CASEBOOK

2024

SHRI RAM CONSULTING & RESEARCH CENTRE

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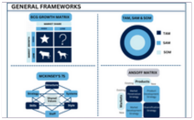

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ABOUT SRCRC

Shri Ram Consulting and Research Centre (SRCRC), set up under Shri Ram Centre for Growth, fills the gap between theory and application of consulting in the real world. It strikes a balance between theory such as frameworks, guesstimates and practical exposure through live projects.

Delving deeper into the practical aspect, which most of people are devoid of, SRCRC provides practical exposure into consulting through **LIVE PROJECTS** with startups, NGO's and corporates, ensuring holistic development of each of its members. Live projects include various clients like- The World Bank, HDFC, Rajiv Gandhi Cancer Institute, NGO's like RIT Foundation and many more.

The benefit lies in the fact that students work as **CONSULTANTS** and not **INTERNS** with these giants. Through this, SRCRC ensures a great network with highly influential individuals which serves as a goldmine for the future. The whole process simulates the working of a consulting firm, ensuring students are ready to face challenges as a consultant when they opt for consulting as a career.

Students have the unique opportunity to work alongside industry experts, applying their theoretical knowledge to solve complex business challenges. Picture yourself analyzing financial data for a multinational corporation or crafting a sustainable development strategy for a leading NGO – that's the kind of transformative learning SRCRC offers.

ABOUT CASEBOOK

The Shri Ram Consulting Casebook is a comprehensive collection of real-life case studies meticulously compiled by the Shri Ram Consulting and Research Centre. We here at Shri Ram Consulting and Research Centre, are committed to delivering top-notch research and consultancy services globally. This case book's main objective is to provide professionals and students in a variety of fields with useful insights and educational opportunities.

Containing a wealth of content, including guesstimates, interview transcripts, and fundamental concepts in marketing, finance, economics, and profitability frameworks, we aim at providing our readers a valuable resource. Our casebook is an ideal tool for professionals seeking to enrich their expertise, as it provides a holistic view of consulting knowledge, making it an effective teaching tool as well. We aim to break down the vast and complex consulting know-how into a user-friendly guide and help you enhance your problem-solving skills, gearing you up for challenges, and empowering you with knowledge for the demanding journey ahead.

While it doesn't guarantee absolute success, the case book significantly boosts confidence by imparting essential practical knowledge for decision-making and problem-solving, ultimately preparing individuals for job interviews. This project by the Shri Ram Consulting and Research Centre is, therefore, a must-read for anyone seeking to learn from real-life business scenarios and interested in enhancing their capabilities in navigating the complexities of the ever-evolving industry.

ACKNOWLEDGMENT

We express our heartfelt gratitude to all our seniors who generously shared their cases and interview experiences, playing a pivotal role in the development of this comprehensive preparation resource for future batches, providing them with valuable insights into consulting interviews.

Our sincere thanks extend to the dedicated juniors and Cabinet members whose collective efforts ensured the inclusion of a diverse range of cases, offering readers a thorough understanding of potential interview scenarios.

A special note of appreciation is extended to our teacher in charge, Dr. Harendra Nath Tiwari, for generously permitting us to work on the Second Case Book of SRCRC. Your support has been instrumental in bringing this resource to fruition.

FACULTY ADVISOR'S NOTE

I extend my warmest congratulations to the entire team at Shri Ram Consulting & Research Centre on the momentous achievement of publishing the second edition of the casebook. The dedication and persistence exhibited by SRCRC in this endeavor are truly commendable. The remarkable diligence, coupled with unwavering commitment and enthusiasm, has set a commendable standard in all aspects of the center's activities.

Dr Harendra Nath Tiwari

In my role as the Teacher-in-Charge at Shri Ram Consulting & Research Centre, it has been an immensely fulfilling experience to witness the center's growth and the development of a vibrant culture. SRCRC has successfully fostered an environment that nurtures the enthusiasm of consulting enthusiasts and cultivates holistic problem-solving skills among its members

The casebook, a testament to SRCRC's collective efforts, is poised to become a comprehensive and insightful guide for consulting aspirants. Its diverse sections, encompassing a broad spectrum of literature on consulting, make it a singular solution for those aiming to excel in placement interviews.

I am confident that this invaluable resource will empower aspiring consultants with the knowledge and strategies essential for success in the dynamic field of consulting.

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WHAT IS CONSULTING ?

CONSULTING

Consulting is a professional service provided by individuals or firms with expertise in a particular field or industry to help clients solve problems, improve performance, or achieve specific objectives. Consultants offer advice, guidance, and specialized knowledge to organizations seeking external perspectives and solutions to complex challenges. Consulting is a process where experts work together. They:

DIAGNOSE

They look at complex situations for people, groups, or industries. They study the situations.

DESIGN

They make solutions and strategies to fix problems they find. Their solutions are well-thought-out.

IMPLEMENT

They guide clients in using the chosen solutions. This helps clients get the most value-and impact from the solutions.

ADVISE

They give ongoing advice based on their expert knowledge, data analysis, and industry trends.

KEY FEATURES

CLIENT-CENTRIC

It's about understanding each client's needs and goals.

EXPERT KNOWLEDGE

Consultants use deep expertise in areas like business, technology, and finance.

DATA-DRIVEN INSIGHTS

They use strong data analysis to give recommendations and make decisions.

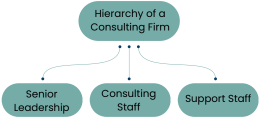
PROBLEM SOLVING FOCUS

The goal is to find real solutions to real challenges, creating lasting value for clients.

HIERARCHY OF A CONSULTING FIRM

MANAGING PARTNER

At the helm of a consulting organization are the uppermost leaders – often distinguished individuals bearing titles such as Managing Partner or Principal. These senior leaders guide the strategic direction of the firm and oversee vital operations. ensuring seamless integration into existing operations.



PARTNER-CONSULTANTS

Next in rank are Partners – consultants who have cultivated invaluable industry relationships and domain expertise over many years. Partners leverage these connections to secure new business and advise on projects for key clients. They assemble project teams drawing from the firm's deep consulting talent pool.

DIRECTOR

The Director role is conferred upon profoundly experienced consultants who preside over large-scale initiatives driving impactful outcomes for client organizations. Directors lead engagements and account teams consisting of Managers and Senior Consultants.

MANAGERS

Managers possess the maturity gained from nearly a decade or more in the profession. They take charge of vital work streams and provide supervision to consulting teams. Managers review and refine deliverables to meet client objectives.

SENIOR CONSULTANTS

Senior Consultants are entrusted with mission-critical aspects of client engagements. They conduct analytical undertakings, synthesize findings, and translate conclusions into strategic recommendations of considerable influence. Senior Consultants frequently step into project management duties as well.

CONSULTANTS

Operating beneath Senior Consultants are Consultants. Typically boasting several years of consulting exposure, these professionals perform research, analyze data, and prepare presentation materials for client executives.

ASSOCIATE CONSULTANTS

At the entry-level sits Associate Consultants – junior team members who support engagement operations through analytical activities and deck creation under the direction of more tenured consultants.

ANALYSTS

Supplementing consulting project teams are Analysts who work to gather, process, and visualize pivotal data that feed into client recommendations and decisions. These quality assurance roles are often filled by promising junior talent pursuing a career in consulting.

The consulting function further relies on **Editors, Designers, and Events Teams** who enhance delivered work products and enable critical marketing and firm relations initiatives.

BASIC CONCEPTS

Finance

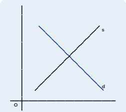
Economics

Organisational Behaviour

Marketing

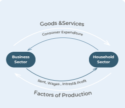
BASIC CONCEPTS OF ECONOMICS

Economics is the study of scarcity and it shows the implications of resources, production, demand & supply of goods and services adding to the welfare of the people in large. It has 2 branches , Micro-Economics & Macro-Economics.

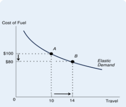


Demand-Supply Graph

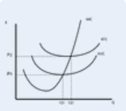
Market Structure



Circular Flow of Income



Price Elasticity of Demand


Costs Curves

KEY CONCEPTS

- Scarcity
- Supply & Demand
- Costs and Benefits
- Incentives

MARKET FAILURE

- Assymetric Information
- Externalities
- Concentrated market power
- Public Goods

REGRESSION

Regressions are used to quantify the relationship between one variable and the other variables that are thought to explain it.
It can also identify how close and well determined the relationship is.

TRADE OFF & OPPORTUNITY COST

A trade-off occurs when a decision leads to choosing one thing over another. The loss incurred by not selecting the other option is called opportunity cost when one option is selected.

ECONOMICS OF SALE

The cost advantages companies gains from increasing their output. On the contrary , Diseconomies of Scale, it generally happens when a company or business grows so large that the cost of per unit increases.

FORMULAS

> ATC = Total Cost / quantity
> AVC = Variable cost / Quantity
> AFC = Fixed cost / Quantity
> TC = Variable cost + Fixed Cost

BASIC CONCEPTS OF FINANCE

BUDGET
Plan outlining income and expenses over a certain period.

LIQUIDITY
Plan outlining income and expenses over a certain period.

INVESTMENT
Buying assets to generate income or appreciate in value over time.

INFLATION
Decrease in purchasing power of a currency due to increase in prices of goods & services

CAPITAL ASSET PRICING MODEL
Pricing investments based on expected return and risk.

MARKET CAPITALIZATION
Total value of a company's outstanding shares of stock.

RISK
The chance an investment may lose value or fail to meet financial obligations

INDEX
Measurement of the performance of a group of stocks representing a particular market .

RETURN
The profit or loss generated by an investment over time.

INTEREST
The cost of borrowing money or reward for lending money.

BASIC CONCEPTS OF ORGANISATIONAL BEHAVIOUR

It is the study of how people interact within organizations,which examines individual behavior, group dynamics, and the influence of the larger social, political, and economic context on behavior.
The goal of Organisational Behavior is to understand how organizations function and to help individuals and groups work effectively within themselves.

COMMUNICATION

Effective communication is critical to the success of any organization. Companies that communicate well can avoid misunderstandings, build trust, and increase employee engagement.

LEADERSHIP

Leadership is the process of guiding and directing individuals and groups towards a common goal. Effective leaders are able to inspire, motivate, and guide their followers to achieve success.

DIVERSITY

Diversity and inclusion refer to the presence of a variety of perspectives, cultures, and backgrounds within an organization. Companies that embrace diversity and inclusion can benefit from a broader range of ideas.

MOTIVATION

Motivation is the driving force that encourages individuals to take action. In organizations, motivation is critical for achieving goals and objectives. Companies that understand how to motivate their employees can increase productivity, job satisfaction, and retention.

ORGANISATIONAL CULTURE

Organizational culture refers to the shared values, beliefs, and practices that define an organization. A strong culture can help to create a sense of community among employees, which can increase job satisfaction. It also fosters a cohesive work environment where individuals feel connected.

Why study Organisational Behaviour ?

Replaces intuition with systematic study which improves the predictive ability.
Improves the effectiveness of the study.
Understanding of human behaviour will improve your impersonal skills

BASIC CONCEPTS OF MARKETING

Marketing is the process by which businesses identify and satisfy customers' needs and wants, creating value for them and building strong relationships with them.

Production Concept
The focus is on producing large amounts of a product with this marketing concept.

Product Concept
In this concept, the emphasis is on updating and improving the quality of the product.

Selling Concept
This concept relies on aggressive selling to convince as many customers as possible.

