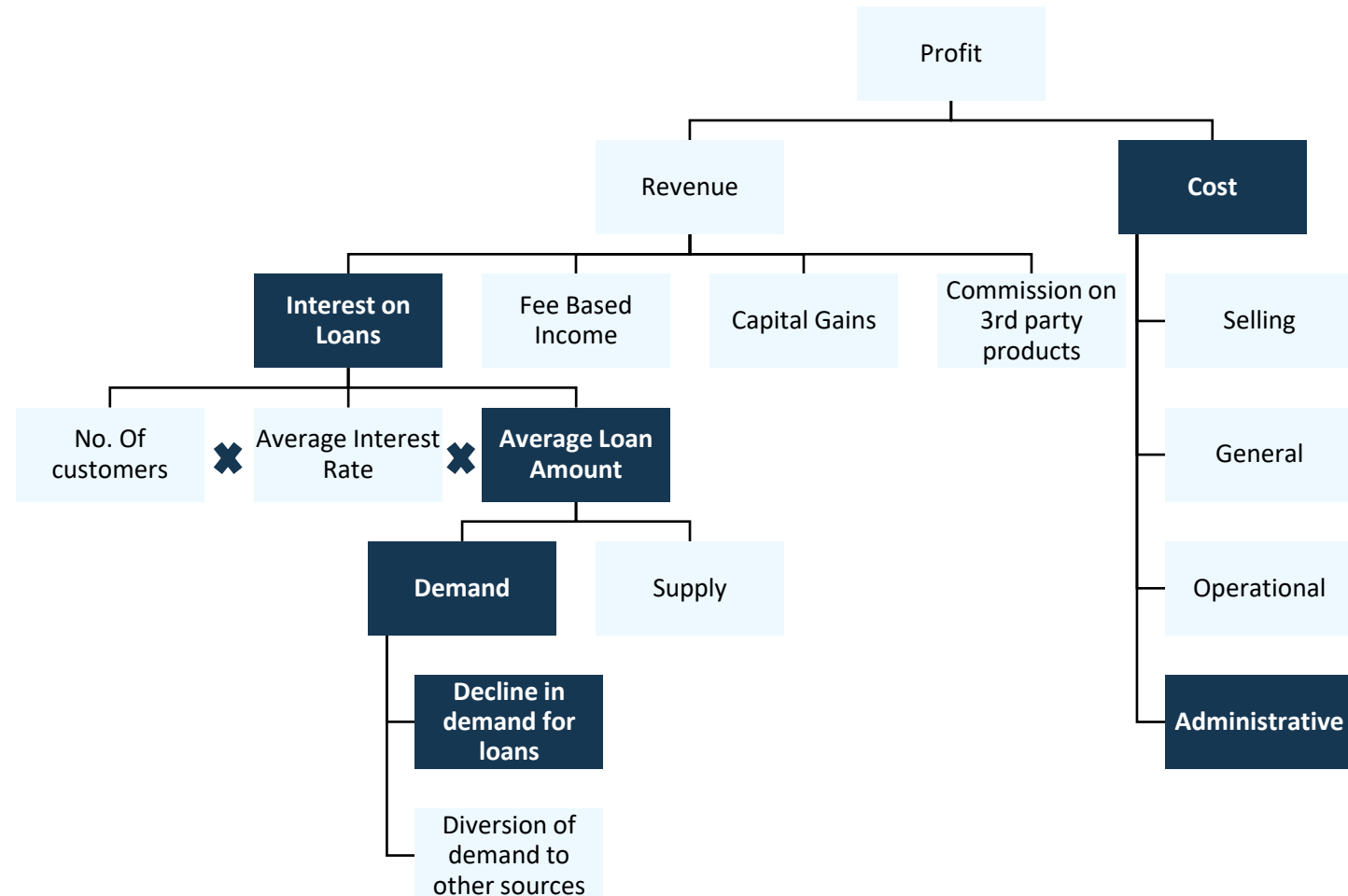
Clarifying Questions

- Where is the client located? (nationwide)
- What is the magnitude of decline? (15%)
- Since when have we faced this decline? (1 year)
- Is it an industry wide problem or specific to our client? (industry wide)

Brownie Points

- Diversion of demand to other sources like neo banks

Framework / Approach



Decline in revenues = Total Revenue from tourists – Revenue with air pollution (=No. Of tourist rooms X Occupancy rate X Fare X No. Of months with pollution)





MARKET ENTRY



BRIDGES
FOR
ENTERPRISE

Market Entry- How to go about it

Description / Preliminary questions / Framework

In a market entry case, you are generally asked to assess the situation in which a firm might expand into new markets in terms of products, geographies, customer segments, etc.

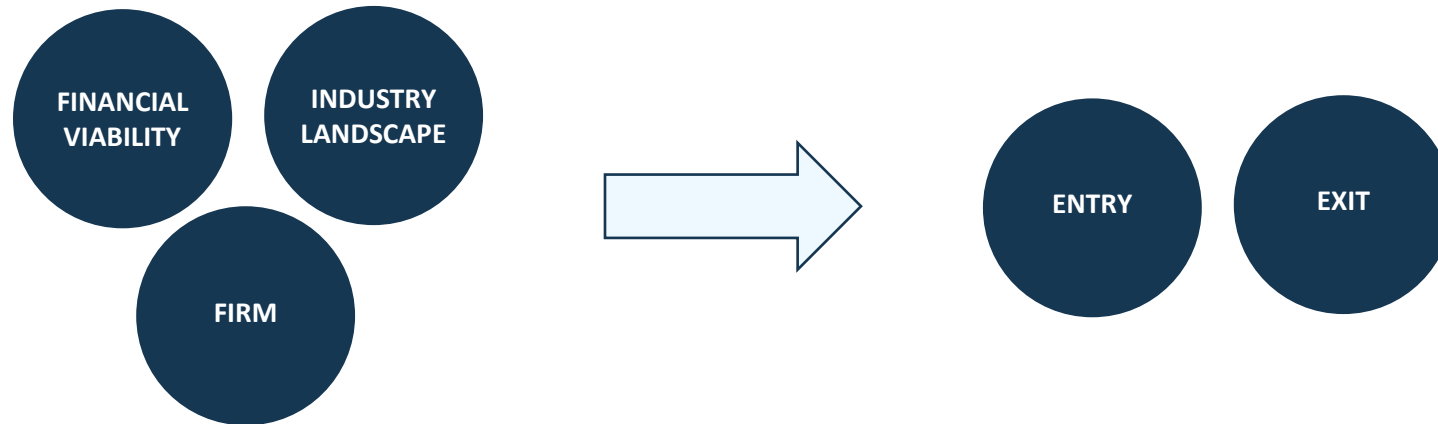
Market entry cases are highly dependent on the way of presentation and using a framework that you're familiar with can be a helpful way to structure your analysis and ensure you don't miss any key points! Back your case up with good reasoning and business judgment.

You may also be frequently asked to perform market sizing guesstimates inside market entry cases. Do remember to perform them quicker than you would do in standard guesstimates.

Preliminary questions are of utmost importance during market entry cases as you are asked to assess cases from just a qualitative perspective more frequently. Given below are few such preliminary questions.

- 1) In-depth clarity of the firm's business model
- 2) Firm's objective to enter the new market
- 3) Are they looking to enter certain geographies only

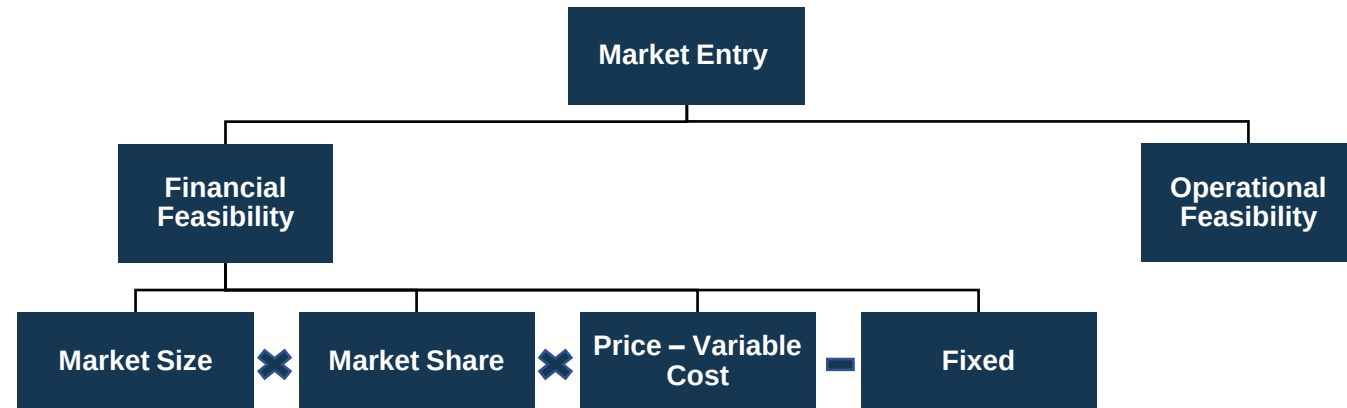
In a Market Entry Case, we can start by analyzing the situation from 3 stand points and then move on to the modes of entry and exit in case the firm chooses to enter the market



A market entry case is generally associated with a firm's foray into a new segment whether in terms of launching a new product, entering a new geographical territory, or targeting a new customer segment. The candidate, first of all, needs to determine whether it's feasible to foray into the new market and if it's feasible, what should be the company's strategy in doing so.

Clarifying Questions

- Why does the company wish to enter the new market? (Essentially asking about the company's objective behind the entry)
- Before initiating the case, try getting apprised of the company's basic information. This could include questions regarding the company's operations and the products it offers. The interviewer may also be asked about previous market expansions that the company has undertaken.
- In case of entering a new geographical territory, the interviewee may ask about the features of the new territory (if in particular). It may also be enquired if the firm is looking to enter only certain geographies.



- Market size = Figure out to solve from demand vs supply side

Market Share = Use 4P analysis to figure out interviewer expectations and compare it to similar market entry by same company in different geographies & other companies in same geographies.

- The main analysis of the case can be divided into two buckets: Economic analysis and Operational Feasibility.
- The economic analysis would deal with the company's market share in the total market landscape considering the variable and fixed costs.
- As for the operational feasibility, the interviewee should convey the value chain of the focused industry to the interviewer.

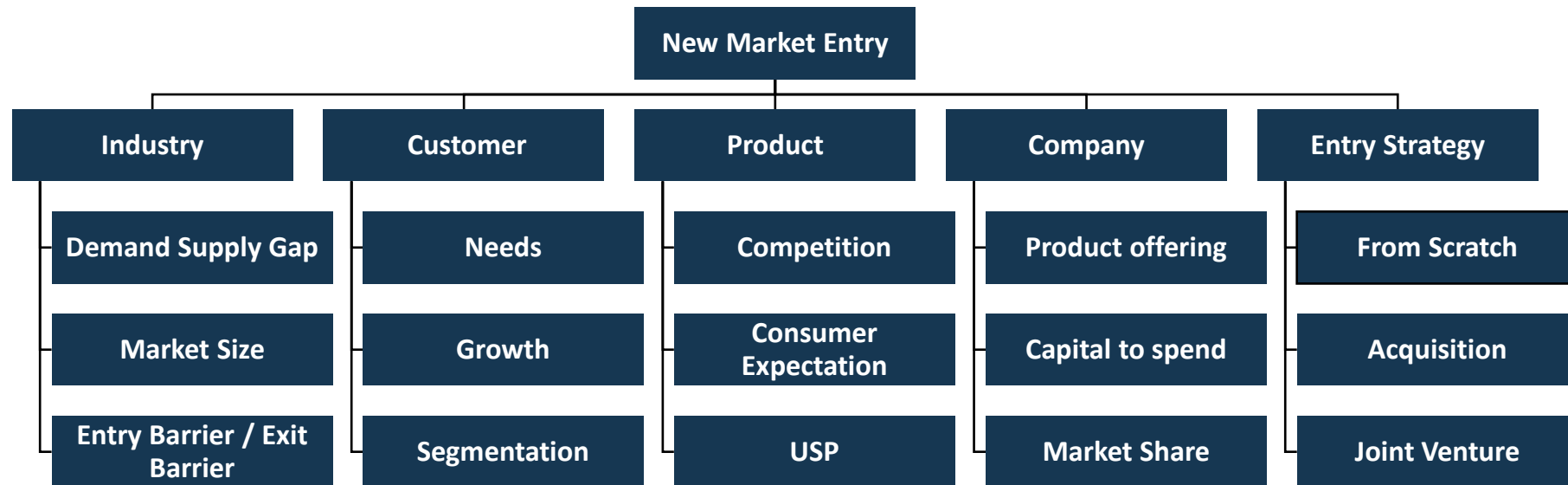
New Market Entry

Framework



A case pertaining to market entry, which could involve launching a new product or entering a new geographical region or both, is dependent on two fundamental inquiries

- Is it financially and strategically advantageous to enter the market?
- And if the answer is yes, what would be the optimal approach to enter the market?



In brief, the framework entails understanding the company's objectives and assessing whether market entry aligns with the overall firm strategy. To evaluate feasibility, the framework considers four categories, and based on the analysis, it recommends whether the company should enter the market or not, and if yes, how to do it.

It is important to note that not all aspects of the framework may apply to every case, but covering as much as possible provides a good understanding of the industry and the client's status. Moreover, it is essential to identify the client's position in the market and develop measures to mitigate the competition's edge. Generally, analyzing and recommending whether to enter the market satisfies the interviewer, but going the extra mile to suggest a high-level plan to capture the market is always beneficial.

New Product Launch

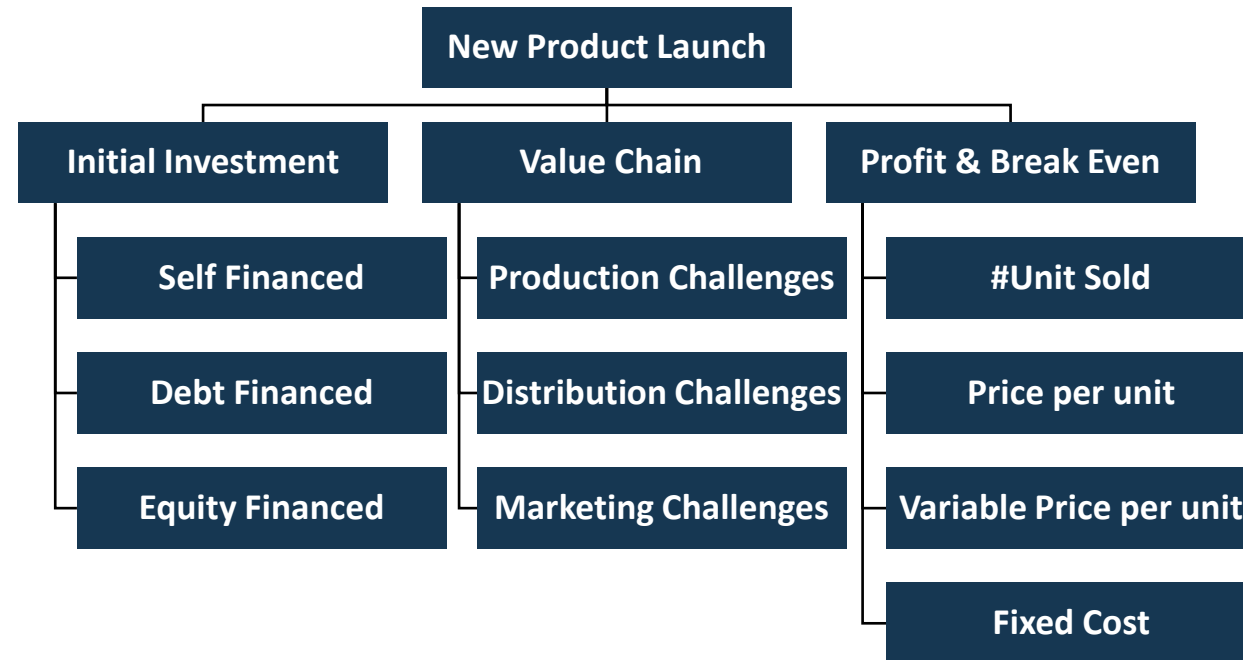
Framework

To enter a new market with a new product, a company may choose to introduce a completely new product or expand the reach of an existing product in a new geographic region. When analyzing such a case, the interviewer expects the candidate to first evaluate the feasibility of the product's success in the market. This is followed by identifying the appropriate price point and target market, and finally recommending strategies that can drive the product's success in the market.