Marketing Concept
This concept focuses on the needs and desires of the customer by delivering a high-value product.

Societal Concept
This concept differs from others. The aim is not to earn profits, but also social responsibilities.

KEY FACTORS

Target Audience
Identifying the target audience for your product or service and understanding their needs will help you develop effective marketing strategies

Customer Personas
Creating customer personas will help you understand your target audience and create content and campaigns tailored to their needs.

Conversion Rate
Percentage of website visitors who take a desired action like making a purchase or signing up

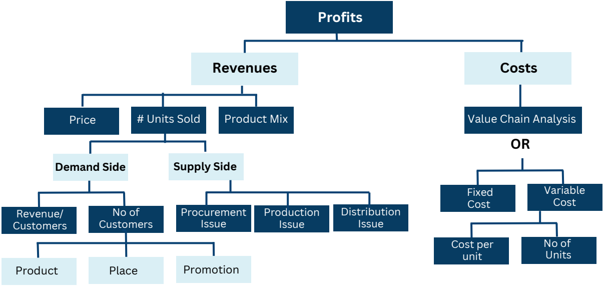
Return on Investment
The amount of profit or cost savings generated from an investment.

Customer Acquisition Cost
The total cost of acquiring customers divided by the number of customers acquired.


CONSULTING
FRAMEWORKS

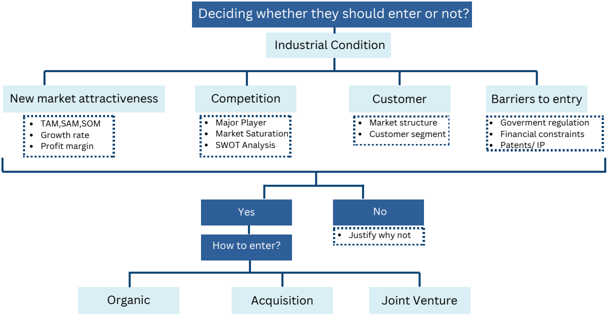
PROFITABILITY FRAMEWORK

The profitability framework helps pinpoint why a company's profits are low. It breaks down profit into its key drivers: revenue and cost. Revenue is analysed through sales volume, pricing, and customers. Costs are examined for fixed costs, variable costs, and efficiency. This helps identify areas to improve profit.



MARKET ENTRY FRAMEWORK

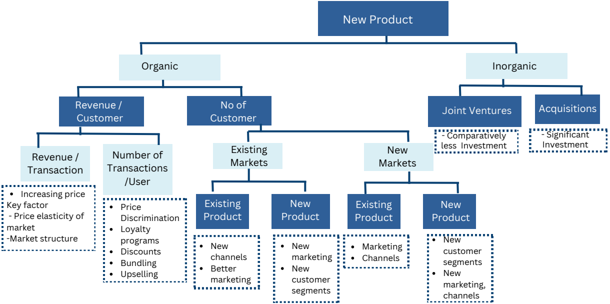
The market entry framework helps assess a new market's chance of success. It analyzes the attractiveness of the market (size, growth, competition). It then evaluates the company's fit (resources, cost advantage). Finally, it considers potential risks (regulations, cultural differences). This helps decide whether to enter the market.



GROWTH FRAMEWORK

A growth framework charts a course for business expansion. It identifies strategic options like market penetration and evaluates market opportunities. It also assesses the company's internal capabilities and develops a growth plan with metrics and timelines.

Approach / Framework



PRICING FRAMEWORK

A decision-support tool used to determine the optimal price for a product or service. It considers factors like customer value perception, cost structure (fixed + variable), competitive landscape, and market demand to achieve business objectives like profit maximization or market share growth.

Product

Characterstic
- New Invention
- Uses and benifits
- over existing products

Cost
- R&D Cost involved
- Manufacturing cost
- Other cost

Competition
- Other existing product
- Substitute available

Customer
- Perceived value
- Customer profile

Value Based
- Focuses on customer perceived value.
- Can lead to higher profit margins.
- Requires in-depth understanding of customer preferences.

Cost Plus
- Ensures all production costs are covered.
- Simple and straightforward to implement.
- Ignores market demand and competitor prices.

Competitor Based
- Aligns with market rates to stay competitive.
- Attracts price-sensitive customers.
- Risks triggering price wars and reducing margins.

MARKETING FRAMEWORKS

5C's of Marketing

Company	Who are you? Understanding the company, products, channels, value chain, etc.
Customers	Who are you selling to? Understanding the customers, segments, their needs, wants.
Competitors	Who is in your way? Understanding other players in the market, their strategies, etc.
Collaborators	Who are you working with? Understanding your external vendors, suppliers, partners.
Context	What are current conditions? Understanding the business climate using SWOT & PESTEL

4P's of Marketing

Product	• Product is the item catering to a need. • Involves product design, features, quality, range, branding, packaging, etc
Place	• Place is the channel of delivery of product • Involves distribution, franchising, inventory,transportation, logistics, etc.
Price	• Price is amount being paid for a product • Involves pricing strategy, payment methods, etc
Promotion	• Promotion covers the marketing communications being used for product • Involves channel mix, messaging, etc.

4A's of Marketing

Awareness	• Product Knowledge: Customers should have sufficient knowledge to trigger a purchase • Brand Awareness: Customers' ability to recognize, recall and remember the brand name
Affordability	• Economic Affordability: Customers should have sufficient economic resources at disposal to purchase. • Psychological Affordability: Customers' willingness to pay for a given product or service offered by the company
Accessibility	• Customer Availability: Company should have sufficient stock to cater to market demand • Customer Convenience: Ease of access for a potential customer to the product or service
Acceptability	• Functional Acceptability: Objective in nature, based on product specification, performance, durability, etc. • Psychological Acceptability: Subjective in nature, based on product aesthetics, brand appeal, etc.

COMMON FRAMEWORK

SWOT Matrix

	Facilitative	Prohibitive
Internal	**Strength** • Factors providing a competitive advantage to the company against its competitors • Ex. loyal customer base, strong brand, skilled employees, proprietary technology	**Weakness** • Factors resisting a company against operating at its optimum level in the market • Ex. lack of capital, high leverage, higher than market attrition, weaker brand image
External	**Opportunities** • External factors favorable for the company to build a sustainable competitive advantage • Ex. shift in corporate taxation, falling raw material prices, market trends, emerging technology	**Threats** • External factors which can potentially harm the company's profitability or operations in general • Ex. increasing competition, natural calamities, limited labor supply, upcoming regulations

PESTEL Analysis

P	E	S	T	E	L
Political	**Economic**	**Social**	**Technological**	**Environmental**	**Legal**
Govt actions – elections, fiscal policy, corporate taxation, etc	Economy – inflation, interest rates, exchange rates, unemployment, etc.	Societal factors – demographics, cultures, beliefs, lifestyle trends, etc.	Level of adoption, automation, tech infrastructure, R&D, latest trends, etc.	Govt regulations, carbon footprint, risks for raw materials etc.	Laws - Intellectual property, industry regulations, licenses & permits, etc.

Miscellaneous Frameworks

VRIO

Used to determine whether a resource or capability can provide a sustained competitive advantage for a company.

V Valuable → Yes → R Rare → Yes → I Inimitable → Yes → O Organized → Yes → **Sustained Competitive Advantage**

- Valuable → No → Competitive Disadvantage
- Rare → No → Competitive Parity
- Inimitable → No → Short-term Competitive Advantage
- Organized → No → Underutilized Competitive Advantage

STP of

Used to gain more insights into Big Data and determine the value of collected data

Segmentation

Dividing market into distinct groups of customers based on their characteristics or behavior

Targeting

Selection of a customer group to focus marketing efforts based on segment attractiveness

Targeting

Selection of a customer group to focus marketing efforts based on segment attractiveness

AMO

Used to assess employee productivity and effectiveness in a firm. Typical applications involve to assess effectiveness of a salesforce personnel.

Ability
- Hiring, Training, Skill Learning, Development, Talent Management

Motivation
- Expectancy Clarity of goals, Control over performance
- Instrumentality Incentive structure, Performance metrics & evaluation

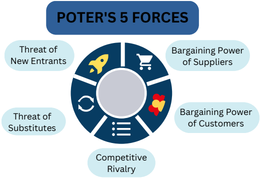
Opportunity
- Career planning, fair appraisal process, recognitions, empowerment

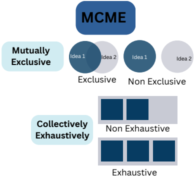
4Vs of Data

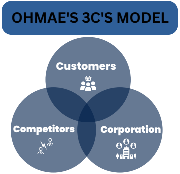
Used to gain more insights into Big Data and determine the value of collected data

Volume	Scale or size of the data is being generated
Velocity	Speed at which the data is being generated & processed
Variety	Number of different forms or categories of collected data
Veracity	Accuracy and truthfulness of the collected data

GENERAL FRAMEWORKS

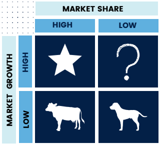




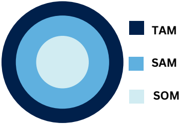


GENERAL FRAMEWORKS

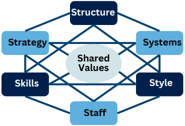
BCG GROWTH MATRIX



TAM, SAM & SOM



MCKINSEY'S 7S



ANSOFF MATRIX

INDUSTRY ANALYSIS

FMCG INDUSTRY

IT INDUSTRY

AUTOMOBILE INDUSTRY

BANKING INDUSTRY

and many more..

IT INDUSTRY

KEY DRIVERS

- Surging demand for data storage and processing: Driving growth in cloud computing and big data analytics.
- Increasing need for cybersecurity: Expanding market for cybersecurity software, services, and hardware.
- Adoption of innovative technologies: AI, ML, and IoT reshaping the IT landscape.
- Rise of the digital economy: Rapid growth in e-commerce and online businesses.
- Globalization of IT: Development of versatile IT solutions for businesses worldwide.

MARKET SIZE

- The global IT industry market size was USD 5.2 trillion in 2022 and is projected to reach USD 6.8 trillion by 2025.
- In 2022, the IT industry directly employed 11.5 million people in the United States and 40 million people worldwide.
- Global IT spending on research and development (R&D) reached USD 1.7 trillion in 2022.

CHALLENGES

- Data management
- Meeting the needs of the business
- Managing costs
- Project management
- Recruiting and retaining talent
- Training and development
- Diversity and inclusion
- Cybersecurity

KPIs

Here are some of the KPIs used in the IT Industry:

- Mean Time to Repair (MTTR)
- Mean Time Between Failures
- Customer Satisfaction
- IT Cost as a Percentage of Revenue
- IT Project Success Rate

Sector Composition

- Semiconductors & Semiconductor Equipment:
- Technology hardware and equipment
- Software and Services

IT TRENDS

- Artificial intelligence (AI) and machine learning (ML)
- Cloud computing
- Cybersecurity
- Data analytics
- Internet of Things (IoT)

FMCG INDUSTRY

KEY DRIVERS

- Favourable Government Initiatives & Policies
- Growing Rural Market and Youth Population
- New branded products
- The growth of e-commerce platforms(Easy Access)
- Demand for “Green” or “Clean” products
- First to market and Low Cost
- Compliance with Regulation

MARKET SIZE

- India's FMCG market, valued at US$ 179.94 billion in 2022, is projected to reach nearly US$ 615.87 billion by 2027 with a CAGR of 27.9%.
- The FMCG sector employs approximately 3 million people, contributing around 5% to India's total factory employment.
- Top 5 players in the FMCG market: 1. Hindustan Unilever Limited 2. ITC Limited , 3. Nestle India Limited , 4. Varun Beverages Limited, 5. Britannia Industries Limited.

CHALLENGES

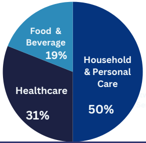
- Diverse consumer preferences and customization obstacles hinder FMCG firms.
- Transportation, storage, rising costs, and food shelf life regulations challenge the Indian FMCG sector.
- Extensive distances and limited cold storage worsen distribution challenges.
- Fragmented retail networks and varied regional markets complicate FMCG distribution.

KPIs

Here are some of the KPIs used in the FMCG Industry:

- Out of Stock Rate
- Average Time to Sell
- Carrying Cost of Inventory
- Product Penetration Rate

SECTOR COMPOSITION



FMCG TRENDS

- Quarter 1 2023: 10.3% value growth driven by rural and traditional markets.
- Data-driven demand forecasting aids inventory and production decisions.
- FMCG's digital ad spend to hit US$ 9.92 billion by 2023 (42% of total).
- E-commerce: 17% of FMCG consumption; projected 11% of total sales by 2030.

AUTOMOBILE INDUSTRY

KEY DRIVERS

- Fuel proficiency drives the item center in the car industry.
- India's solid legal and management frameworks reinforce its car advertising.
- Developing reasonableness and salaries boost requests, particularly for little cars.
- Government activities point to India as a head car fabrication center.
- The industry targets differing shopper sections to boost deals through advancement and division.

MARKET SIZE

- India's car publicizing, valued at USD 100 billion in 2021, is estimated to reach USD 160 billion by 2027, with an 8.1GR from 2022–2027.
- Prominent for its low-cost era, India can be a worldwide pioneer in vehicle creation.
- India aims to double its car industry degree to Rs. 15 lakh crores by 2024.
- The industry has pulled in basic FDI, with a $33.77 billion deluge from April 2000 to September 2022, speaking to around 5.48% of India's add-up to FDI during the same period.

CHALLENGES

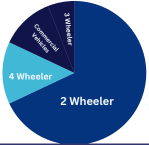
- Global Shortage Of Semiconductors
- Rising Commodity Prices
- Upcoming BSVI Phase 2 Regulations
- Challenges Of Electrical Vehicles Segment
- Infrastructure Limitations

KPIs

Here are a few of the KPIs utilized within the Automobile Industry:

- On-time Conveyance Rate
- Provider Quality Score
- Stock Turns
- Cycle Time
- Scrap & Rejects
- Vitality Usage/Costs
- Efficiency Effectiveness

SECTOR COMPOSITION



AUTOMOBILE TRENDS

- Electric Vehicles (EVs): Rising selection with the government back.
- Associated Cars: Progressed network upgrading security and route.
- Shared Versatility: Developing notoriety for ride-hailing and car-sharing.
- Maintainable Fabricating: Eco-friendly hones and fuel productivity center.

BANKING INDUSTRY

KEY DRIVERS

- Digital banking surged, with mobile transactions dominating at 93% in 2021, backed by government support for initiatives like Neo-banking.
- Government schemes like PMJDY strive to make financial services more affordable and accessible through initiatives aimed at expanding their reach.
- NRIs benefited from streamlined cross-border payments facilitated by new RBI regulations and a dedicated government payment portal.

MARKET SIZE

- India's banking industry commands a substantial market size, underlining its economic importance.
- Population growth and financial inclusion efforts are driving the expansion of India's banking sector.
- Technological innovation and government support contribute to the sector's market growth.
- The banking industry in India is set for further expansion, driven by changing consumer needs and regulatory improvements.

CHALLENGES

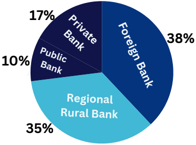
- NPAs exceed ₹10 lakh crores, with 70% from the corporate sector.
- Fraud cases, including accounting, demand draft, uninsured deposits, and loans, surged in 2022, with about 9103 cases reported by the RBI.
- Approximately 69% of India's population, including underserved and rural communities, lack adequate banking access, leaving 1.4 billion Indians without formal banking services.
- If relevant: These challenges emphasize the urgent need for comprehensive banking reforms in India.

KPIs

Here are some of the KPIs used in the Banking Industry:

- Assets Under Management (AUM)
- Gross Non-Performing Assets (GNPA)
- Return on Assets (ROA)
- Net interest margin (NIM)

SECTOR COMPOSITION



BANKING TRENDS

- RBI and RBIH collaborate for Agri-finance digitization, facilitating hassle-free KCC loans.
- RBI initiated a CBDC pilot project in November 2022.
- Union Budget 2023-24 emphasizes $900 million for digital payments, with UPI transactions totaling $1.5 trillion in 2022, hitting 10.241 billion by August 30th, 2023
- Union Budget 2023 introduces a 'risk-based' KYC approach.

TOURISM INDUSTRY

KEY DRIVERS

- Pilgrimage and Spiritual Exploration
- Health and Wellness Tourism
- Adventure and Sports Tourism
- Business Travel and MICE
- Enhanced Travel Mobility

MARKET SIZE

- The travel market in India reached a valuation of $75 billion USD in the financial year 2020.
- It is projected to expand to approximately $125 billion USD by the financial year 2027.
- The majority share of this market is contributed by hotels and airlines.
- In 2020, the travel industry supported nearly 32 million jobs.
- By 2029, it is expected to provide employment for nearly 53 million people.

CHALLENGES

- Inadequate Infrastructure: The lack of suitable infrastructure presents a major challenge to the Indian tourism industry .
- Accessibility Challenges: High travel costs, poor connectivity, and the requirement for various approvals.
- Safety Concerns: One of the biggest barriers to the expansion of tourism is ensuring the safety and security of travelers

KPIs

Here are some of the KPIs used in the Tourism Industry:

- International Tourist Arrivals
- Average Expenditure per Visitor
- Average Duration of Stay
- Market and Segment Diversification
- Accommodation and Bed Capacity

Sector Composition

- Accomodation
- Transportation
- Food and Beverage

TRENDS

- The tourism and hospitality sector is a vital component of India's service industry, contributing significantly to the nation's GDP.
- India ranks 6th in total contribution to GDP and 2nd in travel and tourism employment according to WTTC.
- The Union Budget of 2023 highlights tourism as a priority sector, with the Ministry of Tourism leading comprehensive development initiatives in 50 destinations.

INSURANCE INDUSTRY

KEY DRIVERS

- Economic growth allows more individuals to purchase insurance.
- More Money to Spend: Rising salaries lead to higher insurance investment.
- Innovative Insurance: Regulatory backing makes it easier to create one-of-a-kind insurance products.
- Financial Inclusion Drive: The government's efforts guarantee that everyone has access to insurance.
- Processing is fueling growth in cloud computing and big data analytics.
- Cybersecurity is becoming increasingly important, with an expanding market for cybersecurity software, services, and hardware.

MARKET SIZE

- Gross Written Premium (GWP) of USD 94.48 billion in FY 2020-21 demonstrates the market's significant size.
- Market Attractiveness: The GWP reflects the market's appeal to investors and insurers.
- Non-life Dominance: Non-life insurance's 46.32% share of GWP demonstrates its rising importance.

CHALLENGES

- False claims and misleading facts endanger insurance firms' financial and reputational interests.
- Changing rules and compliance requirements raise expenses and administrative workloads.
- Insurance businesses' reliance on technology makes them vulnerable to data breaches and operational interruptions.
- Traditional insurance models face challenges from customers who want speedier, more personalised, and convenient coverage.

KPIs

Here are some of the KPIs used in the Insurance Industry:

- Penetration Rate
- Persistency Ratio
- Claims Ratio
- The Digitalization Index

Sector Composition

- LIC, ICICI Prudential, and New India Assurance
- Life and non-life insurance
- Non-life insurance, covering health, vehicles, and homes.

TRENDS

- Digital Shift: Indian insurance is embracing technology and becoming increasingly digital.
- Rural Awareness: Insurance awareness is increasing among rural communities.
- Insurtech Focus: The combination of insurance and technology is growing popularity.
- Health Boom: COVID-19 has increased demand for health insurance.

EDTECH INDUSTRY

KEY DRIVERS

- Accessibility and flexibility drive the surge in online education.
- AI and VR revolutionize teaching methods and enhance engagement.
- Tailoring learning experiences to individual student needs boosts sector growth.
- The dynamic job market fuels demand for continuous learning.
- The pandemic accelerates the global adoption of digital education tools.
- Interactive elements in edtech platforms create engaging learning environments.

MARKET SIZE

- The Global EdTech market is anticipated to rise at a considerable rate during the forecast period, between 2023 and 2030.
- India is the second largest market for e-learning after the US with a market size of $6 billion, K–12 leads the market in terms of sector-wise growth at $2.7 billion, followed by College and Upskilling.
- Indian edtech startups had managed to keep their pots boiling until the beginning of the pandemic, the sector had just one unicorn — BYJU'S. In the last three years, six edtech startups have entered the billion-dollar clu.

CHALLENGES

- Ensure your product meets customer needs and expectations by offering different levels for beginners, intermediates, and advanced users.
- Enable users to customize their learning paths according to their preferences and goals.
- Provide excellent customer service and support to address any questions or concerns promptly.

KPIs

Here are some of the KPIs used in the EdTech Industry:

- User Engagement
- Retention Rate
- Learning Outcomes
- Market Reach and Growth
- Customer Acquisition Cost (CAC)
- Revenue Metrics
- Feedback and Satisfaction Scores

Sector Composition

- E-Learning platforms & Learning Management Systems
- Educational Content and Virtual Reality
- Educational Gaming and Corporate Training

TRENDS

- Hybrid Education Becomes the New Normal
- The Rise of Chat GPT and AI-Assisted Learning
- Immersive Technologies Transform the Edtech Landscape
- How Chat GPT Can Improve Education

INDIAN HOSPITALITY SECTOR

KEY DRIVERS

- Rising disposable income fuels increased spending on travel.
- Growing middle class is a significant demand driver for hospitality services.
- Rapid urbanisation in India generates demand for more hotels.
- Government initiatives promoting tourism create a favorable environment for the hospitality industry.

MARKET SIZE

- The Indian hospitality industry is estimated to be worth around USD 23.50 billion in 2023.
- It is expected to reach USD 29.61 billion by 2028, growing at a CAGR of 4.73% during the forecast period.

CHALLENGES

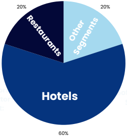
- Infrastructure bottlenecks
- Sustainability
- Skill shortages
- Regulatory hurdles
- Changing Consumer Demands and Markets
- Rising Operational Costs

KPIs

Here are some of the key KPIs used in the Hospitality Industry:

- Occupancy rate
- Average daily rate (ADR)
- Revenue per available room (RevPAR)
- The cost of acquiring a new customer.
- Guest satisfaction score
- Employee turnover rate

SECTOR COMPOSITION



TRENDS

- Rise of "Bleisure" Travel
- Growth of domestic tourism
- Increasing demand for budget and mid-range accommodations
- Technology adoption

OIL & GAS INDUSTRY

KEY DRIVERS

- Expansion in Different Categories: Crude oil, petroleum product, natural gas pipelines.
- NELP introduction, allowing 100% FDI.
- Approval of Rs. 1 lakh crore oil and gas projects in Northeast India, set for completion by 2025.
- Indian PSUs adopting new technologies.