Framework

Companies can launch a new product in a new market or expand their product line in an existing market.

Launching a product in a new market requires examining operational challenges and the product's viability. Expanding a product line in an existing market may require examining the feasibility of the product in the market, as well as leveraging the current value chain to make the product available to customers



The main inquiries to consider are:

- What is the objective of the product launch? Is it to expand market share, venture into a new business area, generate profits, or enhance brand image?
- What is the size of the market for the product? Are there any obstacles to entering the market? How does the competition appear?
- Which segments of the population are being targeted?
- What is the initial investment required? What is the projected payback period?
- What would be the appropriate price for introducing the product?

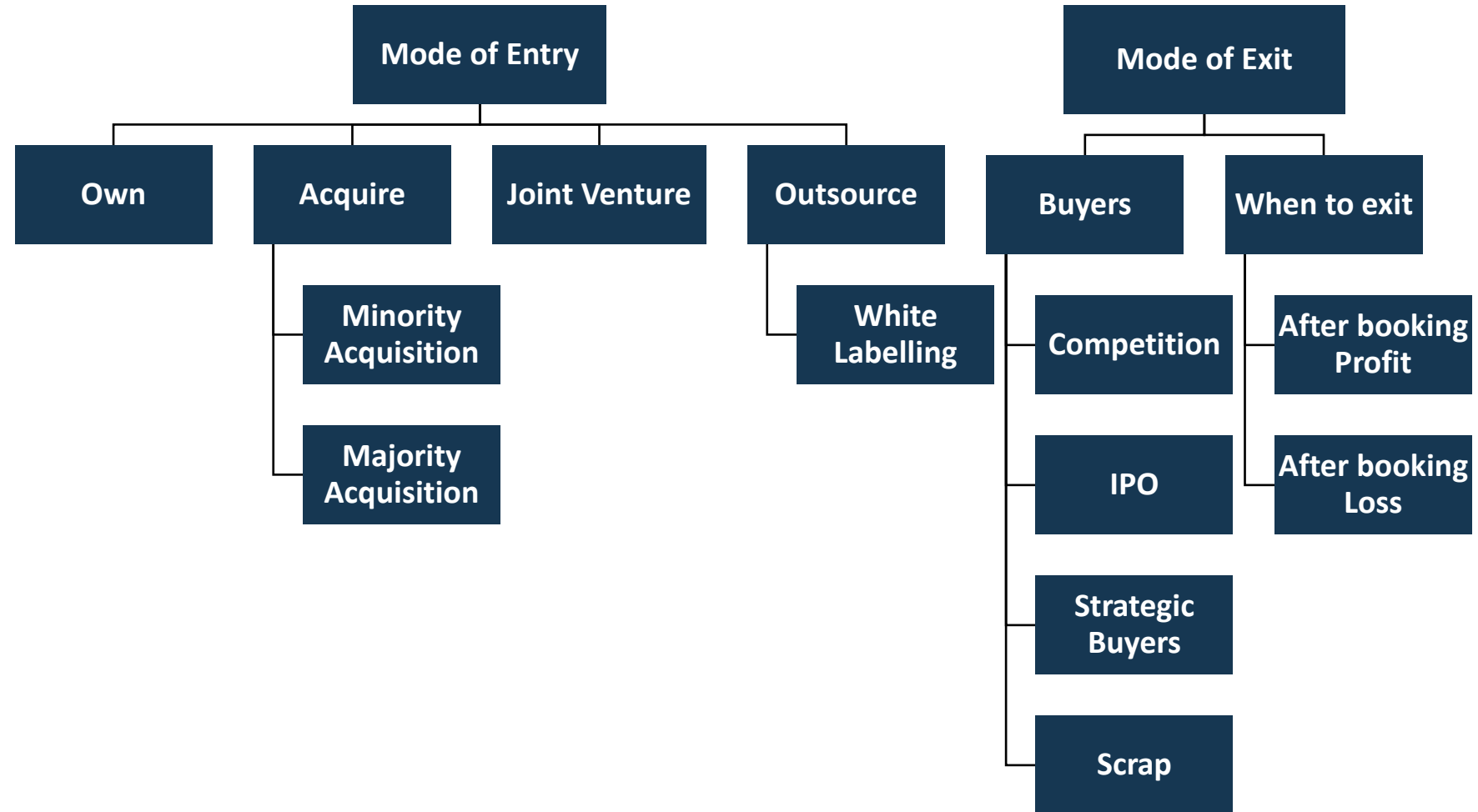
Market Entry Framework

Mode of Entry & Exit



Mode of Entry refers to how a particular company enters a new market which may take various forms. It may come on in its own i.e. directly or may even acquire an existing business in the target market. Joint Ventures with local companies to share resources and outsourcing (KPO/BPO/ White Labelling) are other popular means of entry in the new market

Market Exits can occur through share divestiture to competitors, public offering (IPO), strategic sale or scraping. The timing of the exit depends on the payback on investment, company's risk appetite or the quantum of losses that the company can bear.

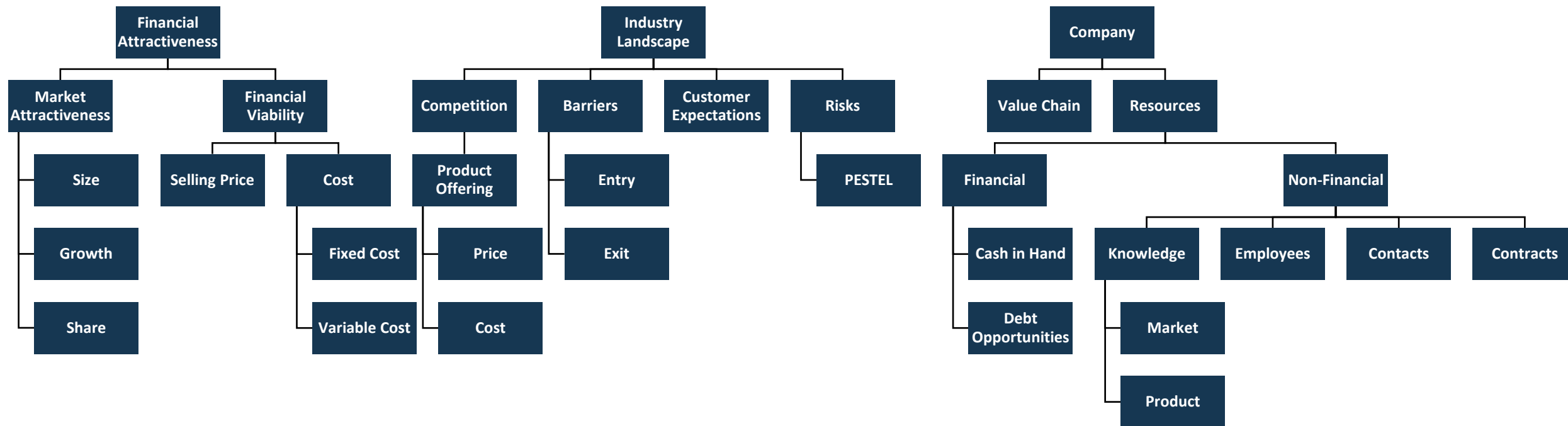


Market Entry- Alternate Approach

Description / Preliminary questions / Framework



Transcript



Market Entry Case: VapIndia

BCG / Difficulty - Easy



Transcript

Your client is an E-Cig manufacturer and believes its current market has been saturated and hence wants to break into the Indian Markets. They need you to suggest if this is a good idea.

Sure, I would like to begin by understanding where the client is based out of and if they have any specific geography in mind on where the product should be launched?

The client is based out of US and has no restrictions as to where they want to launch the product.

Alright, before moving on I would like to know the product better. From what I know customers have to purchase the E-Cig and its charger once and only have to buy pods and refills again and again. Are there any other variants offered?

You are correct and for the simplicity of the case let's just assume there to be only one variant of the product.

Sure, sounds good. Next, I want to understand the specific objective of our client in terms of revenues or profits and are there any existing competitors in the Indian market.

The client wants to maximise their revenue. After looking at the figure we can assess whether it is attractive. No there is no existing player in the market.

Sure, We can analyze the situation in three parts:

- 1) Market Attractiveness - Based on market size, market share, consumer acceptance, Profits
- 2) Operational Feasibility - a) Manufacturing b) Distribution c) Marketing
- 3) Risks Involved and Implementation- Pestle analysis

The structure looks comprehensive, focus only on market attractiveness for this case.

Sure, I would like to start with market attractiveness

Indian market presents a huge opportunity because of its large population but due to the presence of cheaper alternatives, e-cigs will not be a lucrative option for the rural population. Restricting the target market to Urban population which is about 30%.

Fair observation, Go ahead.

Out of this 30% Urban population, the young population aged between 19-30 would be our target customers since they are more likely to adopt the change.

Okay, Can you calculate the market size for e-cigs in India?

Sure,

Total Population of India = 140 crore

Urban Population = 40 Crore (Approx. 30%)

The Urban Population can be split into Age brackets of

0-18- 30%

18-35- 40%

35-60- 20%

60 and above- 10%

Here the 18-35 age group (16 Crore) is our target market. But not all Urban populations between 18-35 are likely to adopt our product. Smokers are more likely to adopt our product as an alternative to smoking while only a few per cent of non-smokers will adopt our product.

Roughly 50% percent in this age group would be smokers.

So, 50% of Smokers will adopt our product while only 10% of non-smokers will adopt our product. Bringing the Market size to roughly 9.5 Crore People.

That seems like a good number. Is it financially sound to enter the Indian Market then?



Market Entry Case: VapIndia

BCG / Difficulty - Easy



Transcript

Sure, Market Size* Market Share*Price per unit*Frequency of purchase= Excepted Revenue

Market Size = 9.5 crore

Market Share = 60% due lack of any competitor

Frequency of purchase depends upon the usage and pods/refills per pack

Do we have any information about the packaging and pricing?

Yes, a pack of 3 pods costs \$20 in the US, which usually lasts 2 weeks. they are thinking of similar pricing in India.

Alright, a pack of 3 Pods priced \$20 will last on average 15 days. So, Excepted Revenue comes out to be \$27,360 Million in first year.

Great, this number definitely seems attractive enough for our client. What is your final suggestion?

Based on the analysis of market attractiveness, I would recommend the client to enter the Urban Indian market.

That sounds good. We can end the case here.



Market Entry Case: VapIndia

BCG / Difficulty - Easy



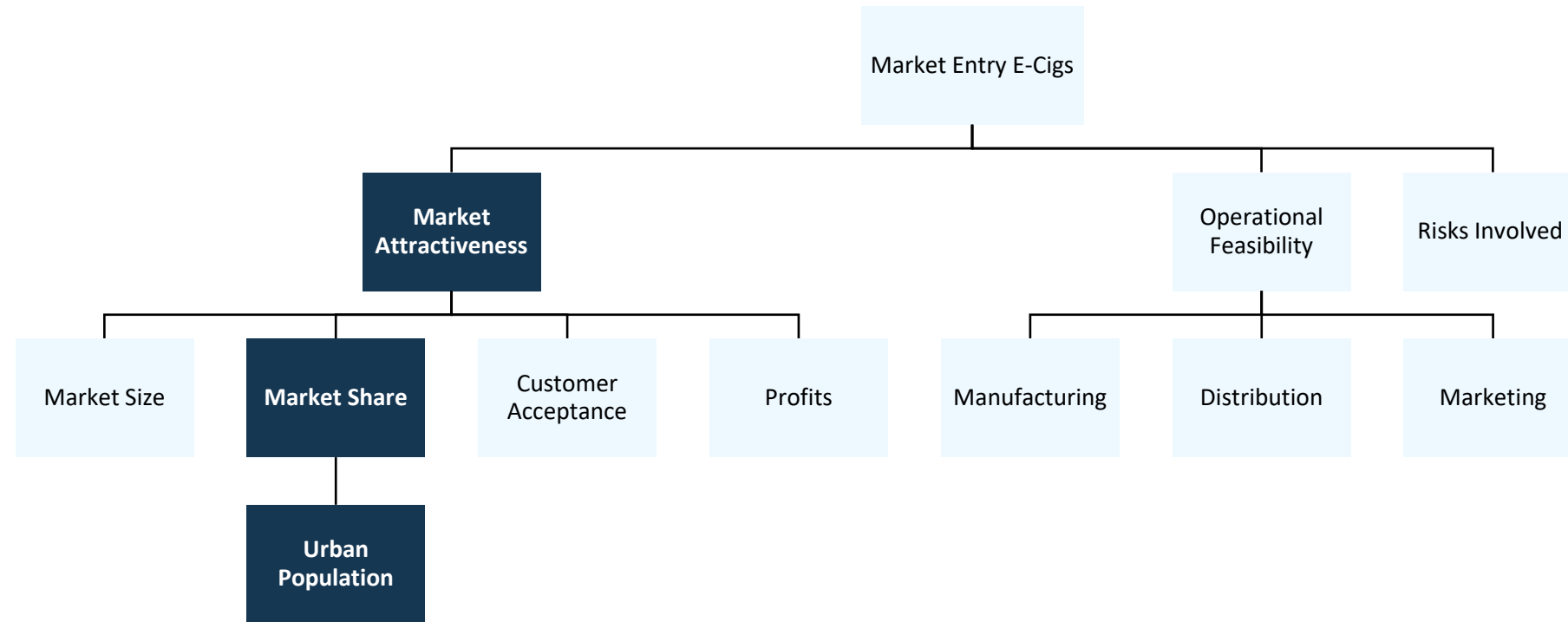
Clarifying Questions

- Geography where the client wants to launch the product
- Knowing more about the product
- Objective of the client
- Existing competitors in the market

Brownie Points

- Restricting the target market to Urban population since e-cigs will not be a lucrative option for the rural population due to cheaper alternatives

Framework / Approach



Market Entry Cases : Black Magic

BCN / Difficulty - Medium



Transcript

PepsiCo believes that their existing market has saturated and now wants to enter into the RTD juice section in India. They have hired you to judge the market attractiveness and help them with market entry.

Sure. What is the motive for entering the market?

The main objective behind entry is profitability. PepsiCo has been a dominant player in soft drinks and wants to do so in the fruit juice market

Okay. Are there any regulations or barriers to entry that need to be kept in mind while trying to understand market entry? Where does the company lie in the value chain?

Regulations include FDA regulations that state that the product is safe for use. About the value chain, PepsiCo aims to Manufacture and distribute their products to various wholesalers and retailers throughout the country.

Thank you! Now can I take a minute to draw out my overall approach?

Sure!