MARKET SIZE

- Market grew from $6,989.65 billion in 2022 to $7,330.80 billion in 2023 at a compound annual growth rate (CAGR) of 4.9%.
- Expected to grow from 36.24 billion cubic meter in 2023 to 46.69 billion Cubic Meter by 2028, at a CAGR of 5.20% during the forecast period 2023-2028

CHALLENGES

- Falling Production
- Geopolitical Risks
- Meeting Environment Regulations
- Environmental Challenges
- Threat of Electric Vehicles

KPIs

Here are some of the key KPIs used in the oil and gas industry:

- Oil Reserves Replacement Ratio
- Reservoir Recovery Factor
- Gross Refining Margin (GRM)
- Exploration and production (E&P) Output
- Lease Operating Expenses

Sector Composition

Upstream sector

- Drilling
- Field Development

Midstream sector

- Pipeline transportation
- Storage
- Processing

Downstream sector

- Refining crude oil
- Producing petrochemicals
- Marketing and distribution of products

TRENDS

- Increasing oil refining capacity
- 4 Plank energy security
- Ethanol Blending
- Lowering emissions

CEMENT INDUSTRY

KEY DRIVERS

- Government heavily investing in roads, bridges, railways, renewable energy. Creates robust demand for cement in India.
- Booming real estate sector a major consumer of cement. Drives increased demand for cement in the country.
- Industrialization increases demand for cement in construction. Used in building factories, warehouses, and other industrial structures in India.

MARKET SIZE

- The global cement market was valued at USD 405.99 billion in 2023 and is projected to reach USD 544.55 billion by 2030.
- The Indian cement market is the second-largest in the world, after China. It is expected to grow at a CAGR of 6.1% from 2023 to 2030.
- The market size is expected to reach 570 million tones by 2030.

CHALLENGES

- Environmental regulations
- Rising energy costs
- Competition from alternative materials

KPIs

Here are some of the key KPIs used in the Cement industry:

- Clinker Production:
- Cement Sales:
- Capacity Utilization
- Profitability

Sector Composition

- Integrated cement producers
- Grinding units
- Ready-mix concrete (RMC) producers

TRENDS

- Rising demand for infrastructure
- Sustainability and environmental concerns
- Urbanization

REAL ESTATE INDUSTRY

KEY DRIVERS

- Intrigued Rates and Monetary Advancement
- Socioeconomics
- Urbanization
- Government Approaches and Directions
- Mechanical Headways
- Worldwide and Territorial Financial Conditions
- Intrigued from Organization Speculators
- Framework Improvement
- Natural and maintainable Patterns.

MARKET SIZE

- The Genuine Domain Industry in India Showcase estimate is evaluated at USD 0.33 trillion in 2024 and is anticipated to reach USD 1.04 trillion by 2029.
- Developing at a CAGR of 25.60% amid the estimate period (2024-2029). The country's genuine desire to advertise was influenced by COVID-19.

CHALLENGES

- Authoritative Compliance and Approach Changes
- Conceded Wander Conveyances
- Liquidity Crunch
- Unsold Stock
- Improvement Quality and Customer acceptance
- System Progression Slack
- Normal Concerns and Supportability
- Arrive Securing Issues

KPIs

Here are some of the key KPIs used in the Real Estate industry:

- Bargains Volume
- Inhabitance Rates
- Ordinary Rental Yields
- Fetched per Square Foot
- Return on Wander (ROI)
- Return on Wander (ROI)
- Net Rental Pay
- Net Working Wage (NOI)

Sector Composition

- Residential Real Estate
- Commercial Real Estate
- Industrial Real Estate

TRENDS

- Reasonable Lodging and Government Activities
- Innovation Selection
- Feasible Improvement Hones
- Outside Venture and Large-Scale Ventures
- Shrewd Cities and Foundation Advancement

KNOW YOUR COMPANY

McKinsey & Company

OVERVIEW :
A global management consulting firm founded in 1926 by University of Chicago professor James O. McKinsey, that offers professional services to corporations, governments, and other organizations, McKinsey has developed numerous frameworks, models, and tools that have become widely used in the industry. It's legacy of innovation and intellectual rigour continues to shape the field of management consulting today.

RECENT DEVELOPMENTS :

1. Launch of an open-source ecosystem for digital and AI projects.
2. Acquisition of Vivid Economics and Planetrics.
3. Partnership with Salesforce to deliver AI-powered growth

MAJOR CLIENTS

Bill & Melinda Gates foundation, Pfizer, Coca-Cola, Loblaws, Best Buy, WWF

SERVICES OFFERRED :

- McKinsey Digital
- M&A
- Growth, Marketing & Sales
- Operations
- People & Organisational Performance
- QuantumBlack, AI by McKinsey
- Risk & Resilience
- Strategy & Corporate Finance
- Sustainability
- Transformation

FINANCIAL PERFORMANCE :

Revenue : $13.5 billion, 8.8% yoy increase.
Profitability: estimated margin of 20-30%.

CAREER PATH :

Business Analyst → Associate → Engagement Manager → Associate Principal → Director → Partner

BOSTON CONSULTING GROUP

OVERVIEW :

Boston Consulting Group (BCG) stands as a global consulting firm renowned for its pioneering spirit in business strategy since its inception in 1963. Collaborating closely with clients, BCG endeavors to address their most pressing challenges and capitalize on their greatest opportunities. Through a transformational approach, BCG empowers organizations to foster growth, cultivate sustainable competitive advantage, and drive positive societal impact.

RECENT DEVELOPMENTS :

1. Sustainability reports and consulting on climate change, decarbonization, and sustainable finance.
2. Guidance on ethical and compliant AI implementation.

MAJOR CLIENTS

Microsoft

P&G Procter&Gamble

SERVICES OFFERRED :

- Corporate Finance and Strategy
- Cost Management
  Customer Insights
  Digital, Technology, and Data
- M&A, Transactions, and PMI
- Operations
- Organization Strategy
  People Strategy
- Pricing and Revenue Management
- Risk Management and Compliance

FINANCIAL PERFORMANCE :

Revenue : $12.3 billion, 5% yoy increase.

Profitability: estimated margin of 15-25%

CAREER PATH :

Associate → Consultant → Project leader /Manager → Principal → Partner → Managing Director

BAIN & COMPANY

OVERVIEW :

Founded in 1973, Bain & Co has solidified itself as a leader in the management consulting arena. Headquartered in Boston, the firm boasts a global presence with offices across 40 countries. Bain stands as one of the most prestigious firms, consistently ranking alongside other giants like McKinsey and BCG. Bain prides itself on a results-driven approach, differentiating itself from competitors. Their focus on long-term competitive advantage fosters strong client relationships, evident in their high rate of repeat business.

RECENT DEVELOPMENTS :

1. Bain is ranked #1 on Glassdoor's Best Places to Work UK list and #3 on Glassdoor's Best Places to Work U.S. list.
2. Bain & Company and Microsoft established strategic partnership to help clients accelerate and scale AI adoption

MAJOR CLIENTS

DE BEERS
A DIAMOND IS FOREVER
DELL
Ford
TEXAS INSTRUMENTS
BILL & MELINDA GATES foundation

SERVICES OFFERRED :

- Accelerated Performance Transformation
- Customer Experience
- Mergers and Acquisitions
- Operations
- People and Organization
- Performance Improvement
- Private Equity
- Procurement
- Sales and Marketing
- Strategy

FINANCIAL PERFORMANCE :

Revenue : $6 billion
Profitability: estimated margin of 10-20%

CAREER PATH :

Associate → Consultant → Engagement Manager → Principal → Partner → Director

Deloitte.

OVERVIEW :

Deloitte is a multinational professional services network that offers a range of services including audit, consulting, tax, and financial advisory services to clients worldwide. The firm was founded in 1845 and is headquartered in London, United Kingdom. With a presence in over 150 countries, Deloitte is one of the "Big Four" accounting firms. Deloitte's culture is built on integrity, respect, commitment to each other, and strength from cultural diversity.

RECENT DEVELOPMENTS :

1. Acquired BIAS Corporation, a leader in the Oracle Cloud Infrastructure.
2. Plans to invest Rs. 1,000 crore in a new centre for innovation.
3. Signed an MoU with a leading Indian IT company

MAJOR CLIENTS

BOEING

DAIMLER TRUCK

ups

gm

SERVICES OFFERRED :

- Audit
- Consulting
- Financial Advisory
- Risk Mitigation and management
- Tax planning
- Development and capacity building
- Strategy and business planning
- Resource Mobilization
- Investment Advisory

FINANCIAL PERFORMANCE :

Revenue : $64.9 billion, 14.9 % yoy increase.

Profitability: estimated margin of 10.6 %.

CAREER PATH :

Analyst/ Associate → Consultant → Senior Consultant → Manager → Senior Manager → Director → Partner

KPMG

OVERVIEW :

KPMG is one of the prestigious Big Four auditing firms. KPMG stands for Klynveld Peat Marwick Goerdeler. It was formed in 1987 by the merger of two accounting firms: Klynveld Main Goerdeler (KMG) and Peat Marwick International (PMI). It is headquartered in Amstelveen, Netherlands, and operates from more than 820 locations in over 145 countries with over 265,000 employees.

RECENT DEVELOPMENTS :

1. Launches global ESG Academy, in collaboration with Microsoft
2. Joins IBM Quantum Network to deepen its leadership in quantum computing
3. Recognized as the 2023 Microsoft Global Defence & Intelligence Partner of the Year

MAJOR CLIENTS

PEPSICO, Pfizer, citi, American Airlines, Yum!, accenture

SERVICES OFFERRED :

- Management Consulting
- Risk Consulting
- Deal Advisory
- Technology Consulting
- Supply Chain Management
- Data Analytics
- Cyber Security
- Tax Planning
- Financial Audit

FINANCIAL PERFORMANCE :

Revenue : $36.4 billion, 9.1 % yoy increase.

Profitability: estimated margin of 10.6 %.

CAREER PATH :

Consultant → Senior Consultant → Manager → Senior Manager → Director → Partner

EY Parthenon

OVERVIEW :

Strategy consulting services are offered by several EY member companies worldwide under the EY-Parthenon brand.

The worldwide strategy consulting division of Ernst & Young, originally known as the Parthenon Group, was formed in 1991 and subsequently combined with EY worldwide Services to become EY-PARTHENON. Top management is advised by the firm on matters pertaining to the industries of consumer goods, education, financial services, private equity, and so forth.

RECENT DEVELOPMENTS :

1. Launches EY.ai to automate tasks, improve decision-making, and gain insights from data.
2. Named the 2023 CrowdStrike Global System Integrator of the Year.

MAJOR CLIENTS

SERVICES OFFERRED :

- Corporate and growth strategy
- Corporate and BU strategy
- Purpose-led strategy and long-term value
- Operational and IT diligence.
- Commercial Diligence.
- Integration strategy planning and execution.
- Restructuring and turnaround strategy
- Digital strategy consulting

FINANCIAL PERFORMANCE :

Revenue : $49.4 billion, 14.2 % yoy increase.

Profitability: estimated margin of 19.7 %.

CAREER PATH :

Consultant → Senior Consultant → Manager → Senior Manager → Director → Partner

OVERVIEW :
PwC is a leading multinational professional services network with roots dating back to the mid-19th century. The firms were a result of the merger between "Price Waterhouse" and "Coopers & Lybrand" in 1998. PwC uses data analytics and artificial intelligence heavily in its operations and is also committed to corporate responsibility i.e., sustainability initiatives and ethical business practices.

RECENT DEVELOPMENTS :

1. PwC India honoured with UiPath's 2022 Innovation Partner of the Year Awards.
2. Collaborations with Workiva, Zoho Corporation, and o9 Solutions

MAJOR CLIENTS

Walt Disney
TESLA
AMERICAN EXPRESS
Chevron
BANK OF AMERICA
Johnson&Johnson

SERVICES OFFERRED :

- Cyber Security
- Transformation Consulting
- Environmental, Social, and Governance (ESG) Consulting
- Financial Risk and Regulations (FRR) services
- Forensic Services
- Licensing and Contract Compliance
- Management Consulting
- Digital strategy consulting

FINANCIAL PERFORMANCE :

Revenue : $50.3 billion, 16.2 % yoy increase.
Profitability: estimated margin of 11 %.

CAREER PATH :

Analyst/ Associate → Consultant → Senior Consultant → Manager → Senior Manager → Director → Partner accenture

OVERVIEW :
Accenture is a global professional services company with leading capabilities in digital, cloud, and security. Combining unmatched experience and specialized skills across more than 40 industries. Founded in 1989, its headquarters are located at Grand Canal Square, Dublin. Accenture embraces the power of change to create 360° value and shared success for our clients, people, shareholders, partners and communities.

RECENT DEVELOPMENTS :

1. Won for Best Company Outlook 2023, Best Leadership Teams 2022.
2. Set to invest $3 billion over the next three years in its data and artificial intelligence space.

MAJOR CLIENTS

McDonald's
Adobe
DELL
amazon
Coca-Cola
Microsoft
ORACLE

SERVICES OFFERRED :

- Artificial Intelligence
- Automation
- BPO
- Business Strategy
- Finance Consulting
- Mergers & Acquisitions
- Operating Models
- Security
- Supply Chain Management
- Sustainability
- Data & Analytics
- Digital Commerce

FINANCIAL PERFORMANCE :

Revenue : $64.1 billion, 8 % yoy increase.
Profitability: estimated margin of 15.4 %.

CAREER PATH :

Associate → Senior Associate → Senior Manager → Director → Associate Partner → Partner

ZS

OVERVIEW :

ZS Associates is a management consulting and professional services firm focusing on consulting, software, and technology, headquartered in Evanston, Illinois that provides services for clients in healthcare, private equity, and technology. They leverage their leading-edge analytics, plus the power of data, to help clients make intelligent decisions , deliver innovative solutions and improve outcomes.

RECENT DEVELOPMENTS :

1. Won for Best Workplace Award by Everest and IDC.
2. ZS to acquire intelligent study design company Trials.ai

MAJOR CLIENTS

Shell, BTIG, Alere, Allergan, AMGEN

SERVICES OFFERRED :

- Audit
- Consulting
- Financial Advisory
- Risk Mitigation
- Tax planning
- Automation
- BPO
- Mergers & Acquisitions
- Operating Models
- Data & Analytics
- Digital Commerce
- Sustainable Strategies

FINANCIAL PERFORMANCE :

Revenue : $2.1 billion, 8.6 % yoy increase.

Profitability: estimated margin of 28.12 %.

CAREER PATH :

Analyst → Associate Consultant → Manager → Associate Partner → Partner

KEARNEY

OVERVIEW :

Established by Andrew Thomas Kearney in 1926, Kearney is a renowned global management consulting firm based in Chicago, Illinois. With over 5,300 employees in 40+ countries, Kearney offers strategic advice and solutions across various industries. In 2020, it rebranded from AT Kearney to Kearney, emphasizing a client-centric approach. Today, Kearney has a workforce of 53,000+ across 100+ countries, showcasing its extensive international presence.

RECENT DEVELOPMENTS :

1. Touching 400+ clients across 40+ sectors and delivering billions of dollars in tangible value
2. Contributing to society through Unnati initiative

MAJOR CLIENTS

pepsi

Red Bull

M&S

SERVICES OFFERRED :

- Strategy Consulting
- Operations Consulting:
- Digital Transformation
- Analytics Solutions
- Supply Chain Consulting:
- Financial Consulting:
- FMCG Consulting:
- Healthcare Consulting:
- Mergers and Acquisitions
- Innovation and Product Development:

FINANCIAL PERFORMANCE :

Revenue : $1.7 billion, 5.4 % yoy decrease.
Profitability: estimated margin of 7.5 %.

CAREER PATH :

Business Analyst → Associate → Manager → Principal → Associate Partner → Partner

INTERVIEW TRANSCRIPTS

CASE INTERVIEWS

MOBILE PHONE SHOWROOM

The revenue from low-end mobile phones At Croma's Rajouri Garden Showroom has declined.

When you say low-end mobile phones, does it mean mobile phones < INR10000?

Yes.

How long has it been since we've experienced a decline in revenue?

Around 3 months

Have other electronic stores been facing the same problem?

None that we know of.

What other products are sold at Croma, Rajouri Garden?

For the purpose of this case, you can assume only mobile phones.

Okay. Revenue is a function of Price X Quantity. Which of these segments has witnessed a decline?

Price has remained constant.

So, the quantity has declined. Which part of the value chain would you like me to focus on - Production, Distribution or Demand?

Demand.

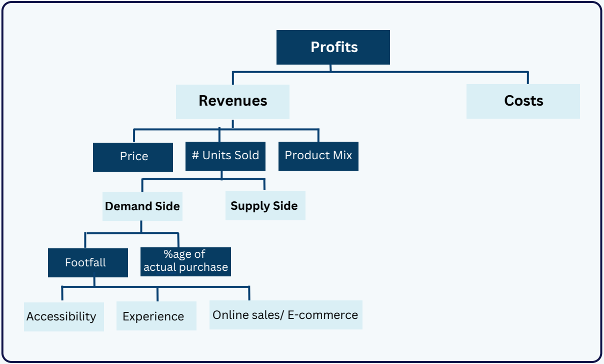
So demand can be defined as Footfall * %age purchasing mobile phones. Has the footfall decreased or has the %age of people making a purchase decreased?

So demand can be defined as Footfall * %age purchasing mobile phones. Has the footfall decreased or has the %age of people making a purchase decreased?

This could be due to factors such as:
Accessibility: Our store isn't accessible anymore due to construction, road-closures, etc.
Experience: Customers have had a bad experience at the store. This could be due to the quality of personnel, change in ambience, placement of various products, etc.
Online sales/ E-commerce: People prefer buying products online because it is more convenient.

Yes, you are correct. Since the mobile phones cost less than INR 10000, people feel it is more convenient to buy them online. Good, we can close the case here.

Thank you.



Profits
Revenues
Costs
Price
Units Sold
Product Mix
Demand Side
Supply Side
Footfall
%age of actual purchase
Accessibility
Experience
Online sales/ E-commerce

CPG COMPANY LAUNCHING POWDERED SACHET

If you stir the powder in water for 20 minutes, the bacteria, dirt, etc. get removed from the water and the water becomes fit for drinking. It is WHO certified product. The product is being sold for 6.2 cents per sachet in the US market.

Whether it should enter the Indian market or not?

Has the product been launched in any other developing country?

Yes, we have launched it in other developing countries but faced varying rates of success.

Has the company launched its other products in India? (to establish the fixed cost requirement/ whether the company will have to set up the supply chain from scratch).

Yes, the company has other products in India. This is a new product that it is trying to launch in India.

The company benefits from existing infrastructure, minimizing capital expenditure and effort. However, barriers to entry must be addressed. Firstly, government regulations may necessitate permission for product launch. Secondly, competition from major players like Amazon could pose challenges. Thirdly, a fragmented market presents opportunities for easier market share acquisition. Finally, advertising costs for existing products and potential increases post-launch of sachets must be evaluated. Addressing these barriers is crucial for assessing the feasibility and competitiveness of entering the market with our product.

Impressive!

The potential customer base for our product spans rural areas and niche markets such as outdoor enthusiasts. With its affordable pricing and the scarcity of clean drinking water in rural regions, our product stands to address a critical need.

Additionally, collaboration with government entities presents opportunities for widespread adoption. Targeting the 18-40 age group, which comprises approximately 50% of India's population, allows for substantial market reach. Assuming a modest 2% market capture in one year, estimated at 1,40,00,000 individuals, alongside contracts with four state governments, underscores the significant market potential for our product.

Come up with a price point at which the product should be launched.

Obviously, we'll have to keep the product at a lower price than what it is in the US. First, we will convert cents into rupees. We will not apply direct conversion rates and use a purchasing price party which gives us approx. 22 rupees/ dollar. As Indian customers are more price sensitive we'll charge a little less.

What are the components of the cost involved and what will be the break-even point?

Breaking the cost into two parts – Variable and Fixed cost. Can you tell me what all are included in the Variable costs?

It's 3.5 cents/ sachet + 20% marketing costs, 4.2 cents/ sachet. Fixed cost – 100 million dollars.

The variable cost comes out to be 4.2 cents and the selling price is 6.2 cents. The profit margin comes out to be 2 cents. A fixed cost is 100 million dollars and a profit margin is 2. We'll have to sell 5 billion units to reach the break-even point.

Market Entry

Barriers to Entry

- Government Regulation
- Market Size
- Network Effect
- Advertising
- Competitors

Financials

- Fixed Cost - $100 Million
- Variable Cost - $4.2 cents
- Price per sachet - $6.2
- Profit Margin - 2 cents per sachet
- Break Even Point - $100 Million/2 cents = 5 billion sachets

E-COMMERCE COMPANY TAKING SUSTAINABLE MEASURES

The consultancy is tasked with devising strategies for Flipkart, a major e-commerce player, to transition to sustainability. The goal is to integrate environmental awareness and social responsibility into Flipkart's operations. How can the consultancy help Flipkart smoothly move towards a sustainable business model?

Just to confirm if I've got it right, our client, Flipkart, is looking towards both environmental and social sustainability, and we've to suggest ways to help them for the same.

Sure.

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

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

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

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

Understood. For the value chain part, I've divided it into 3 parts; pre-requisites, during operations, post-delivery.

Under pre-requisites, I'd consider materials, suppliers, logistics + transportation, and R&D.
Under operations, I'll consider storage, packaging, inventory management, processing, tech side operations, and outbound logistics.
Lastly, I'll consider reverse logistics and customer service under post-delivery phase.

Looks very comprehensive, let's go one-by-one and start with pre-requisites.

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

How would a shift in model help here?

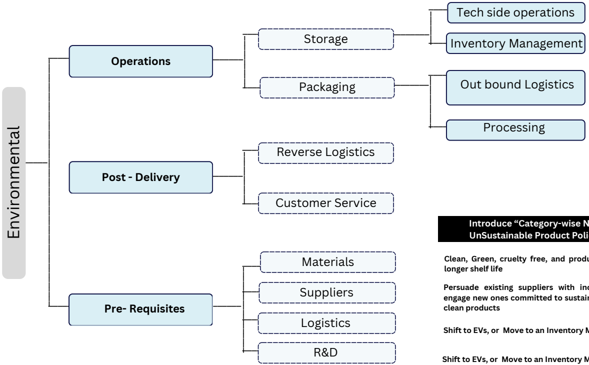
Since Flipkart is an Indian brand, it can work 100% on the inventory model,which would enable all the operations to be carried at the Flipkart's warehouses, starting from packaging to delivery and returns, which would save a lot of resources, save costs, and increase the profits made?