First let's divide the market entry strategy into 4 sections to check financial feasibility, barriers to entry and mode of entry. First, I have tried to calculate the market size PepsiCo could capture in India in the RTD juice section. For that, I have considered the population of India and divided it on the basis of urban/ rural, income, and age to estimate the consumption of the commodity and thus calculate the market size.

Fair enough, now I want you to focus on certain other factors instrumental in making the market entry decision.

Alright. We can consider the setting up costs for PepsiCo. Plants and infrastructure already existing can be used up for new product in some capacity.

They may also set up new factories or partner with existing local players to gain cheap inputs and easy production as they have an already established supply chain.

Any other factor you can think of?

PepsiCo already has an existing brand value with a good brand image and existing high market share and it should be able to easily capture the market by advertising their product well. Also, during expansion, people already available and working in a similar capacity can be easily diversified into the new product.

Alright, since most of the points have been covered, we can now close the case.

Market Entry Cases : Black Magic

BCN / Difficulty - Medium



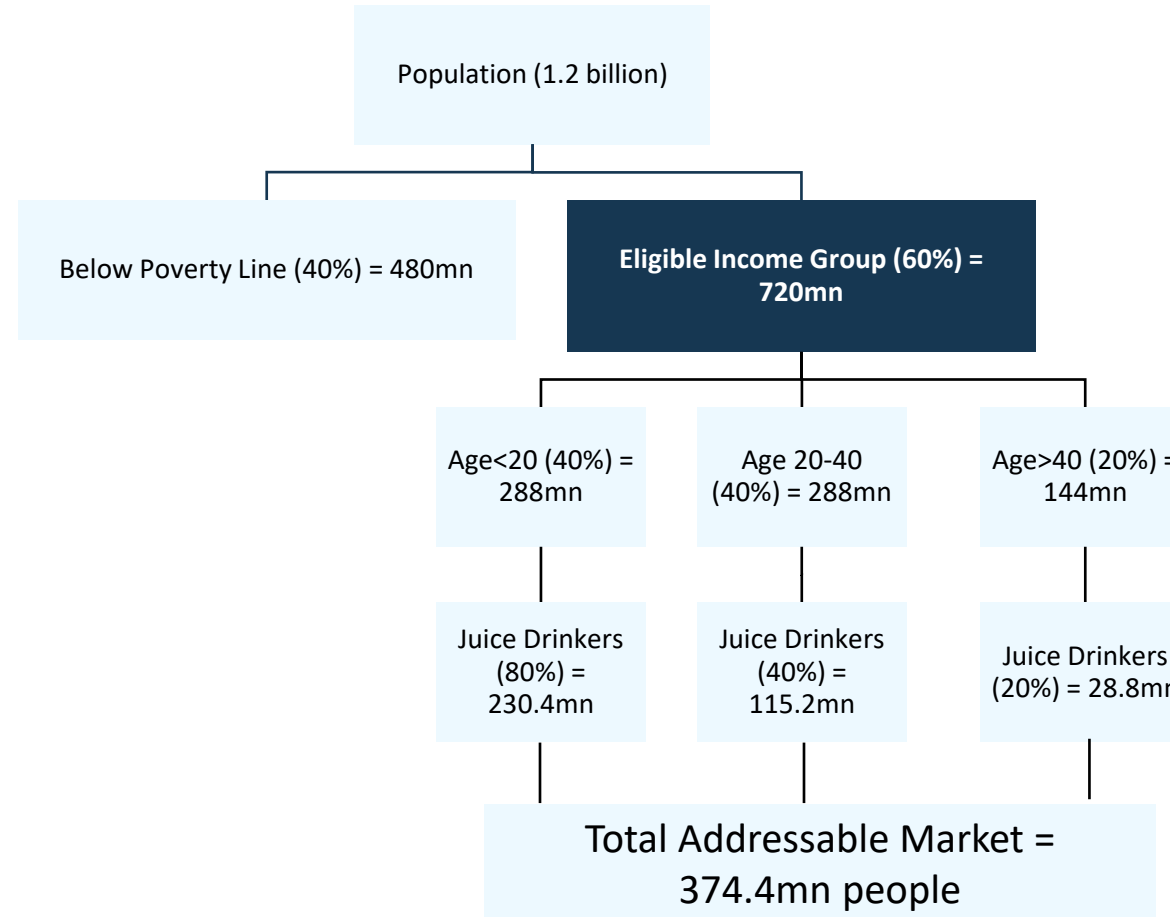
Clarifying Questions

- What is the main objective behind entering the market? (Profitability)
- Regulatory issues in entering the market? (No)
- Where does PepsiCo lie in the value-chain? (Manufacturer)

Brownie Points

- Identifying the market size
- Partnering with existing local players

Framework / Approach



Transcript

Your client is a fitness company that has an application similar to that of Cult Fitness. It tracks your daily physical activity and provides insights into the same. The company wants to launch a CSR initiative and has approached Dalberg for help with the same.

Alright! What is the time frame we are trying to implement this in and in what geography?

Yes, so the time horizon is one-year and the geography is India.

Okay. Are they looking to target any specific demography and are there any budgetary constraints?

There is no specific target demography, and the budget is 1 Rupee per every kilometer run on the application.

So, I would like to begin by considering the factors that they can use to decide which CSR initiatives to implement can be an analysis of the Opportunities, Operational Feasibility, Financial Feasibility and Risks associated.

The structure looks comprehensive, Elaborate on each

So, under the Opportunity analysis (need assessment), we will consider:

- 1) Number of people the app can reach/impact
- 2) Time taken in implementation
- 3) Ease-value evaluation
- 4) Potential for growth
- 5) Urgency of issue

Under Operational feasibility, we will consider:

- a. Logistical feasibility
- b. Distribution ease
- c. Social acceptance

- d. Ease of implementation
- e. Reconciling with overall company strategy

Under Financial feasibility, we will consider

- a. Return on investment
- b. Costs associated: fixed and variable
- c. Economic viability
- d. Alignment with financial targets

And under Risks associated, we will consider

- a. Risk from competition
- b. Possible effects on brand name and loyalty - organizations are subject to inspection, criticism and public opinion
- c. Political/legal risk - Compliance with regulations
- d. Increased accountability and responsibility

This looks quite comprehensive! Can you tell us the approach for estimating the budget we may have

Sure!

Population of India= 140 Crore

Dividing it into Rural= 70% AND Urban =30%

We can assume the app. users to be negligible in rural areas and go forward with the urban users. Next, we divide the Urban population into Income groups i.e. Upper class(20%), Upper-middle class(30%), Lower-middle class(30%), and Below poverty line(20%).

Out of these we can eliminate the lower middle class and below poverty line.

We further divide the upper class and upper middle class in age bracket of 10-20 years(20%), 20-40 years(40%), 40-60 years(20%), and 60+ years(10%). Out of these we can eliminate 60+years of age group.

Market Entry Cases : Pro-FIT-able

Dalberg / Difficulty - Hard



Transcript

In the age group of 10-20 years(60% will use a fitness app), 20-40 years(40% will use), 40-60 years(25% will use).

Market share= 20%

We get the total number of our app users.

Can we assume the avg. number of kilometers run in one go by a user to be 5km for 5 times a week?

You may proceed with that assumption

Alright! So, the estimated budget for the CSR initiatives will be = number of app users*Avg Km run by one user * 1Rupee * number of weeks in a year.

Fair approach! Can you mention some of the CSR initiatives that the company might undertake?

Yes, sure! Some of the possible CSR initiatives that the company can undertake:
Food security initiatives (Tackling Malnutrition, Promoting consumption of healthy food, Spreading awareness about diet and nutrition), Health and wellness initiatives (Vaccination camps, Free health check-ups, Immunization campaigns, Mental health and well-being initiatives), Fitness initiatives (Organizing marathons, Promoting activity and sports, Awareness against diseases due to inactivity like obesity, Subsidizing gym memberships).

Good Suggestions, I think we can end the case here.



Market Entry Cases : Pro-FIT-able

Dalberg / Difficulty - Hard



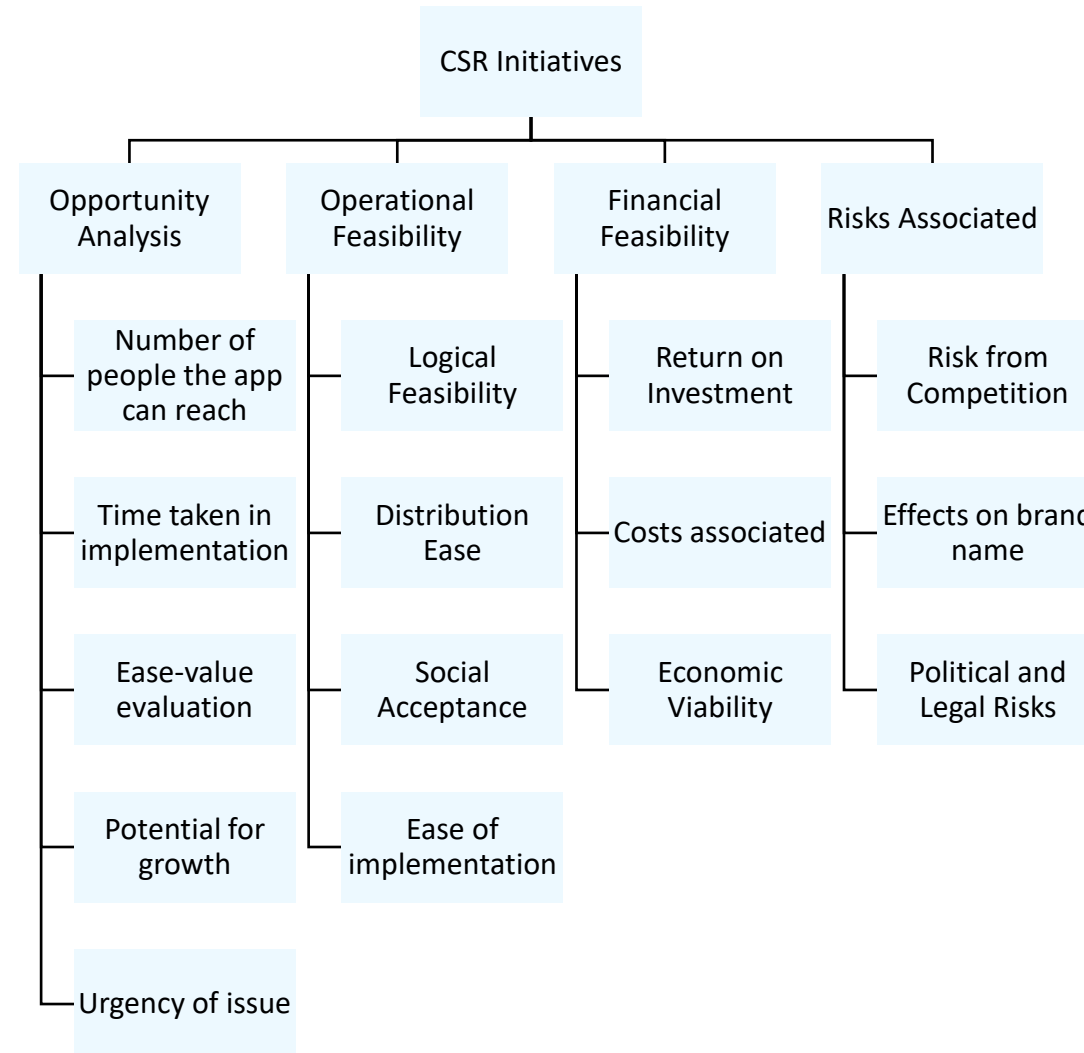
Clarifying Questions

- Do we have any cause in mind?
- Information on the time frame and the geography in which our client wants to launch this
- Is the client looking to target any specific demography and are there any budgetary constraints?

Brownie Points

- Assuming the app users to be negligible in rural areas and go forward with the urban users.

Framework / Approach



UNCONVENTIONAL



SHAHEED SUKHDEV
COLLEGE OF BUSINESS STUDIES
(UNIVERSITY OF DELHI)



BRIDGES
FOR
ENTERPRISE

Unconventional Cases: Playstation

Parv Jindal / Difficulty - Easy



Transcript

Your case is that my PS4 has broken. Tell me what to do.

Is it broken such that it cannot be used?

Yes, it cannot be used anymore.

What exactly is my objective in this case?

I just want you to explore all alternative options available to me.

Ok, so there are 3 alternative ways to approach this problem We can either buy a new PS4, repair the old one or not own a PS4.

These seem like fair choices. Why don't you explore each option further

Under the first option buying a new PS4 will be influenced by whether we have enough money to buy a PS4. If we have enough money, we can either buy the same model again, wait for the new model or buy an alternative such as Xbox. If we don't have enough money, we can either steal, borrow money or avail EMI a scheme.

These all seem like good options. Why don't you move to the next option.

The next option is to repair our PS4. Here, we can either get it fixed from an official Sony store or from an unofficial place. If we get it repaired from the Sony store, we get an expensive but authentic repair. We can repair either the full unit or just the broken part. If we go for an unofficial repair, we can either get a cheap repair from a local shop or get it fixed from a Sony store through bribery or personal contact.

Interesting insights in this segment. Why don't you explore the last option as well.

The last option is not to own a PS4. Here, we can either borrow, play outside or not play at all. If we wish to borrow, we can do so from friends or rent one. If we play outside, we can go to a gaming parlor, play at a friend's house or play at a store. The last option is to not play at all, this could be due to time constraints or out of volition since we may be bored of gaming.

Great attempt. I really like some points you put forward. This concludes your case.

Unconventional Cases: Playstation

Parv Jindal / Difficulty - Easy



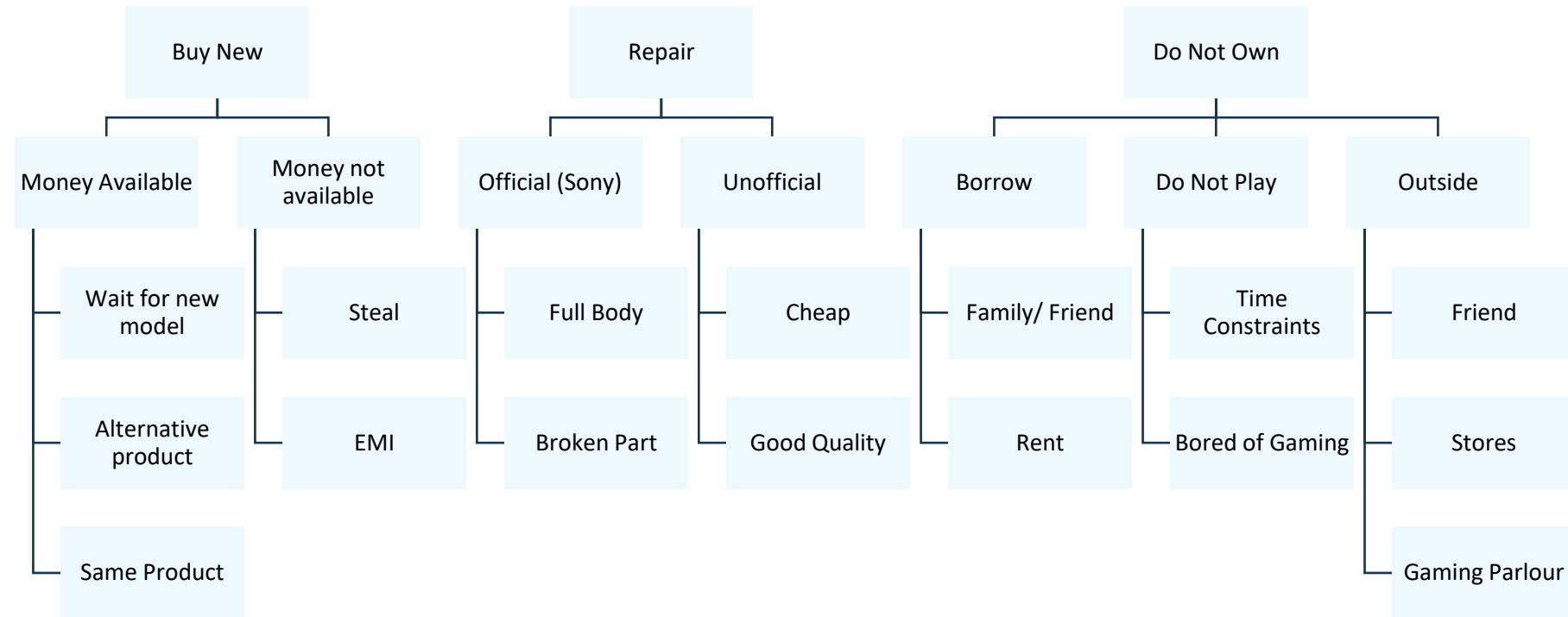
Clarifying Questions

- Is the PS4 broken such that it cannot be used again?
- Objective for the case

Brownie Points

- What is the objective behind this?
- Suggesting not owning a PS4 as an alternative solution

Framework / Approach



Unconventional Cases: Flight to Indonesia

Dalberg / Difficulty - Easy



Transcript

Your Client is based in Indonesia, operating in the extraction sector for mining oil & gas. The company has scouted a remote island for extraction. However, they have been facing a lot of regulatory scrutiny for obvious reasons. Under their CSR mission they have a long-term objective of creating economic opportunities for locals on the island. After their preliminary analysis they have narrowed it down to a single industry, the tourism sector and they wish to invest in the same. How should they go about it?