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

So, what I can propose is that there should be a 'category-wise no-unsustainable' product policy. Here, a cost-benefit analysis can be done for each category, in order to evaluate which products can be substituted for now.
Costs would majorly include less suppliers, and lower short-term profits, whereas benefits would include better environment, public opinion, incentives for new players, government support, and better business image.

Great job, Parth. I believe we can close the case here.

Unconventional Growth



Introduce "Category-wise No-UnSustainable Product Policy

Clean, Green, cruelty free, and products with longer shelf life

Persuade existing suppliers with incentives or engage new ones committed to sustainability and clean products

Shift to EVs, or Move to an Inventory Model

Shift to EVs, or Move to an Inventory Model

HOSPITALITY TECH CO. FINDING SUPPLY OF HOTEL ROOMS

The task is to estimate the total supply of hotel rooms in India for a hospitality tech company's product, designed for demand forecasting and return predictability. The company seeks guidance on which cities to prioritize for product sales based on specific criteria.

Right. But these neither include the very high-end ones like Taj, nor very low-end ones like roadside apartment offering 2-4 rooms to stay. It involves only the middle range ones

Understood, So, I've come up with two approaches, one from the demand side, and another from the supply side.

Let's hear the supply side one first.

Right, so we can consider any typical city like Delhi, take its total area, consider the constructed portions, out of those further consider establishments like hotels. This can be done for a particular unit of area, say 5 km. sq., and then this can be extrapolated for Delhi, and later on for rest of the cities

Okay...but don't you feel this would be very complex, involve a lot of assumptions and chances of things being left out?

Agreed!

No worries, let's hear the demand side approach.

Sure. So, here I'd consider the total visitors in India for any peak time that has maximum occupancy, say the New Year. These comprise of both domestic as well as international visitors. We can further narrow down by considering average people per room and average days of stay.

Yes, this is what I was looking for. And this is precisely how we calculated it during the actual case. Now, apart from this, what can you think of as possibly the easiest way that you could've used for calculating the same?

I'm not really sure of any other method for

Absolutely alright. You could've simply said 'use Google'. Where would you find all the information about travel agencies, hotel chains, websites, travel agents, etc? Google

Oh, that's right. Actually, we've always been restricted to even think of using already available information for any guesstimates, so to say, for the purposes of our practice or actual interviews

I understand completely. So, we got in touch with different websites, combined the available data, conducted primary research from travel agents to find out how many hotels would be eligible for us but are not listed on any of the websites. And, that's how we came up with a figure

Oh, that does make a lot of sense!

Total Supply of Hotel Rooms in India

Supply Side

Let's Take Delhi

Total Area

Constructed Portions

Hotels
(In 5 sq. km of an area)

Use this Same Approach for Other Cities

Demand Side

Total Visitors in India During A Peak Festival Season (Say New Year)

Indian Visitors | **Foreign Visitors**

Average people per Room
+
Average guest occupancy duration

INCREASE SALES AND REVENUE FOR A CEMENT MANUFACTURING COMPANY

The client, a cement manufacturer in north India, faces low capacity utilization despite significant capex investment. The industry operates at 80% efficiency, yet the client's plant only utilizes 60% of its capacity. The challenge is to devise strategies with the Plant Manager and 5 employees to improve the client's capacity utilization and address the gap between investment and sales expectations.

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

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

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

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

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

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

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

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

Exactly, now proceed.

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

Interesting viewpoint. What about strategies to grow revenues?

Sure, it can be done via inorganic or organic routes. Under the organic route, we can further bifurcate it as #customers * revenue/customer, looking at target market * market share % for the first one, and as revenue/client/transaction * frequency of transactions for the second.

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

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

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

So, I've broken down the strategies into 3 parts, being distribution, competitive analysis, and own network. Under distribution, we can improve it by providing incentives to our distributors, both monetary and non-monetary. Under competitive analysis, we can look at how our competitors' networks are spread out, which places they've targeted, their models & strategies, and their point of sales. Lastly, through a self-network, our client can open its own stores and operate using a hub-and-spoke model.

Great analysis, We can close the case here.

PROBLEM OBJECTIVE

Issue causing low Capacity	Strong remedy for the same

(Not enough demand to meet production)

Industry Capacity	Client's Capacity
80%	**60%**

Sales issues		Strategies for Revenue Growth	
Unit Price	Unit Cost	Inorganic	Organic

- Customer
- Target Market
- Market Share(%)
- Frequency of Transportations

STRATEGY

DISTRIBUTION

- Incentives (Monetary/Non Monetary) to Distributors.

COMPETITIVE ANALYSIS

- Competition Network analysis.
- Places targeted
- Modes & Strategies
- Point of Sales

OWN NETWORK

- Opening new stores
- Operating using a hub-and-spoke model.

ESTIMATE NUMBER OF FLIGHTS TAKING OFF FROM KOCHI

Estimate the number of flights taking off from Kochi Airport.

You mentioned that you did your schooling in Kerala and then came to Delhi for college. How do you use to commute from Kerala to Delhi?

I used to travel by flight from Kochi airport.

Okay then guestimate the number of flights taking off from Kochi Airport.

Thank you for the question, I have some clarifying questions before I delve deeper into the problem.
1. What kind of flights are we talking about?
2. What is the time frame we are considering?
3. Are we considering only domestic flights?

The goal is to estimate how many passenger flights take off from Kochi Airport in a day.

Let's start with the 24 hours in a day and bifurcate into 3: peak operational hours, non-peak operational hours, and non-operational hours.
Peak Hours- 8 hours (6am -10am & 5pm - 9pm)
Non-Peak - 12 hours
Non-Operational - 4hours (12am -4am)

Lets assume that there are 10 boading gates in kochi airport and the boarding time is 45mins.

Boarding Gates used - 100% (Peak hours)
Boarding gates used- 60% (Non Peak hours)

Calculations:
Peak hours - (8/ 0.75)*(100%*10) = 100 flights

Non-peak Hours- (12/0.75)*(60%*10)= 96 flights
Total = 196 flights, approx: 200

Let's take a 30% mark up for layover flights.
Therefore = 260 flights in a day.

Okay Great! Let's wrap it up here.

24 HOURS

- **Peak Opreational Hours (6-10 AM & 5-9 PM)**
- **Non- Peak Hours (12 HOURS)**
- **Non- Opreational Hours (12-4 AM)**

BOARDING GATES	**10**
BOARDING TIME	**45 min**

BOARDING GATES UTILIZATION

Peak Hours	Non- Peak Hours
100%	**60%**

Calculation

- **Peak Opreational Hours**
  (8/0.75)*(100%*10)
  100 FLIGHTS
- **Non- Peak Hours**
  (12/0.75)*(60%*10)
  96 FLIGHTS
- **Non- Opreational Hours**
  30%*200
  60 FLIGHTS

Total 196 FLIGHTS; 200 FLIGHTS APPROX.

Grand Total 260 FLIGHTS

GROW REVENUES OF A STANDALONE MOVIE THEATER IN BOMBAY

Estimate the revenues for standalone theatre

So, I have a very unconventional case for you. Your client is your friend, who owns a standalone movie theatre in Bombay. He wants to grow his revenues, and has come to you for help. How would you help your friend?

Who are the exact customers of my friend, and can I assume it to have sources of revenue as movies, advertisements, food, parking, and tickets?

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

Can we consider my friend's competitors to be other movie theatre chains, multiplexes, and OTT platforms? Lastly, want kind of increase is expected and over what time period?

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

I've broken down the organic route as growth from existing businesses or new businesses. Existing businesses would cover revenue from tickets, parking, food, advertisements, and movies. New businesses could comprise of things such at launching on OTT, home theatre screens, movie cabs, and hosting exclusive shows/concerts. Revenue can further be broken down as #customers * revenue/customer Talking about #customers, it's actually target market * market share %. So, my friend can increase the target market by opening a theatre in a new geography. Or, for improving market share, he can introduce new movies/products, with varieties being hosting concerts, purchasing exclusive rights to certain shows, etc., or change the way of provision to OTT.

What about increasing revenue/customer?

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

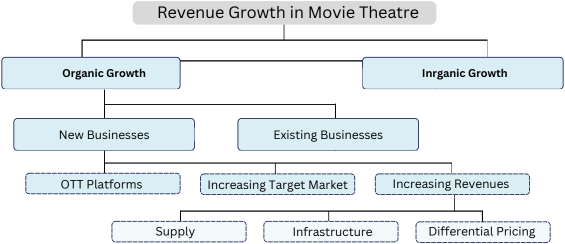
Let's look at the supply and infrastructure aspect now

Supply would be affected by movies, frequency of shows, infrastructure, and hours of operation., I've broken down the infrastructure considering seats as a bottleneck. It could be written as #seats * %utilization. These can be improved by reducing distance between seats as well as rows, expanding the walls of the theatre, and improving any bad quality seats.

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

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

Great, we can end the case here.



INTERVIEW NOTES

- Theatre targets middle to upper level classes.
- Sources of revenue are tickets, advertisement, food, parking.
- Opening a theatre in a new location is recommended.
- Differential pricing to be adopted to improve revenues.
- Increasing revenue by upselling, decoy pricing, bundling and quantity reduction.

RECOMMENDATION

- There is a need to increase revenues and market share by introducing exclusive screenings, differential Pricing, and increasing the seating capacity.

DETERMINE THE PRICE OF A NEW DRUG TO CURE HEPATITIS C

Estimate the price of the drug

This is going to be an information heavy case, so listen carefully. Your client is a pharma company, who has made a new drug to cure hepatitis C, say. It takes 12 months to cure, and would be sold in the US market. You've to determine the price of the drug. Currently, there are 100,000 cases per annum. To 80% of these, doctors prescribe a generic drug which is relatively cheap, and costs $1,000. To the remaining 20%, doctors prescribe a more specialized drug which costs $20,000 per treatment. Across these 100,000 cases, irrespective of the drug prescribed, there is 20% chance of liver failure. The cost of insurance for these 20% cases is $300,000 per case, in order to undertake liver transplant. All the costs are covered by the state. Our client's drug claims 0% of liver failure. How would you price the drug?

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

Fair enough, how would you calculate it now?

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

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

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

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

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

Great, we can end the case here.

PRICING

COST OF INSURANCE			COST OF GENERIC DRUG			COST OF SPECIALISED DRUG	
Cases	Cost		Cases	Cost		Cases	Cost
20% of 100000 20,000 *	$300,000	+	80% of 100000 80,000 *	$1000	+	20% of 100000 20,000 *	$20,000
$ 6000000000			**$ 80000000**			**$ 400000000**	

Cost of client's drug= $6.48 billion/100000 cases = **$64,800 per drug**

TOTAL CASES = 100000

80% (80,000 CASES)		20% (20,000 CASES)
Prescription Cost	Genric Drug $1,000	Specialised Drug $20,000

Chance of Liver Failure
20% of 100000 = **20,000**

*

Cost of Insurance
$300,000

Total Cost = **6,00,00,00,000**

SUGGESTION TO ENTER THE MEDICALS IMPLANTS AND ELECTRONICS SECTOR

Enter into the medical equipment sector

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

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

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

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

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

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

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

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

Great, and what would this decision be based upon?

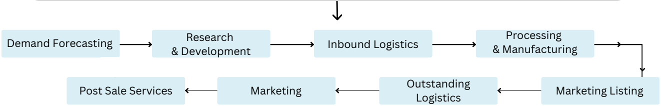
It'd be based on dilution of control expected, costs involved, revenue potential, brand value & synergies, and lastly considering any regulations that might hinder the process.

Great, we can end the case here.

STRUCTURE	DECISION MAKING FACTORS
INDUSTRY	DILUTION OF CONTROL
OPERATIONAL FEASIBILITY	COST INVOLVED
FINANCIAL VIABILITY	REVENUE POTENTIAL
MARKET ENTRY	BRAND VALUE & SYNERGIES
RISKS	REGULATION

- Barriers to entry
- Diversification possibilities
- Value chain setup

- Joint venture
- Aquisition
- Strategic allaince
- Public- Private Partnership



UNCONVENTIONAL PUBLIC SECTOR BANKS

Diagnose the reason for low employee productivity and recommend solutions.

Client is a public sector bank and they have been facing low employee productivity. You are required to diagnose the problem and come up with recommendations.

Sure, sir. So, the key problem is that our client is facing low employee productivity. I am required to diagnose the problem and provide some recommendations. I would like to ask some preliminary questions.

Okay. Go ahead.

Does the client have a pan-India presence?

Yes.

Since how long has the client been facing this issue?

It's been there for a very long time. Due to change in management, the client wants to focus on this problem now

Is there any specific geography that the client has been facing this issue?

This is a pan India problem.

What does a client mean by employee productivity and how do they measure it?

Percentage of targets achieved.

What are the employee targets?

Targets are a mix of loans, fixed deposits, savings accounts etc. Basically, everything that an employee can sell in a bank branch

Why is our client saying that their employee productivity is low? What are they comparing it to?

Though the client's employee productivity is not as bad when compared to other public sector banks, due to change in management, the new benchmark that the company is looking at is private sector banks. In comparison to private sector banks, our client's numbers are very low

I would like to start with the first bucket. How are targets set currently?

Each employee is given targets as per their previous year targets, irrespective of whether they were achieved or not.

What are the other aspects considered in target setting?

The process is usually driven by the managers of the employees. You can assume that it is largely a top-down approach. Do some geographies complete their targets vis-à-vis others?

Yes. For example, in Mumbai, some of the branches are doing much better while others are unable to meet their targets.

Okay, so prima facie, the issue is with the target setting process in itself. I can think of the following flaws with the process:
1. No external input to target setting. For example, if a region is experiencing slow growth in general, it is unrealistic to set targets that would be nearly impossible to achieve.
2. Target setting should also take into account branch-wise inputs to decide on what the branch can achieve in the coming year.
3. Individual employee capabilities need to be accounted for when setting individual Targets.

This is what we also observed as problems. How would you go about addressing these Issues?

1. A more robust mechanism on region-wise data collection should be put in place to identify appropriate targets.
2. Employees should be made part of the target setting process with a caveat that the targets which they select will have a direct bearing on their overall rewards With that, you can move to the rewards. What type of R&R policies does the client have?

Employees have a fixed and a variable salary. Apart from that, there are some employee recognition mechanisms wherein employees with the highest sales numbers are given some award price.

How is the variable pay determined?

As per employee targets, a level-wise variable pay matrix is created. Ratings are assigned as per completion of the targets.

Is the same variable pay matrix used across India or is it tailored to each geography?

The matrix remains the same.

That also creates a problem because as discussed, some regions have potential for more business and some employees are more skilled than others which can lead to different levels of motivation for achieving those targets.

How do you suggest solving this problem?

As we discussed before, individual targets should be a function of regional potential and employee capability. The variable pay policy should follow a cohort system wherein employees taking up higher targets are rewarded differently vis-à-vis employees taking up lower targets.

Good. That is what we also recommended. What else?

Contextualise R&R policies to the region to ensure that employees get recognised at the right forums.

Okay. Anything else you want to consider?

I would like to analyze the problems related to organisation culture and other softer aspects. I will consider multiple aspects here:

- Organization support
- Organization culture and employee motivation
- Employee capability and skills

Okay. That looks good.

Starting with employee capability and skills first. What sort of training and development initiatives are provided by the client organisation?

There is regular employee training. They are kept up to date with the latest changes in product offerings as well. In one of the surveys, the client found out that the employees were actually very happy with the efforts that the organisation was putting in with respect to the training.

I will tackle the other 2 together. What sort of support is provided by the top Management?

What do you mean by that?

In terms of sales process and knowledge sharing, how does the organisation support its employees?

Knowledge sharing is very common in the organisation. Top management is usually always to provide all the necessary support. However, there are employees who are willing to work towards achieving their targets. What sort of additional support do you think the organisation can provide?

The organisation can have technological systems to support the sales process.

The client already has a state-of-the-art technology system in place. What else?

The organisation can make its R&R policies more transparent and to communicate the upside of performing well to the employees.

That can be done. But how can organisations additionally support the ones who are ready to work harder?

The organisation can make an app that helps these employees track their targets on a daily basis and can correspondingly check their variable pay. That would keep them motivated regularly.

Exactly. That is what we also recommended to our client. The development of that app is underway as we speak. Good job.

Low Employee Productivity

- Individual employee capabilities need to be accounted for when setting individual Targets.
- No external input to target setting.
- Target setting should account branch- wise inputs to decide on what the branch can achieve in the year.

Solutions

- A more robust mechanism on region-wise data collection should be put in place to identify appropriate targets.
- Better Rewards and Recognition Plan
  - Individual targets should be a function of regional potential and employee capability.
  - The variable pay policy should follow a cohort system wherein employees taking up higher targets are rewarded differently.
- Employees should be made part of the target setting process

DAIRY AND MILK MARKET IN INDIA

Estimate the total manufacturing capacity of factories to be set up?

The client is a global multi-brand retailer and wants to enter India. Government rules suggest that 30% of the investment should be in the backend management. The client is looking to invest in milk and dairy products. What should be the total manufacturing capacity of factories to be set up?

Who is the client and the industry they operate in?

The client is a global company engaged in the manufacturing and retailing dairy products.

What kind of product does the client want to sell?

The client wants to sell skimmed milk.

Who are the main competitors in this market?

The main competitors are retailers such as Reliance Fresh, which sells vegetables and dairy products.
(Having completed the 3C1P questions, interviewee started questioning to create a structured approach.)

How many supermarkets are we targeting in India & what are their sales?

There are 50 hypermarkets with an average sales of 1 crore rupees per month and 500 supermarkets with an average sales of 10 lakh rupees per month.

What is the percentage of spoilage for milk products in these supermarkets?

The spoilage is 5% in hypermarkets and 10% in supermarkets.

How much retail capacity does the client need to meet the demand?

The client wants to occupy 20% of the space in hypermarkets and 10% of the space in supermarkets for their product.

Can I assume the price of each skimmed milk to be 60/litre?

Yes go ahead.

So I would be dividing the entire sales / 60 to calculate the milk quantity required.
1. Total sales: Hypermarket: 50x1cr; Supermarkets: 500×10 lakh
2. Calculating the production capacity considering the additional reserves for spoilage and the capacity to be occupied in supermarkets & hypermarkets and summing them up:
In hypermarkets: 50cr x(1+5/100)x20/100
In supermarkets: 50cr x(1+10/100)x10/100
Dividing the calculated number by 60 we get nearly 3Mn Ltrs per month.

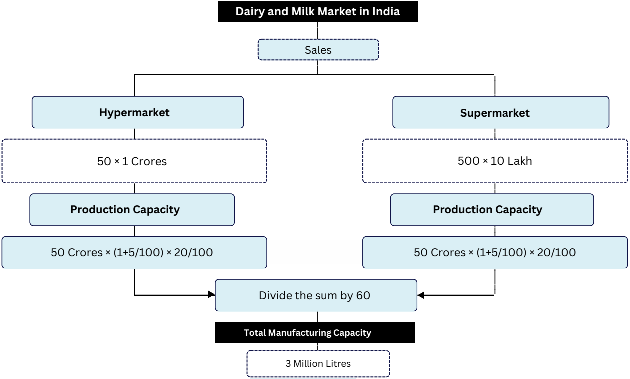
That looks absolutely right. Should the manufacturing capacity be consolidated or fragmented?

Should we consider the proximity of retail markets to the manufacturing factories?

How does this relate to the question?

I considered the pros and cons of consolidating or fragmenting the manufacturing capacity. The decision to consolidate or fragment the capacity depends on the geography of the markets and the factories. If the factories are located near the markets, then it would be more efficient to consolidate the capacity and reduce transportation costs and spoilage risks. If the factories are located far from the markets, then it would be more effective to fragment the capacity and distribute it closer to the markets to ensure freshness and quality.

Very well, that makes sense


Dairy and Milk Market in India
Sales
Hypermarket
Supermarket
50 × 1 Crores
500 × 10 Lakh
Production Capacity
Production Capacity
50 Crores × (1+5/100) × 20/100
50 Crores × (1+5/100) × 20/100
Divide the sum by 60
Total Manufacturing Capacity
3 Million Litres

TIN SHEETS MANUFACTURER

Recommend ways to increase net margins

Hi Parth, I'm a little short on time so let's quickly get started with the case. Your client is a tin-sheet manufacturer, who wants to increase its net margin. How would you help?

Surely, so just to clarify, our client manufactures tin sheets and wants to increase the net margin, and we've to help out for the same

Yes, that's correct

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

Sure, go ahead.

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

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

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

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

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

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

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

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

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

Let's start with the costs first.

Surely, I'll just take around 25-30 more seconds to structure my thoughts and come up with an approach.

Go ahead.

Surely, I'll just take around 25-30 more seconds to structure my thoughts and come up with an approach.
So, I've tried to break down the costs into a value chain, under which we can analyse each element one by one to look for factors of cost reduction.

Value chain can be as follows; R&D, raw material sourcing, inbound logistics, storage, processing & manufacturing, packaging and specifications, storage again, outbound logistics (to third party distributor), and reverse logistics (if needed).

Seems like a comprehensive breakdown, Parth. Quickly break down the raw material costs for me

Sure, it can be broken down as #suppliers * average quantity * price

Focus on average quantity

As per my opinion, average quantity can be affected by actual demand, wastages, theft, damages, and requirement of any kind of buffer stock

Good job. Now, focus on actual demand

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

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

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

Focus on organic for now

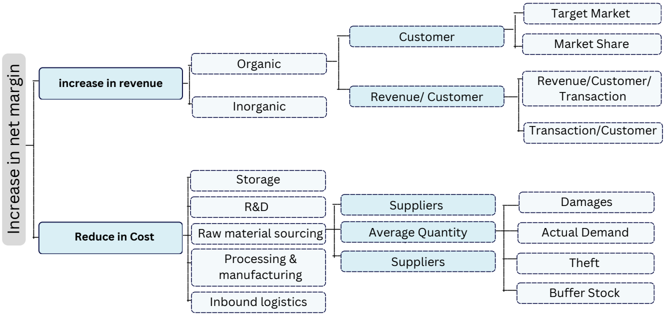
Understood, so revenue can be broken down as #customers * revenue/customer

List down avenues to increase both

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

Understood, we can close the case here Parth.

Thanks a lot!


Increase in net margin
increase in revenue
Organic
Inorganic
Customer
Revenue/ Customer
Target Market
Market Share
Revenue/Customer/ Transaction
Transaction/Customer
Reduce in Cost
Storage
R&D
Raw material sourcing
Processing & manufacturing
Inbound logistics
Suppliers
Average Quantity
Suppliers
Damages
Actual Demand
Theft
Buffer Stock

CEMENT CONGLOMERATE

Facing low profitability

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

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

You've got it right.

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

Go ahead. Candidate

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

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

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

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

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

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

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

Yes, that's correct.

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

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

Understood. So, revenue can be broken down as #units * revenue/unit.