Okay, I think there are certain pre-requisites for tourism to thrive in any location, I would like to start by analyzing those.

Okay, Go ahead.

There are 5 building blocks for the tourism sector to thrive in any place – Infrastructure, Human Capital, Brand Value of the place, Recreational Activities & the External Enabling Environment

So, now that you've listed down the broad areas where our client can focus on, I'd like you to identify more specific instruments, vital to tourism on the island.

- Areas of interest under infrastructure can be further categorized into - Man-Made & Natural Infrastructure. Man-Made Infrastructure would include:

1. Transport i.e., roads, airports and other means of travel on the island
2. Hospitality Industry on the Island i.e., Hotels, Resorts, restaurants etc.

Natural Infrastructure would include the greenery and beauty of the island itself

- The Human Capital, tour guides, tour agencies and other skilled people that run the tourism industry. People can be trained in these fields to ensure adequate skillsets
- The Brand Value of the island can be worked upon by collaborations with the Ministry of Tourism and other such organizations to make sure there is enough advertisements of the island.
- Recreational Activities include “things to do” on the island, it maybe adventure activities such as snorkeling, para-sailing etc. or experiencing local culture and heritage
- External Enabling factors include PESTLE Factors & the robustness of the foreign exchange system. Our client can also work on working with authorities to approve visa application requests to the island as well

Ok great! After analysis and research, our client has decided to invest in the development of an airport on the island. You are required to estimate the capacity of such an airport based on the annual number of passengers both domestic as well as international

Is there any demographic or geographic data related to the island available to us, which can be used to make an assessment of the visitors on the island

No, we do not have the requisite data.

Since, there isn't any data available, I'd like to take a proxy destination that receives a lot of visitors. Can I take the airport of Goa as the proxy ?

Yes, that is a fair assumption

Unconventional Cases: Flight to Indonesia

Dalberg / Difficulty - Easy



Transcript

- Okay, since the number of flights that land each hour is inconsistent, taking that the Goa airport is operational for 18 hours a day, will compensate for peak hours and non-peak hours in general.
- Taking that 10 flights land each hour at the Goa Airport on average. We get 180 flights per day.
- The standard seating pattern in these flights is 2-3-2, hence 7 seats in a row and, on an average each flight will have 35 rows, therefore 245 seats/flight.
- Taking seasonality as a factor, there are 4 months of peak time and 8 months of off-season at the airport. Taking 90% occupancy during the 4 months and 60% during the off season. We get 47,62,800 passengers during peak season and 63,50,400 during the off season
- Of these 90% of the people during the peak season can be termed as tourists, while the same factor can be 50% during off season. Others maybe residents returning home.
- After calculating, the number of tourists visiting Goa turn out to be 74,61,720. So, roughly 7.5 million tourists visit Goa every year.

So, what would your final suggestion to our client be?

Our client should invest in the airport keeping in mind an annual footfall of 7.5 million tourists visiting the island!

Good! I think we can end the case here.



Unconventional Cases: Flight to Indonesia

Dalberg / Difficulty - Easy

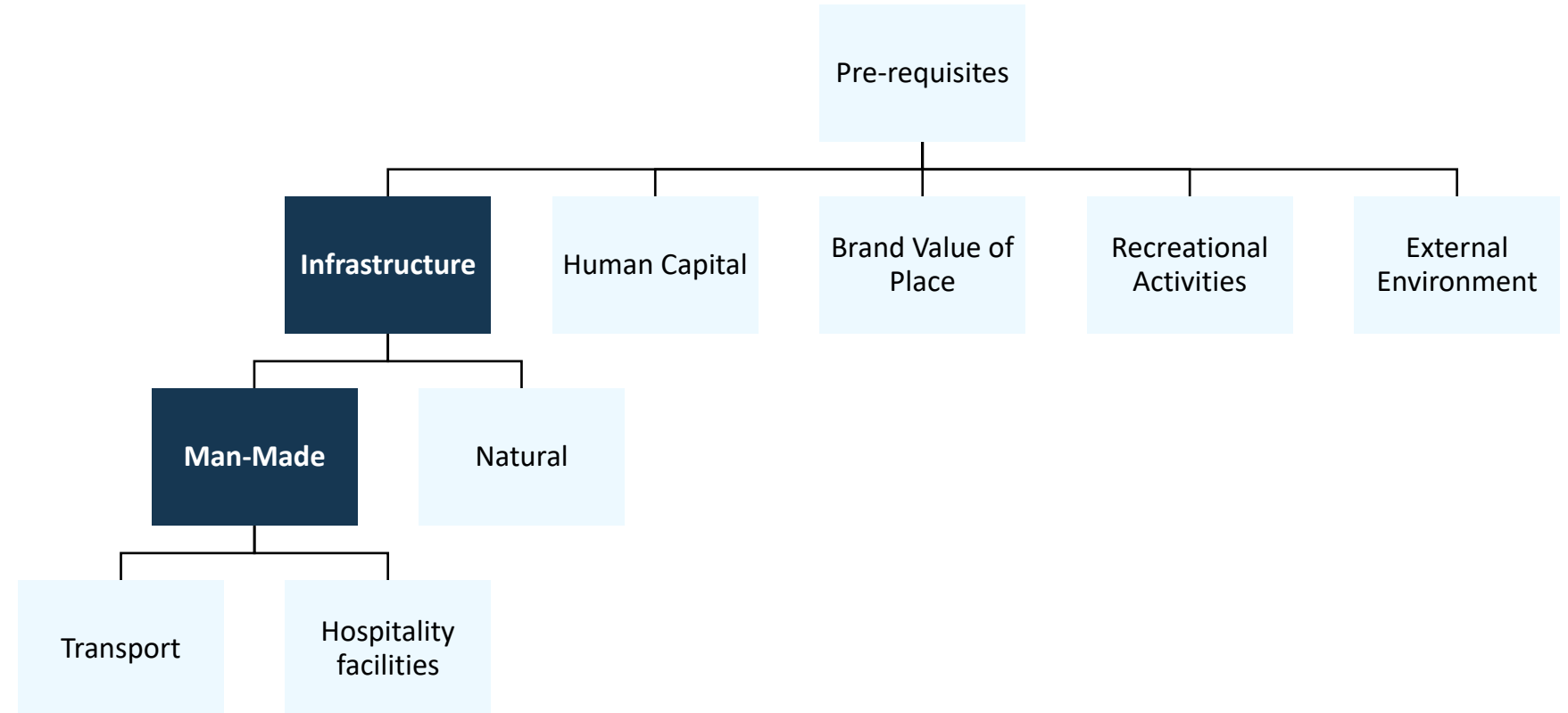
Clarifying Questions

- Is there any demographic or geographic data related to the island available to us, which can be used to make an assessment of the visitors on the island

Brownie Points

- Taking the airport of Goa as the proxy
- Taking seasonality as a factor

Framework / Approach



Transcript

Your client is a company where people are getting hired, but they don't have necessary skills to accomplish the job. They can just do away with the clerical tasks. Therefore, the client wants to explore an apprenticeship programme, to analyze whether the benefits being accrued from it are enough to continue the programme. So, you need to list down the potential benefits of an apprenticeship programme to a firm.

What does apprenticeship mean in this case? Is this something where the person will have to pay to get trained or will the company pay the trainee?

Here apprenticeship means a period of training before the company extends an offer letter to the employee. Also, assume that the company is not paying the trainee.

Is there any specific period for which the trainee will have to stick with the company post programme?

You can assume that the trainee has to stick with the company for at least 2 years.

And is there any other peer firm which is running such an apprenticeship programme? (this could have an impact of incremental revenue generated)

No. There is no other firm which runs such a programme.

All right. So, according to my approach, the benefits can be divided into 2 segments: 1. Economic Benefits & 2. Social Benefits
Do you think this is a fair division?

I think this seems to be a good division. Can you explain each of them further?

Sure.

The **economic benefits** entails the monetary benefits that'll be generated by the employee for the company. It can further be divided into 2 segments:

1. Short-term, and
2. Long term benefits.

Short-term benefits: These are the benefits which the firm will generate in terms of increase in efficiency of the employees, which means increase in output/unit of time.

Long-term benefits: These are the indirect benefits that the company will be able to generate indirectly, such as an increase in the number of clients.

2. **Social benefits** sort of includes the benefits that the trained employees will be able to generate for making the working culture of the company better. They can also be divided into short-term and long-term.

Short-term: This includes increasing the positive and appreciative atmosphere within the company. The managers will not have to doubt the working capacity of employees.

Long-term: This includes benefits generated due to the trained employees propagating the culture of training and efficiency in the company.

OK. Let's look more into the part of Economic Benefits. Can you calculate the quantum of benefits that are estimated to arise from the programme?

Transcript

Sure. The benefits can be calculated as a function of incremental revenue generated due to the apprenticeship program and the cost incurred to organize it.

The costs incurred will include:

1. Course material
2. Fees of the trainer
3. Equipment/tools used during the course
4. Stipend/ compensation of any sorts to the trainees (optional)

And the revenue can be calculated as the incremental revenue generated by the trained employee in comparison to the situation if he/she hadn't been trained.

Do we have information about the costs incurred and revenue generated by the company?

Yes, we do have the information. It is known that the company incurs a cost of Rs.1000/person and an untrained employee generates 50,000, being 25% more efficient when trained.

All right. Let's assume the number of people in the apprenticeship program to be 10 and absorption rate to be 60%.

Cost turns out to be Rs. 10,000, of which Rs.4000 would be sunk cost owing to the absorption rate.

Since we assume that a trained employee would be 25% more efficient than an untrained one in the short term, incremental revenue will be $6 \times 25\%$ of Rs.50,000.

In this way the quantum of benefits turns out to be Rs.75,000.

The challenges might arise out of 2 avenues:

1. Interest: People might not be interested in opting for such a program, since no other company organizes such a program.
2. Awareness: Another major factor could be lack of awareness, since it seems to be a new trend in the industry.

That's great. I think you have covered all the aspects of the case. Let's end the case here. Well done.

That sounds good. Also, can you mention the challenges that might arise during the program?

Unconventional Cases: Training Day

Dalberg / Difficulty - Easy



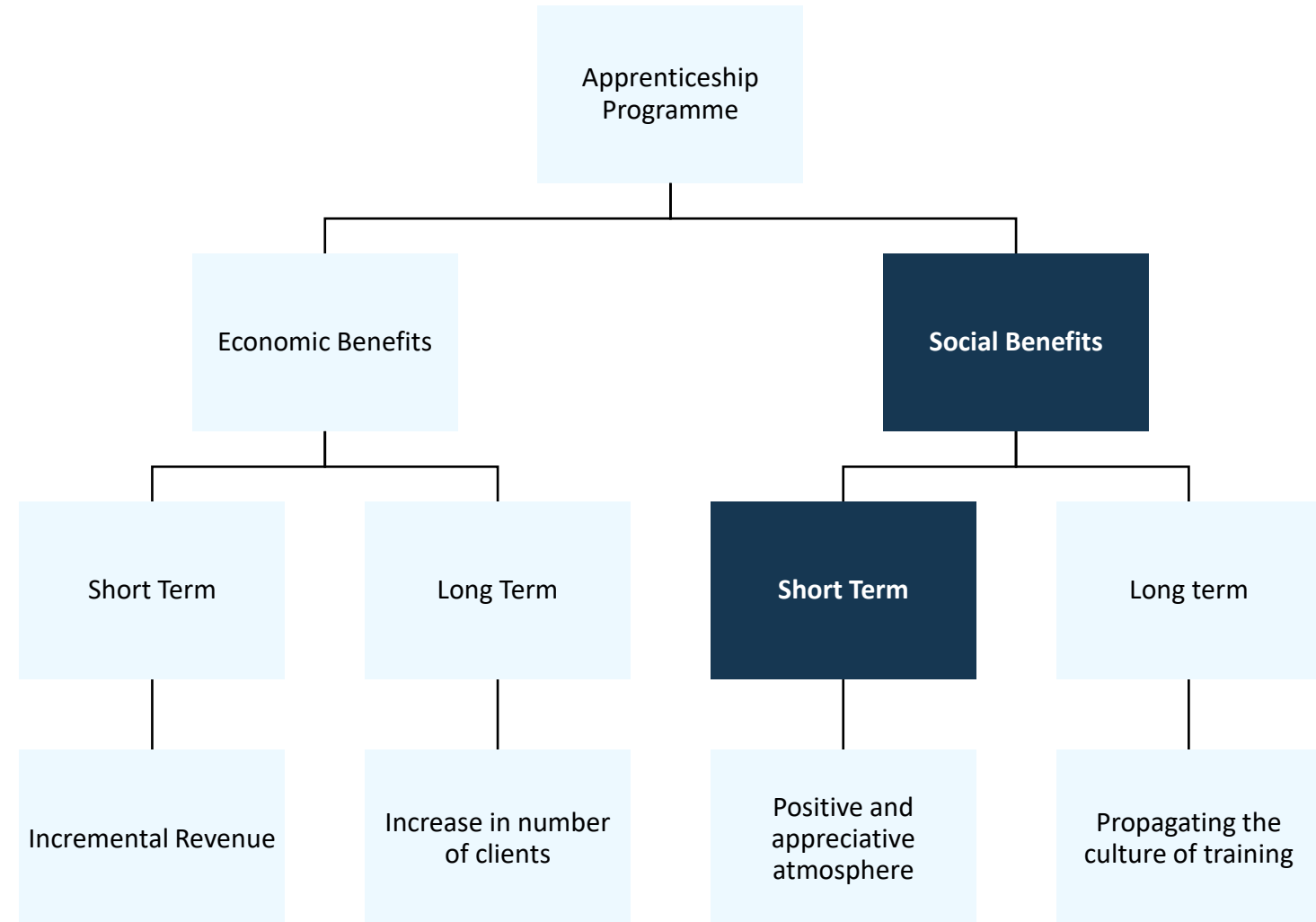
Clarifying Questions

- What does apprenticeship mean in this case?
- Period for which the trainee will have to stick with the company post program
- And is there any other peer firm which is running such a program?

Brownie Points

- Period for which the trainee will have to stick with the company post program

Framework / Approach



Unconventional Case: Dear Deer

BCG / Difficulty – Medium



Transcript

Your client is the government of Canada and they have seen a decline in the population of Stans deer in Canada and they have on boarded you to find solutions for this problem.

Alright, I would like to know since how long ago did this problem start?

About 2 years ago.

I would like to divide my approach into 2 parts - Lower Birthing rate and high death rate. Under lower birthing rate I would include male-female ratio imbalance, lack of proper food and ideal conditions for reproduction.

The birth rate does not seem to be a problem you can move on to the other aspect of the problem

Under high death rate we can have natural and artificial reasons.
Under artificial reasons we can have accidental killing, poaching for making goods, killing for sport or government authorized killing.
Under natural conditions we can have reasons like lack of vegetation, increase in predators or food chain imbalance, lack of food, environment etc.

According to a government study the Stans deer's liver is being used for production of medication to help cure cancer, which has led to an increase in poaching. Now that you have identified the problem, give some solutions to solve this as well.

We can do things like making laws more stringent and imposing heavy penalties for poachers, we can declare stans deer as a protected class and ensure they have protected habitats and we can conduct an in-depth study and try to find alternate ways to cure cancer and also check the validity of this study. We can also amend laws to monitor pharmacies that are using these medicines to prevent overuse and try to track the population of deer to constantly check whether there is a decline in the population

Good job, I think that sums it all up. We can end this case here.

Thank you!

Unconventional Case: Dear Deer

BCG / Difficulty – Medium



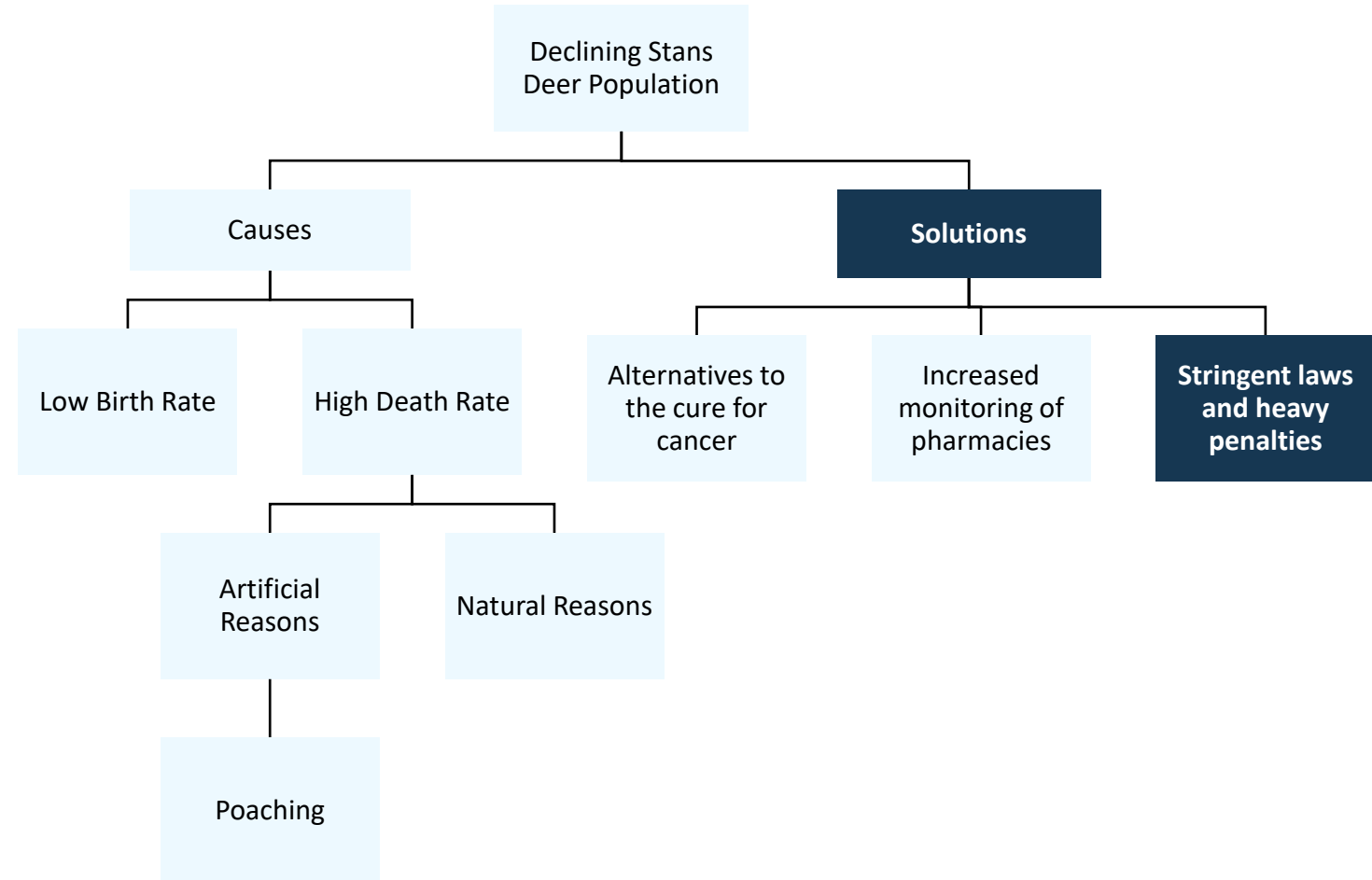
Clarifying Questions

- Since when have we been facing this issue? (2 years)

Brownie Points

- Classifying death rate into natural and artificial reasons

Framework / Approach



Unconventional Cases : Quora-it

Boston Consulting Group / Difficulty - Medium



Transcript

Your client is Quora and they have witnessed a decline in their writers. They have hired you to find the cause and solution for the same.

Alright. Since when have the writers fallen and by how much?

The decline has been seen since 1 year and we have lost 15% of our users.

Okay. Has this decline been witnessed by other players in the market as well or just Quora?

Only our company has seen this decline.

Interesting. Is the decline concentrated in any geography catered to by Quora, or maybe in a specific subject on the platform?

The decline is evenly witnessed across the market.

Alright, then can we segment the writers based on their experience on the platform? Is there a decline in a specific type of writers?

Yes, we have noticed the decline to be among our top writers. They have stopped responding.

Alright. I would now like to go deeper into the platform journey of writers. We can see 5 stages, 1. Decide to answer the question, 2. Use the platform, 3. Navigate to subject specific questions, 4. Write and post an answer, 5. Engage with the community in the comments section. Does this seem like a fair breakdown?

Yes, it seems fair, carry on.

Great, so to come to the first stage, the possible problem we can encounter is lack of time to answer. However, since this is a company specific issue, we can rule out this problem. Moving on to the next stage, a writer can choose either the app or the website to answer. Here, there is a possibility of glitches on the platform, that may discourage our writers. Are the app and website functioning well?

Yes, they are both running perfectly.

Okay, then we can move on to the third stage. We have 2 aspects, the subject of interest and the questions received. The questions received should be enough and of good quality, for the writers to answer them. How many questions are received and are they good and new questions?

The platform receives ample questions; however, we have noticed many repeated questions.

Alright, from this we can conclude that the fall in top level writers on Quora was due to the increased repetitive questions.

Yes, that's correct. Can you give some recommendations regarding the same?

Sure. In the short term, Quora can feature top writers to keep them engaged. In the long term, they can disallow sites with trends of repetitive questions such as Career Launcher etc., and they can separate Questions for writers and organizations.

Alright seems fair. Let's end the case here.



Unconventional Cases : Quora-it

Boston Consulting Group / Difficulty - Medium



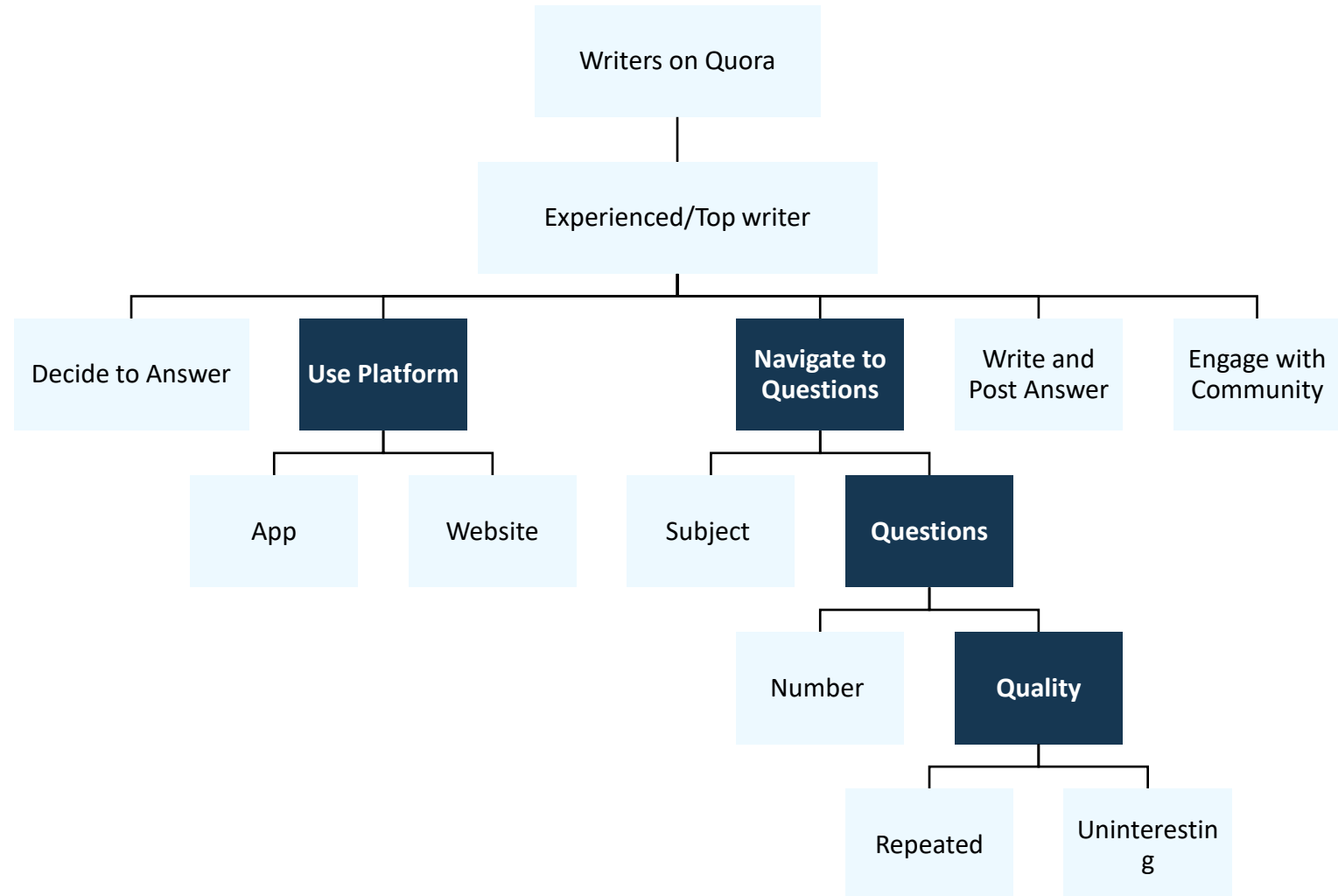
Clarifying Questions

- What is the extent of fall in writers? (15%)
- Since when have we been facing decline in writers? (1 year)
- Is this an industry wide issue or company specific? (Company Specific)

Brownie Points

- Possible glitches in app or website.

Framework / Approach



Unconventional Case: A for Accident

Dalberg / Difficulty - Medium

Transcript

Your Client is the management of IIM Ahmedabad. They've been seeing a rise in the number of accidents on the campus. You need to identify the reason for the same.

Okay, since when have they been seeing a rise in the number of accidents?

The rise in accidents has been observed over the last 6 months, since the campus reopened post pandemic.

Where have the accidents increased, is it in a particular area or campus-wide issue?

The accidents have risen in the entire campus; they aren't able to identify any particular area. However, most of these accidents have been road accidents

Okay, has there been a particular type of vehicle involved in the accidents more frequently than others?

Yes, most of these accidents involve two wheelers entering the campus

Okay, since the number of road accidents have increased, I'd like to start by calculating the accident rate i.e., number of vehicles entering the campus * % of two wheelers * % getting in an accident. Which one of these variables has changed?

The number of two wheelers entering the campus have increased.

The two wheelers can be categorized as frequent and rare visitors. Frequent visitors would include Professors and other faculty, staff, delivery vehicles (food and other stuff).

Rare visitors would include Guests at the campus, families of students and audience in events. Which one of these types of visitors have been involved in the accidents?

The delivery vehicles have been involved in most of the accidents. Could you find out the reason for it?

The factors that can lead to accidents can be categorized as vehicle related and non – vehicle related. Vehicle related factors would include the condition and performance of the vehicles. Non-vehicle related can be Route/Navigation issues faced, Failure to follow norms at the campus, quality of roads and other infrastructure, awareness of the driver.

You've correctly identified the problem, there is an issue in the infrastructure, as the college opened recently, construction has been going on in a few areas. Hence, the canteen is also not functional properly, leading to students ordering food more frequently from outside the campus. Could you give recommendations to correct the same?

Since, we've identified two problems, to solve the issue of a greater number of delivery vehicles entering the campus, students can be told to pool orders or deliveries shall be allowed only on the entry gate of the campus

Great, what about the construction?

The college can restrict areas where construction takes place and also focus on speeding up the process.

Great, I think we can end the case here.

Unconventional Case: A for Accident

Dalberg / Difficulty - Medium



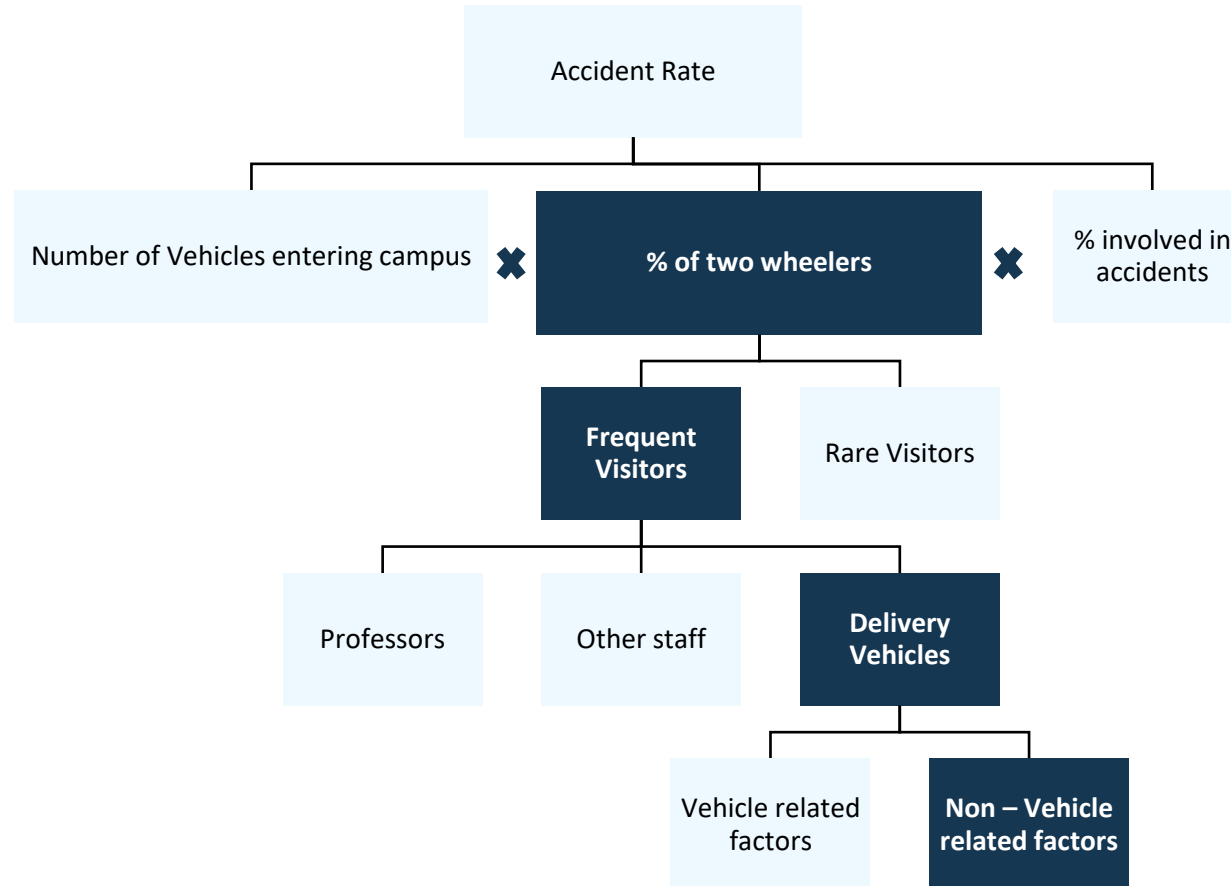
Clarifying Questions

- For how long has the rise in accidents been noticed? (6 months)
- Has the rise been noticed in a specific area? (no)
- Any particular type of Vehicle involved? (2-wheelers)

Brownie Points

- Particular type of vehicle involved in the accidents
- Categorizing the factors that can lead to accidents as vehicle related and non – vehicle related.

Framework / Approach



Unconventional Cases : Cities of India

Dalberg / Difficulty – Medium



Transcript

Your Client is a state government, the capital city of the state has been facing higher than usual amounts of traffic due to an increase in the private vehicles. Given the conditions, the state government wants you to evaluate the current urban mobility systems and come up with sustainable urban mobility solutions that need to be climate forward, people oriented, cost effective & growth oriented.

Okay, got it. Can you tell me a little more about the capital city and its demographics.

Overall, it is a progressive city with rising per capital income and lower rates of unemployment. The terrain of this particular city is mostly hilly.

What are the existing methods of transport available to the residents of the city that need to be evaluated ? Also, what is the current breakdown of these methods ?

Okay, so there are 4 ways available for commuting, Private cars which are used by 60% of the people, 30% of the population prefers public transport i.e., Buses whereas walking and cycling are preferred by 5% each.

So, I would like to list down all the metrics to evaluate the urban mobility solutions.

- **Cost** – This includes the cost of the running and setting up the transport system.
- **Efficiency** – Evaluating whether the system is efficient and quick enough for the population of the city
- **Awareness** – Evaluating whether the population is aware about a certain mode of transport available to them.
- **Affordability** – Is the mode of transport expensive for the population or not?
- **Accessibility** – To specify whether, the mode of transport is accessible to the population or not i.e., if people find it easy to access and if it takes them where they wish to go.

Okay, let's move on to the next part of the case. The state government now wishes to reduce the dependence and use of private vehicles and want people to use public transport. How can they do that?

This can be achieved in two ways.

- The Government can either promote use of other means of transport OR
- Dissuade people from using private vehicles altogether.

To dissuade people, it can either dissuade the ownership of private vehicles or the usage of private vehicles.

Ownership

- Altering ownership norms
- Introduction of new scrappage policy
- Limiting the number of cars per household

Usage

- **Parking** – Making public parking more expensive and less accessible from city centers
- **Riding** – Making way for pedestrians

To promote other methods of transport, it can either promote public transport methods or walking

Public Transport

- Installation of a new system for public transport compatible for hilly areas like a tram
- Capacity expansion of the existing system
- Restoration of buses
- Increasing Accessibility with enhanced and quicker routes

Walking & Cycling

- Having designated areas on roads for walkways and cyclists

Great, your recommendations are valid, I think we can end the case here

Unconventional Case : Cities of India

Dalberg / Difficulty – Medium



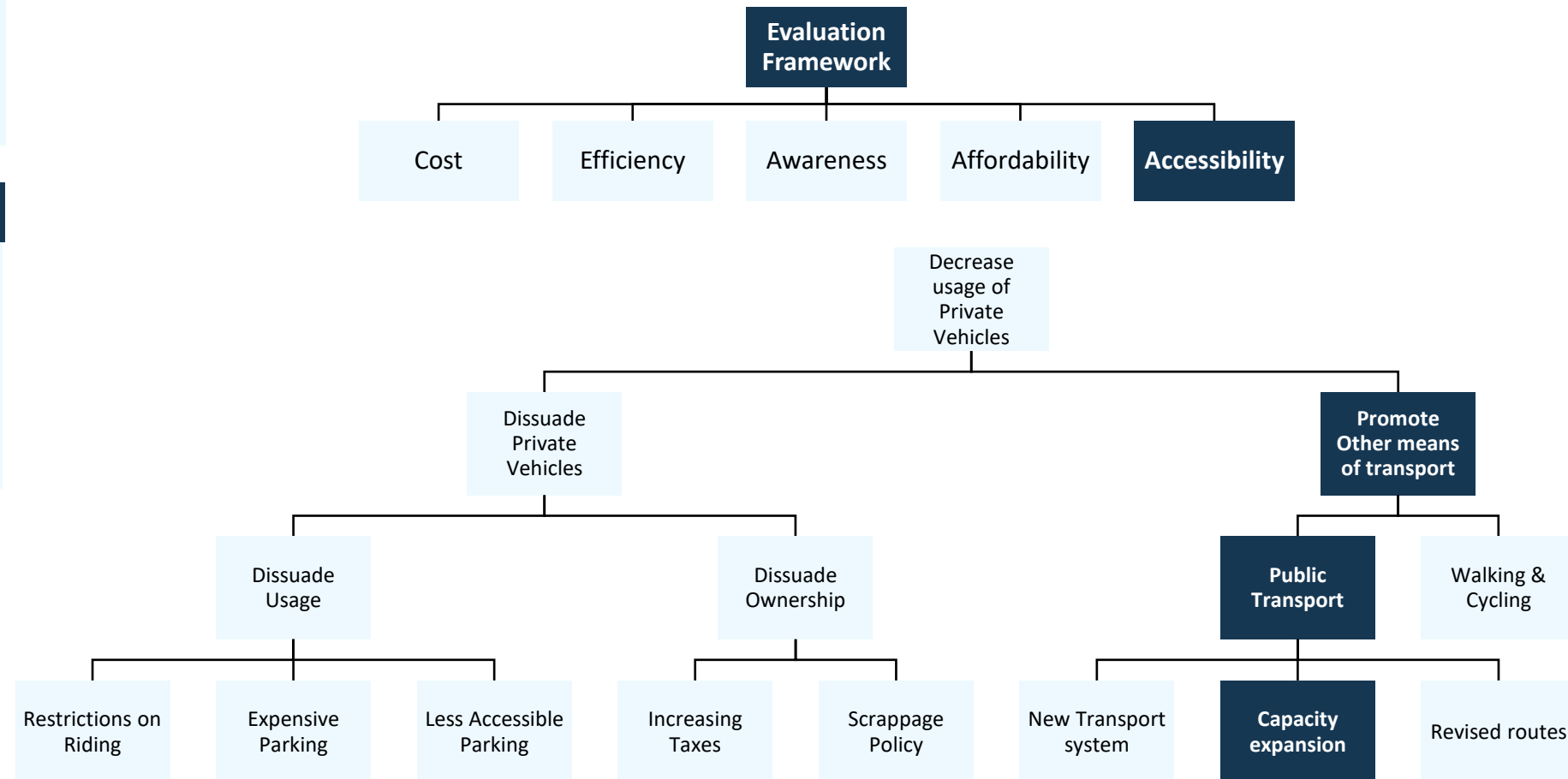
Clarifying Questions

- Asking for more information on the city and its demographics?
- What are the existing modes of transport available in the city?

Brownie Points

- Inclusivity as a factor to evaluate means of transport available in the city
- Structuring the dissuasion of private vehicles to give recommendations

Framework / Approach



Unconventional Case: Poo to Loo

Dalberg / Difficulty – Medium



Transcript

Let's start with a case, the problem at hand is of open defecation in slums – faced by about 80% of the population. How do you change people's minds about the same?

Sure. Do we have a target to achieve in a stipulated time along with budgetary constraints?

You need to reduce open defecation as much as possible, time and budget are not a concern.

Okay sir, Firstly I would like to start with identifying the reasons behind open defecation. The reasons can be broadly categorized into 2 buckets

1. Social norm
 - Unhabitual (fairly new)
 - Hygiene Concerns
 - Religious and Cultural Belief
2. Infrastructural problems
 - Lack of enough toilets
 - No proper maintenance
 - Drainage and Septic tank problems

Great! You have rightly identified all the major causes. Now can you suggest some measures to tackle these?

I would like to divide my solution into 3 parts

1. Tackling infrastructural and maintenance problems
2. Spreading awareness
3. Introduction of strict rules against open defecation

Very well! Can you elaborate on each of these measures?

Sure,

1. Coming to infrastructural and maintenance problems - sufficient number of public toilets need to be constructed in every slum separately for males and females. For the maintenance local unemployed people can be hired to regularly clean and maintain the hygiene which can also be incorporated under existing employment policies like MGNREGA.
2. To spread awareness - several campaigns should be undertaken targeting different age groups emphasizing upon the harmful effects of open defecation. This can be supplemented with the use of billboards and banners.
3. Penalties should be imposed on people for open defecation, especially where public toilets are available.

Good job, I think that sums it all up. We can end this case here.

Thank you!

Unconventional Case: Poo to Loo

Dalberg / Difficulty – Medium



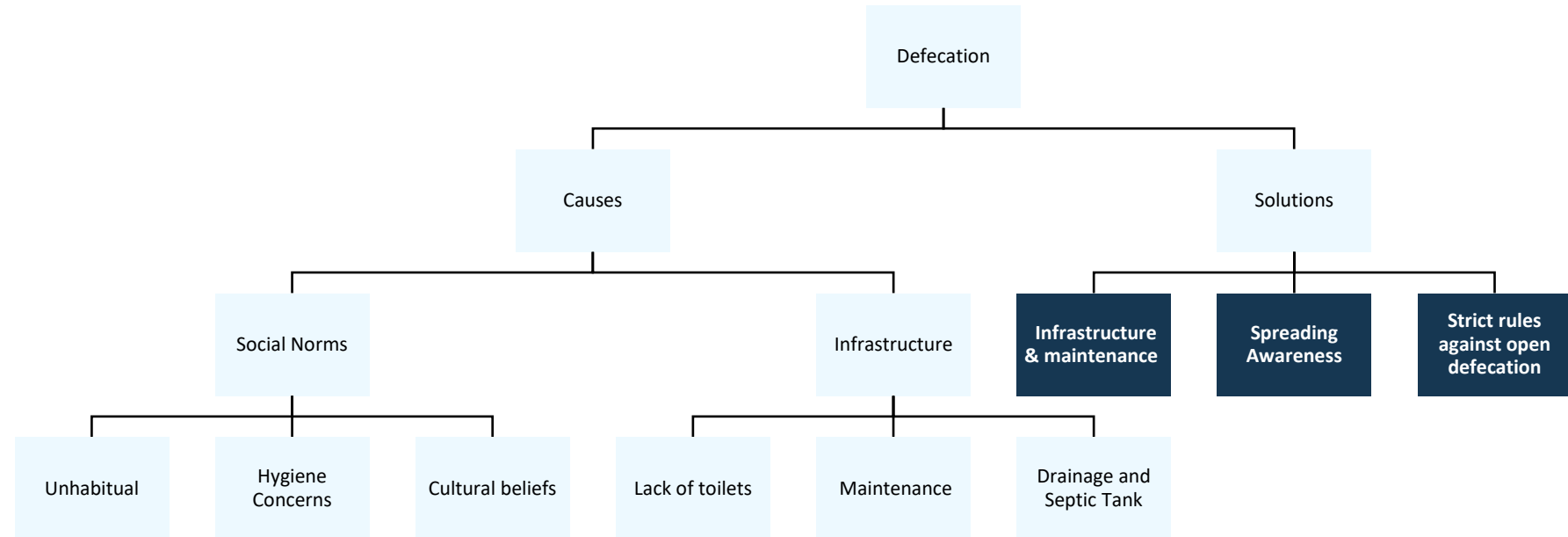
Clarifying Questions

- What are the time & budget constraints, if any?
- If there is a set objective, a target to be achieved?

Brownie Points

- What is the objective behind this?
- Structuring suggestions into 3 broad categories

Framework / Approach



Unconventional Cases: MalNOtrition

BCG / Difficulty – Hard



Transcript

Your client is the Government of Rajasthan and they have been observing unsatisfactory results for their “Malnutrition Eradication Program”. They have approached you to provide assistance.

Sure. May I know since when have they been experiencing such results?

Since the advent of the program, that is since 2 years. This has been a constant response from all locations.

Interesting, could you tell me how is the impact measured?

Sure, it is done by measuring the malnutrition levels in the state.

Okay. Can I get some insights into the workings of this program.

The objective of the program is to promote women and child health by providing medicines to pregnant women and new-born children through state run anganwadis.

So just to be clear, the government provides Anganwadis with medicines which they further distribute to patients.

Yes, that’s correct. However, the footfall at these Anganwadis has been low.

Okay. First, we can try and outline a value chain for the Anganwadis into 3 broad points, planning, resources and implementation. First, they receive medicines from the government, based on the government’s assessment of prospective demand for each anganwadi. Next, they distribute these medicines to the patients based on their requirements

Yes that is essentially how it works.

So, one of the reasons of the low footfall could be unavailability of medicines due to inefficient planning.

No there are ample medicines available.

Okay, then there must be an issue on the distribution side. Are these anganwadis easily accessible to rural patients?

Yes they are fairly distributed within the state.

Interesting. Is there any reluctance exhibited by patients towards anganwadis?

Yes it is a taboo. These families do not have faith in such practices.

Alright. So, to summarize, the problem lies in the distribution segment, specifically because of unacceptance of medical help provided. In order to fix this, the government can implement a three-pronged approach:-

1. Awareness campaigns need to be taken up, to make people aware about the existence and benefits of such services.
2. The sarpanch can act as an agent, to further reinforce the benefits of the service.
3. Organization of doctor visits to random houses, in order to prove by example, the need for such services.

Alright seems fair. Let’s end the case here.

Thank you.

Unconventional Cases: MalNOtrition

BCG / Difficulty – Hard



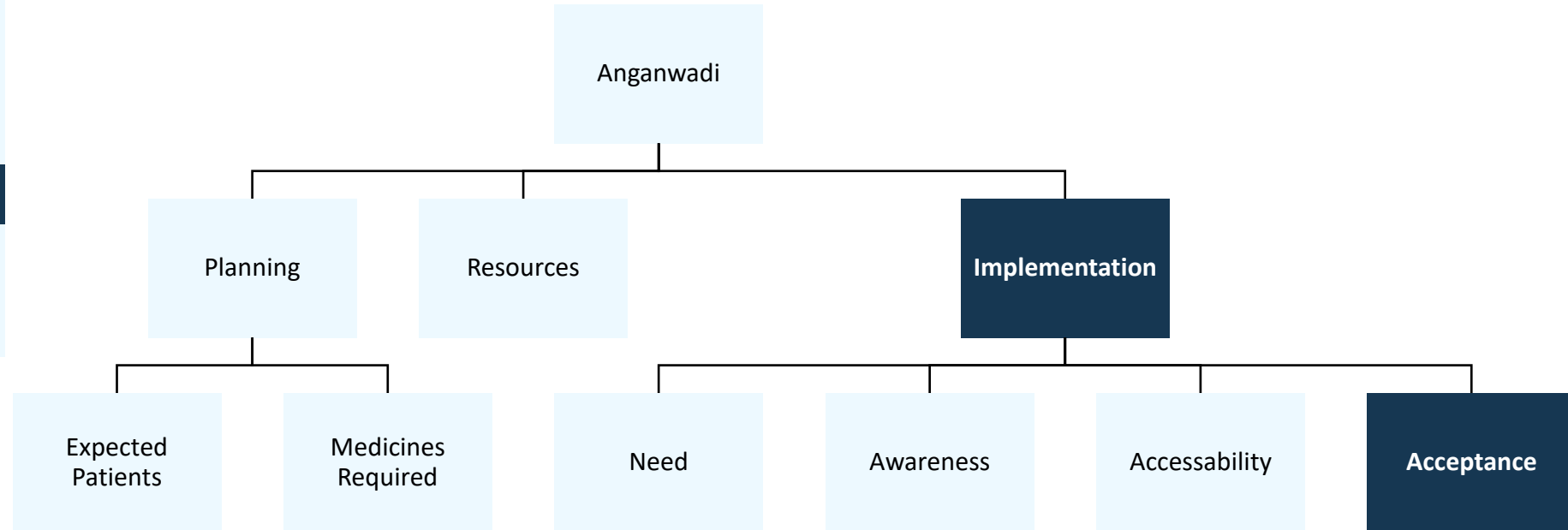
Clarifying Questions

- Since when have they been experiencing such results? (2 years)
- How is impact measured? (through malnutrition levels)
- How does the program work?

Brownie Points

- Using the Sarpanch as a point of connection to establish trust and spread awareness

Framework / Approach



Unconventional Case: B-I-NGO

Dalberg / Difficulty - Hard



Transcript

Your client is an NGO in Mumbai. They take infrastructure and land from the government and run schools there. Operational costs are borne by the NGO. They have been providing free education since 20 years and their per child cost is 70-80k. They have 7 types of setups in Mumbai within 10 km radius. The client wants to influence the ecosystem. How do you go about this?

Alright, can you please explain what do you mean by influencing the ecosystem?

Yes, so ecosystem comprises of all the actors involved in the education system and influencing means that the NGO wants to educate them about student learning opportunities and how important education is for the poor

Okay. Are there any budgetary or time constraints?

No, you can assume that there are no financial or time constraints.

Do they want to influence only in India or are they targeting abroad also?

Presently they want to focus on India only.

Okay, so. I have all the information that I need. I would structure my approach into 3 steps-

1. Awareness
2. Affordability and Accessibility
3. Experience and Influencing the stakeholders. May I explain these factors now?

You may go on and explain your process.

Sure. Under awareness we can use digital modes like social media and crowdfunding or physical campaigns. In affordability we can work on subsidized school fees and supplies. Accessibility can be increased by building schools near the poor people or providing conveyance. Experience can be enhanced with the quality and quantity of teachers.

That makes sense, but I want you to find an approach which showcases the way in which the influencing takes place.

Alright, so for that we can look at various stakeholders in the education sector and analyse the incentives they have. The NGO can influence the incentives of these stakeholders

Sounds fair. Can you list down the stakeholders and their incentives?

1. Central and State Government- They have social and economic incentives. Social incentive is being fulfilled because they are telling them to educate the poor. Economic incentive would entail a greater working population due to higher number of educated people.
2. Private Institutions- If they give out scholarships and take underprivileged students in, their reputation will go up and add to their wealth in the long run
3. Other NGOs- They have a social incentive only so their goals will align with our NGO and they will be easily influenced.

Alright seems fair. Let's end the case here

Thank you.

Unconventional Case: B-I-NGO

Dalberg / Difficulty - Hard



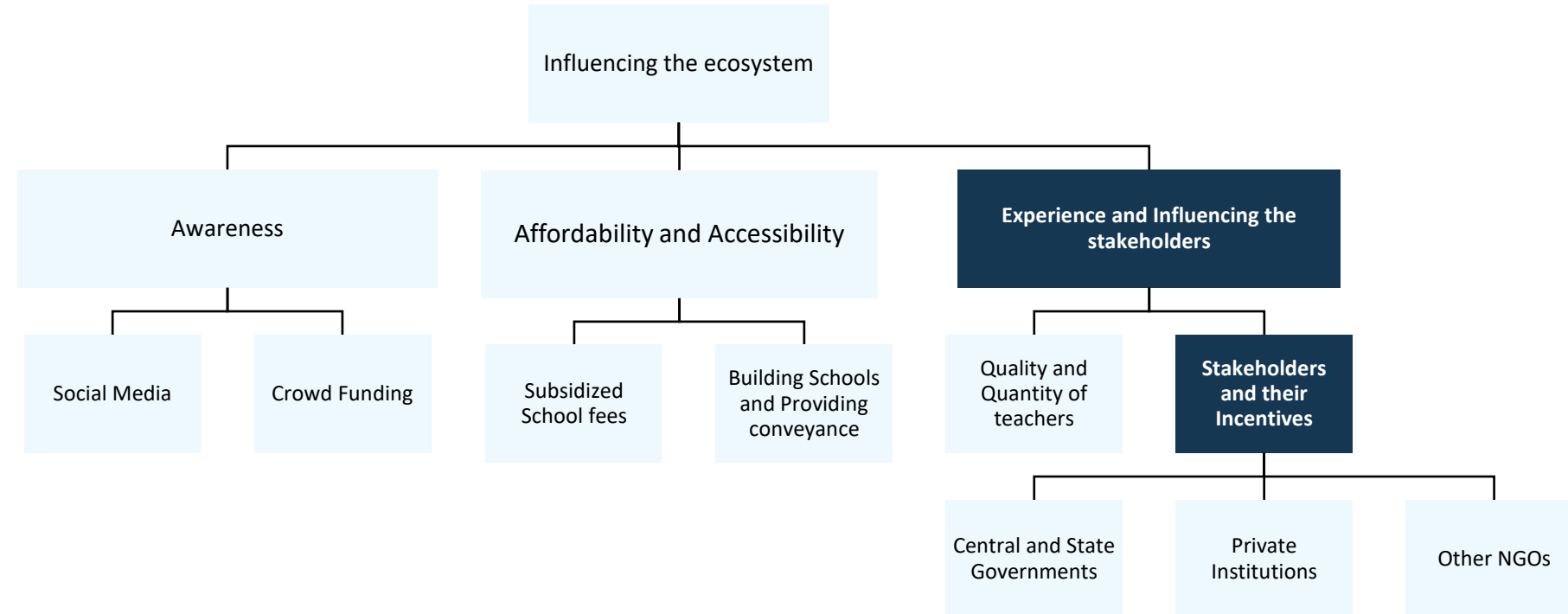
Clarifying Questions

- Explanation of influencing the ecosystem?
- Are there any budgetary or time constraints?
- Do they want to influence only in India or are they targeting abroad also?

Brownie Points

- Enquiring about the international aspirations of the NGO, if any?

Framework / Approach



Unconventional Cases : Col-LABOR-ate

Dalberg / Difficulty - Hard



Transcript

India is facing an employment crisis and it has become more real in the past couple decades. Lately it has exacerbated due to COVID-19 and economic slow-down. The ministry of labor and employment has hired you to analyze this problem and think of long-term solutions.

Okay to understand this problem a little better, can you tell me if unemployment has risen in some specific regions, in a specific demography, or in specific sectors?

I would like you to analyse this problem in the entirety of India, we have no specific data on sectors or demography.

Alright, first I'd like to analyse as to why this crisis has occurred. For this I would like to bifurcate employment into the demand and supply for labour. Unemployment can rise because of low demand for labour and high supply. The low demand can be due to limited job opportunities, low affordability and poor quality of applicants in terms of education and skills. The skills possessed can be broken down into vocational and technical skills.

Okay, good enough. The government has identified that the lack of skills is one of the major reasons behind unemployment. Which job category, basis the skill level, do you think has good scope for growth?

I believe there are 3 categories of jobs, blue, grey and white collar. I think blue collar jobs has the greatest scope for growth given that they include unskilled and semi-skilled jobs. This is because this type of jobs need minimal training, mostly in vocational skills, making growth more achievable.

Right. So, the government is planning to introduce a free course with 1-2 months of training for vocational skill development. They need to identify the correct target audience for the same. What metrics would you suggest?

To come up with the correct target audience, I would suggest considering three metrics that determine their need of the program. These are i) Age: it would make sense to target younger people first as they are more coachable, ii) Financial Background: the motive behind a free course is to target those who can't afford the course; hence we must factor this in, iii) Educational Background: skills must be taught basis the educational background, in order to prioritize those with a relatively weaker background.

Great, keeping these metrics in mind the government has decided to go ahead with school dropouts between standards 1-12 as their target audience. Can you estimate their target audience in the entirety of India?

Sure, are we to account for private and public schools both?

Yes, I just want to know how to go about it.

Okay. To get the total number of school dropouts between class 1-12, we'll need the number of school students from 1-12 multiplied by the rate of students dropping out. To get the number of students, we can take the population of India and divide it into Urban and rural region. Further we can divide each region into respective income groups. We can then allot percentages to each group as per understanding, to determine what percent of that group would go to school. Next, we can divide our figures into age-groups and move forward with the 5-18 age group to arrive at the number of school students.

Alright. Can you know think of some factors that would cause students to dropout?

Sure. There can be economical factors, such as financial constraints, social factors such as gender, because it is observed that girls are more highly likely to dropout especially in rural areas. Some other factors can be health issue and discipline issues. A major factor is recurring failing of a student which can cause him/her to dropout.

Transcript

Alright fair enough. Can you know outline how a chosen candidate's journey might look like once they are selected for the course.

Sure. Once the candidate applies and is chosen, they should be able to choose a field of interest or a skill they would like to learn. Next, they can begin the course (which may be held online or offline). Practice assignments and tests can be conducted to ensure performance and post a final examination the candidate can graduate from the course and receive a certificate of completion. Throughout the course duration, the candidate can use the support services available (for example doubt clearing forum).

Alright makes sense. We can end the case here, Thank You.

Unconventional Cases : Col-LABOR-ate

Dalberg / Difficulty - Hard



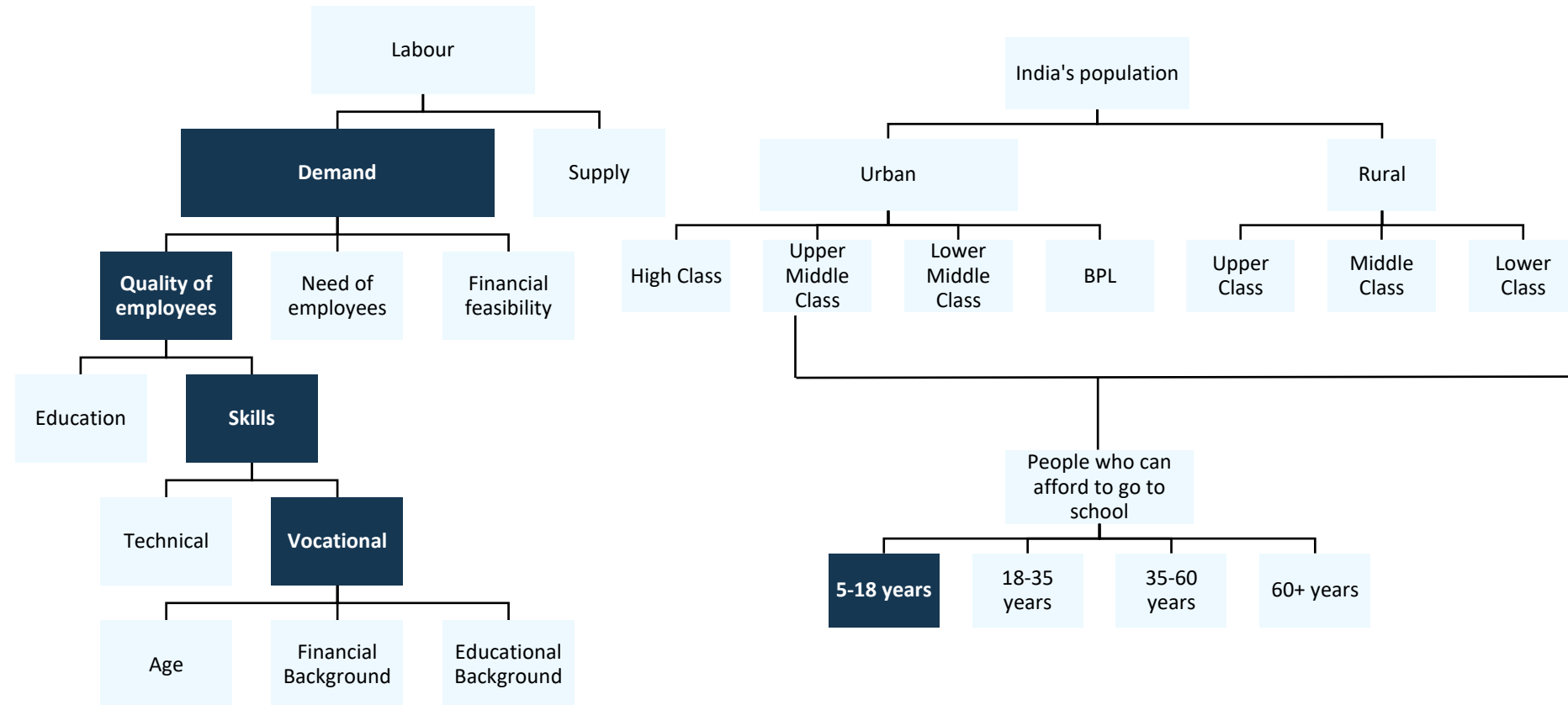
Clarifying Questions

- Occurred in any specific job sector? (Nothing specific)
- Any specific geography of India in which jobs were affected? (No)
- Any particular section of people that remains unemployed? (No)

Brownie Points

- Division of jobs into blue, grey and white collar.
- Gender as a reason of dropout.
- Suggesting offline and online modes for the course.

Framework / Approach



Transcript

Your client is a development financing bank which was trying to help the MSMEs in major African countries that were operationally and financially hit during Covid.

You've to find out:

- 1. The reasons why MSMEs particularly would be most affected due to Covid**
- 2. What factors would you use to choose or prioritise industries to aid financially in a particular country**
- 3. Propose some probable solutions that the development financing bank could provide.**

Sure, how long has the development financing bank been operating and what is the size of the bank?

The bank has been providing it's services for about 2-3 years and it is a relatively new bank trying to make a case for itself in a highly competitive market

Great! Talking about the reasons why MSMEs have been hit hard due to COVID, first I would want to throw light on the financial issues faced by MSMEs.

Okay, go ahead

First of all, the MSMEs will be having low cash balances as MSMEs generally have a small company size and limited working capital. Moreover, due to tight liquidity in the market and cash crunch during COVID, they will have longer credit cycles and, in some cases, it may lead to a default on payments by

debtors. Secondly, they will suffer due to lack of access to finance. The MSMEs will be having poor credit scores. It can thus lead to unwillingness of financial institutions to extend credit because of the high-risk perceptions and uncertain environment.

Great, now I would want you to focus a little on the operational bottlenecks.

With Covid, there will be supply chain disruptions mainly because of labour unavailability in case of labour-intensive industries. This will result in manufacturing halts. Moreover, raw material shortages and transport restrictions will also result in supply chain disruptions. Other than the supply chain disruptions, Covid might also lead to inefficiency in operations and lack of productivity. This is mainly because of the inability of MSMEs to adapt to covid-induced trends, inability to digitalise/sell online and Low tech and managerial expertise.

Excellent, you have covered all the major reasons. Now I want you to point out the factors you use to choose or prioritize industries to aid financially in a particular country.

Firstly, **the impact generated** by the industry - Employment generation & share in GDP and return on investment.

Secondly, **ease of revival of industry** - Capital required & time required for revival.

Thirdly, **the urgency of the industry** - They may be essential items and number of people employed

Unconventional Case : Developing Africa

Dalberg / Difficulty - Hard



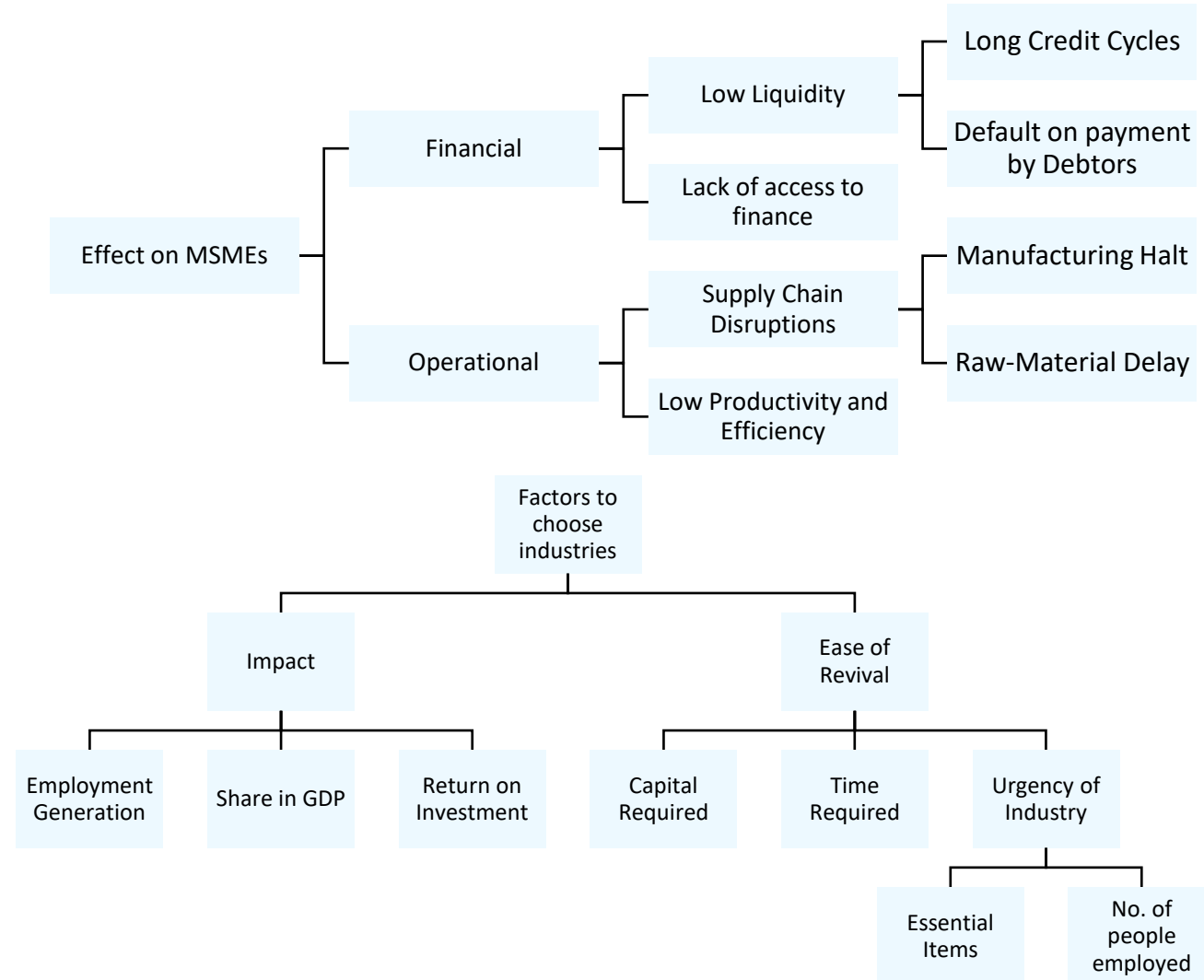
Clarifying Questions

- How long has the development bank been operating?
- What is the size of the bank?

Brownie Points

- Poor credit scores cause lack of access to finance
- Inability of MSMEs to adapt to COVID trends

Framework / Approach



Unconventional Cases: Doctor for Patient

Dalberg / Difficulty – Hard



Transcript

Your client is a Cancer Speciality Hospital based in Mumbai. They are facing a problem wherein there is a large number of patients who are living on the road in front of the hospital. You have been hired to solve this problem.

Sure. May I know why patients are lining up specifically at this hospital?

The hospital is a pro-bono treatment provider and has the best doctors and provides great care in the area.

Interesting, could you tell me more about the patients, as well as the availability of resources with the hospital?

Yes. Since the hospital provides the best treatment, people come from all over the country in hope of recovery. The hospital has a limited number of doctors and beds, hence is unable to cater to the needs of all its patients.

Okay. Can I get some insight into the diagnosis and treatments provided to a Cancer patient?

Before providing treatment, diagnosis is made through clinical testing. Treatments include initial medication, chemotherapy and surgery. Where do you think the problem lies?

So far, I can infer that it is a problem of optimizing the entire value chain and maybe scheduling appointments in a better manner.

Good. How do you think we can work on it?

Sure. We can have tie ups with aggregators who could do the initial filtering for us, to avoid a patient travelling for testing. Furthermore, we can establish partially specialized centers across different states. Lastly, we can compliment it with tele-consultation and consequently redistribute the high influx of patients.

Makes sense. Can you estimate the ideal number of doctors required for surgery at this hospital?

Sure. In my opinion, we can arrive at number of doctors by deriving the total number of cancer patients requiring surgery and dividing that by the average annual surgery rate of one doctor and multiplying this figure by the hospital's share of patients. Can you tell me the cancer incidence rate?

On an annual basis, 443 people out of 100,000 get cancer. You can take the Indian population as 1,200,000,000 .

Okay, so that gives us 5,316,000 cancer patients, multiplying that with a surgery rate of 55%, we get 2,923,800 patients requiring surgery. Let's assume that one doctor performs 7 surgeries in a month, which gives us an average annual surgery rate per doctor of 84. Considering that one surgery takes 3 doctors, this rate becomes 252. Dividing the patients by this rate, we get 11,602 oncologists in India. **(Ask the interviewer for the market share)**

Alright seems fair. Let's end the case here.

Thank you.

Unconventional Cases: Doctor for Patient

Dalberg / Difficulty – Hard



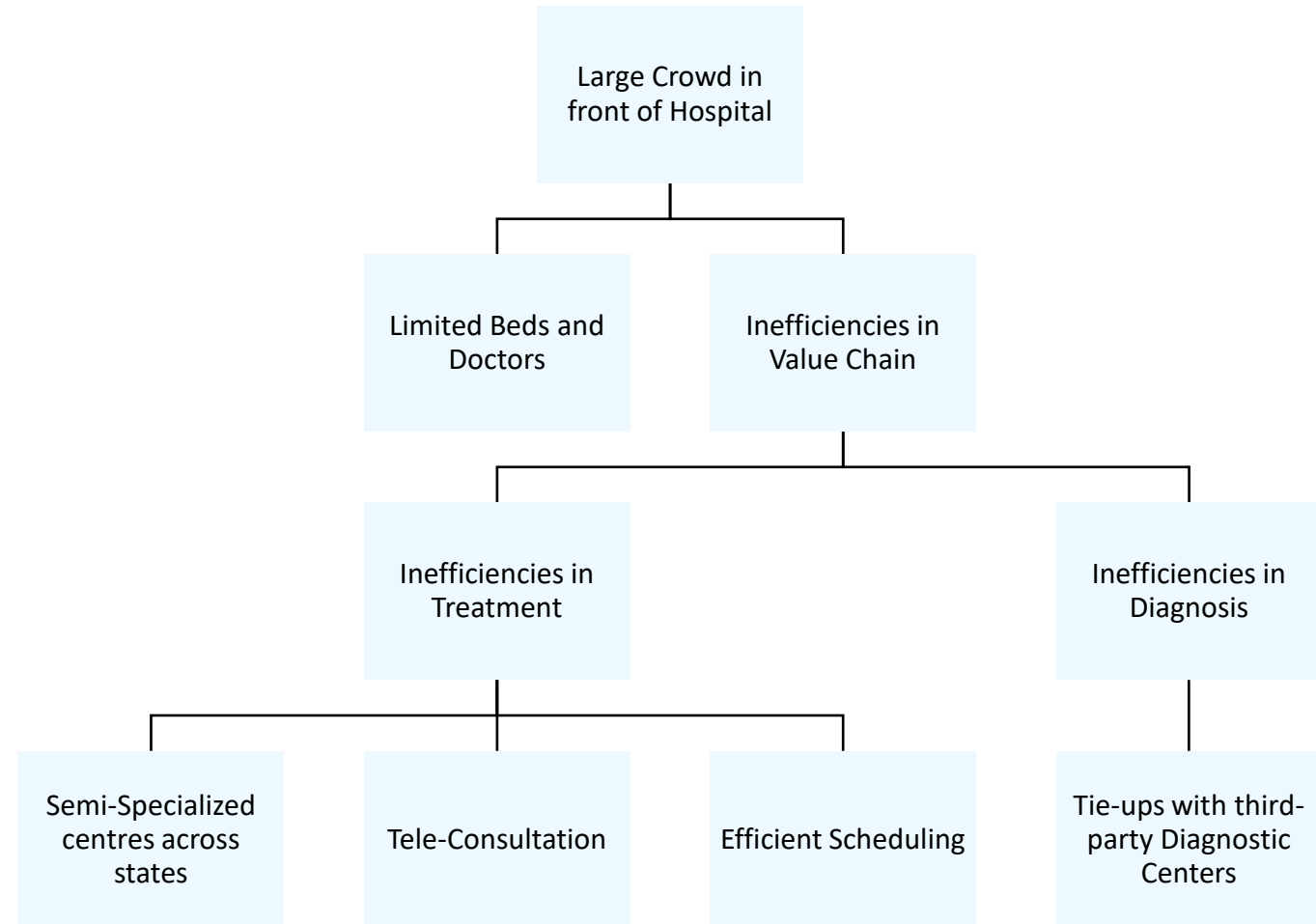
Clarifying Questions

- Why is the crowd there?
- What is the capacity of the hospital?
- What kind of diagnosis and treatment is offered?
- Asking about the cancer incidence rate

Brownie Points

- What is the objective behind the visit?
- Finding innovative ways to structure the problem based on inefficiencies in diagnosis and treatment

Framework / Approach



Unconventional Case: Make in India

Everest / Difficulty - Hard



Transcript

Let's start with the case. Your client is the NaMo government. Post the onset of the pandemic, many firms who would previously have manufacturing facilities in China are now looking for an alternative. NaMo govt. wants to pitch India as a manufacturing hub to such firms. How do you think they can do that?

There are two broad categories which can be considered: Looking at the Financial sides of things and Ease of doing business. Does that sound fine?

Yes. You can proceed.

Let's categories both of them.

1. Financials include considering the cost factors and India as a sales market.
2. Ease of doing business includes facilities such as Warehousing, Transportation, Legal system, Socio-political structure, Technology and miscellaneous services.

Let's look at the Financials first.

Right. If we dig into costs, we can further categorize them into Fixed Costs and Variable Costs.

Fixed Costs include:

- 1) Land Rent - lower comparatively
- 2) Interest - Low-interest capital widely available
- 3) Employee Benefits - Minimum wage and strict labour laws

Variable Costs include:

- 1) Labor - High youth population and cost-effective labour
- 2) Taxes - Import, Export and Corporate Tax exemptions

3) Utilities - Consistent & cheap supply of power and water

4) Raw Material - Good quantities of plant-based, animal-based & mineral-based raw materials

Additionally, we must recognize the ease selling of the product, given the growing middle class of India.

I think that's quite a comprehensive division. Let's dig deeper into Ease of doing business, now.

- 1) Warehousing - wide availability of cold storage and normal storage facilities
- 2) Transportation - dense network of roads, oldest and one of the largest rail networks, construction of new airports, presence of large ports along a long coastline
- 3) Legal framework - online tax filing, easy to obtain regulatory approvals, not strict environmental laws
- 4) Socio-political structure - democracy, strong & stable govt.
- 5) Technology - Innovation via grants & scientific institutes)
- 6) Miscellaneous Services - the hub of call centres, cost-effective labour, etc.

That is pretty well put. Can you tell apart from this what are some competitive edges that India has?

I think India being a strong democracy is definitely a competitive advantage as compared to our neighboring countries. Apart from that establishment of Special Economic Zones is another key factor which will attract foreign manufacturing facilities.

Alright seems fair. Let's end the case here.

Unconventional Case: Make in India

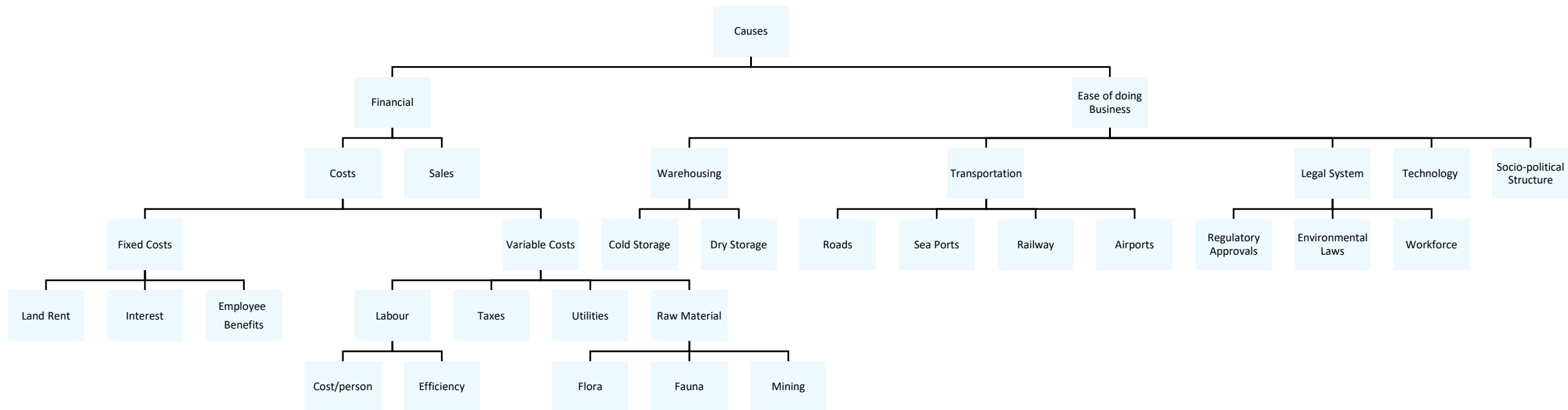
Everest / Difficulty - Hard



Brownie Points

- Dividing the categories into financial and ease of doing business

Framework / Approach





THANK YOU



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