Focus on #units

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

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

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

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

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

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

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

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

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

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

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

Ha ha, go ahead take your time.

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

Excellent! We can close the case now.

Thank you, sir!

LOW PROFITABILTIY

- **Increase in revenue**
  - Units
    - Target Market
    - Market share
      - Exploring new areas
      - Distribution channels
        - B2B
          - Contracts with builders
          - Government collaboration
          - Big construction houses
        - B2C
          - third-party distributors
          - Own stores
          - Hub & spoke model
      - New products/varieties
  - Revenue per unit
- **Reduction in cost**

- DISTRIBUTORS
  - NON MONETARY INCENTIVES
    - Commissions
    - Discounts on bulk buying
  - MONETARY INCENTIVES
    - Commissions
    - Discounts on bulk buying
- #UNITS/DISTRIBUTORS
- PRICE/UNIT

FIVE STAR HOTELS

Facing low profitability

Your client is a 5-star hotel in Mumbai. They have been facing lower profitability. You are required to identify the reasons behind the same.

First, can you please tell whether the client is a hotel chain or single hotel?

It is a single hotel which has been facing the issue

Since how long has the client been facing this issue?

The issue persists since the last 3 years but it has amplified in the last 1 year

Since the loss has been greater in the last 1 year, I think there might be multiple recent factors affecting the hotel. Next, I would like to know if other hotels have been facing this issue as well or is it just us?

It's just our hotel which has faced this issue

Alright! So, this is not a market wide problem. Next, I would like to know more about the hotel itself. What type of a hotel is this?

It is a luxury hotel with different rooms for different customer types

What are the types of customers that we normally receive at our hotel? And have we observed any change in their ratios?

Two types are tourists & business customers. The split between them is 30:70. Earlier, the split was 50:50

And what are the revenue streams which our hotel has?

There are 4 streams - rooms, restaurants, banquet hall & ancillary services.

Alright! Is there any particular-revenue stream where the client has been facing this issue?

Let's start with the room revenues here first and slowly move on to others

Sure! Profits are a function of revenues or costs. So, do we know whether the revenues of the hotel have gone down or costs have gone up or both?

So, it's a situation of both. But let's start with the revenues first

Right! And starting off with the room revenues, we can bifurcate that into 2 parts - room rent and related purchases such as room service.

The problem is being seen in the rental revenue

Perfect! Then I would like to divide my room revenues into the number of rooms offered by the hotel, the room rent charged and the occupancy rate. Has there been any change in any of these factors over the last 2-3 years?

There has been no change in the number of rooms & the occupancy rates have been high as well. Even, the rent charged per room hasn't reduced

Since none of these factors have changed but we have faced a decline in the revenues received, it could be a possibility that the hotel is not receiving the maximum possible revenue for its rooms

Right, what could be the reasons according to you?

It could be happening due to 3 reasons: First, as every hotel has different types of rooms, maybe we have reduced the high-rent rooms and replaced them with the lower-rent versions. 2nd, there could be a difference in the type of customers which the hotel is getting and 3rd, the payment facility which the customers are using has changed which has reduced our profits. Since, we know that the type of customers which we receive has changed over time, I would like to start off with that aspect here

Okay, how do you think the second factor would be affecting the hotel?

As there is a greater influx of business customers, the hotel can't charge any amount higher than what has been agreed with their respective company. On the other hand, rents charged for general tourists can be higher, thus reducing the rent collected per person

Correct! Due to a greater number of business customers, the hotel has to keep a fixed price & is not able to take advantage of higher revenues due to higher demand which other hotels can. Let's go into the restaurant business now.

Sure! Could you tell me how many restaurants the hotel has?

So. The hotel has 2 restaurants - an Asian and a Continental one. We have been facing lower profits in the Continental restaurant

And do we know whether the revenues have fallen, or costs have gone up? If it is revenue - we can analyse by looking into in-dining revenues & delivery services?

There has been a fall in the revenues - in particular in-dining revenues

Dining revenue can be looked at through the following aspects: Number of tables, occupancy rates, average order quantity and the average prices.

Here has been no change in any of these factors. Why don't you go through the customer journey from reaching the restaurant to leaving it?

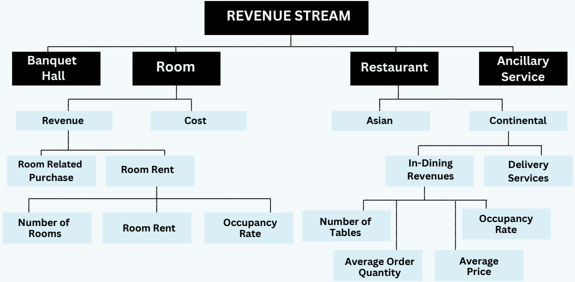
Okay! So a customer's journey can be broken down into the following steps- Arriving at the restaurant, waiting time (both for being assigned a seat and for the food ordered), consumption of the meal and then paying for it

Let's look at the payment aspect. Can you think of the different ways through which a customer might pay for their meal? Focus on non-cash payments

Yes, that would be via credit/debit card and UPI payments. The issues could be broken down into following areas - customer side payment issues, restaurant side receipt issues, discounts and cash backs. As we know that the order value had not changed, it seems that we are not receiving the money which customers are paying, which could be due to extra discounts offered

Correct! Most of our recent customers have Zomato Gold or Dine Out installed which is reducing their final payment value & client bears some amount of this. What are your recommendations? We will close the case after this

Short term, our client can increase prices for room service and other facilities for the business customers. On a long-term basis, our client can renegotiate its contracts with companies as well as Zomato/Dine Out to address the discount issues. It can also limit the number of rooms for business customers.



SHORT TERM SOLUTION: Increase prices for room service.

LONG TERM SOLUTION: Re-negotiate the contracts with companies like Zomato for dineouts.

FSG

Facing low mobile offerings in different states

Mobile offerings in states like Bihar and UP are comparatively very low. There is a very wide mobile adoption gap between males and females in the world and the gap in India is particularly very high. The CEO of Jio came across the problem at an event and decided to set up a strategy team to bridge this gap as a social initiative as well and she saw a new business opportunity.
Jio has reached out to you to help them with this.

Thank you for the case. I would just want to confirm that our client is Jio and they see a potential business opportunity in areas of Bihar and UP where Mobile offerings(here offerings mean sim card/ internet/messaging/calling) are very low. So, they want to explore this untapped market as well as create a social impact by reducing this gender gap.

Right, so let's start with setting the hypothesis pointing out what exactly are the barriers for this problem.

Sure, the possible barriers that I can think of because of which the mobile adoption and its offerings are very low are: -

a) Affordability
b) Lack of Need
c) Cultural Barriers/ Restrictions
d) Ill-Literacy

Sounds great, now assume that you have a team of 10 members who can go on the ground to test this hypothesis. How exactly do you want them to verify this who should they particularly survey and what should they ask in the survey?

Okay, the possible ways in which we can test our hypothesis would be

a) Door-to-door Survey
In this, they can reach out to the following stakeholders.
1. Women – To check whether they need mobile phones and their offerings and to check if they are allowed to use them or not.
2. Families- To check if they can afford mobile and its services.
3. Community as a whole- To understand what exactly their culture and activities look like.
b) Secondary Research
To get data points concerning ill-literacy and drop-out rates.

Okay, can you recommend three ways to tackle the above barriers, also mention which solution will tackle which barrier. These seem good, but since your client is a telecommunications provider, can you think of ways in which they can use their existing resources to solve the barriers these solutions would require them to enter into collaborations which would lead to high investments.

Okay, got it. So, since they want to use their existing resources/assets to solve the problem, we can leverage the following features: -

a) Internet- To provide free top-ups on extra plans that you take or discounts on family packages.
b) Messaging- To send informational messages to the existing sim holders to encourage them to take these services for their wives

c) Literacy- Many people do not prefer taking another sim because it involves a lot of paperwork and the process is cumbersome. So, issuing sim cards after scanning their fingers and getting all the details from Aadhar.

Sounds good, so basis your recommendation, the client launched the Bandhan Scheme, and we have data for its performance for 3 years. You have to deterine if the average profit per user is increasing or decreasing.

According to my estimation, the average profit per user is decreasing.

All your calculations are correct; can you now tell me why this loss per user is decreasing?

Sure, the loss per user is decreasing because the total cost of acquisition is decreasing and at a point in time, we would not be spending the amount to acquire customers. Hence, entering into profits soon.

Perfect, we can now close the case.

	Total Revenue	Total Profit/Loss	Avg Loss Per User
Y1	81 Mn	(63.8 Mn)	63.8 Mn/3 Mn= 17.72 USD
Y2	151.2 Mn	(16.8 Mn)	16.8 Mn/ 5 Mn= 2.8 USD
Y3	313.2 Mn	(22.8 Mn)	22.8 Mn/ 10 Mn= 1.9 USD

BARRIERS	WAYS TO UNDERSTAND
Affordability	Door to door Survey
Cultural Barriers	Families
Illiteracy	Secondary Research

SOLUTIONS
Literacy
Internet
Messaging

		Fixed Costs	Cost of Acquisition	Variable Costs	Total Costs
Loss per user	Y1	20 Mn	60 Mn	1.5*1.2*3*12= **64.8 Mn**	144.8 Mn
Total Cost of Acquisition	Y2	20 Mn	40 Mn	1.5*1.2*5*12= **108 Mn**	168 Mn
Profits	Y3	20 Mn	100 Mn	1.5*1.2*10*12= **216 Mn**	336 Mn

MARKETING CAMPAIGN FOR A SHIPPING LOGISTICS COMPANY

There is a shipping logistics company dealing with both B2B and B2C clients. What factors would you consider when tailoring a marketing campaign for B2B versus B2C across all social media platforms?

Let's get started. There is a shipping logistics company dealing with both B2B and B2C clients. What factors would you consider when tailoring a marketing campaign for B2B versus B2C across all social media platforms?

Before starting, I would like to know what type of shipping the company is involved in. Is it maritime or through land?

The company is mainly involved in land freight forwarding.

So what kind of products does it usually ship? Is it the same for both customer segments or different?

In the B2B segment, the company usually uses tanker freight trucks to transport liquids, such as petroleum, chemicals, or milk. The company is a relatively new player in the B2C segment and wants to explore the packers and movers segment.

Alright. I want to ask if the company has done any previous marketing campaigns in both segments.

Yes, the company has previously done a few campaigns in B2B, but they did not work out as expected. In B2C, they haven't done much as they are entering the market.

Can I know the reasons due to which the B2B campaigns didn't work out well?

The reasons aren't very concrete, but the main crux is that they couldn't position their services reasonably and create awareness about them.

Thank you for giving out this information. As B2B marketing typically consists of business decision-makers, business buyers and technical decision-makers, LinkedIn would be an excellent platform due to its professional focus. On this platform, their focus should be on creating awareness about the company's shipping solutions through previous testimonials showcasing their contribution to the industry's growth.

Fair enough. Can you please elaborate on the marketing plan?

Sure. To garner attention, they should create eye-catching content that includes common pain points in the liquid shipping logistics industry, such as safety and hygiene. This could be in the form of blog posts, testimonials, or infographics highlighting their strengths. To generate interest, they should focus on how the company provides cost-effective solutions to the problems highlighted in the awareness campaigns, which can be done through targeted email campaigns to share relevant information directly with potential customers.

To create desire, they can host webinars and online events to educate potential customers about the company's offerings and the benefits of its shipping solutions. Lastly, for the action part, they should provide multiple contact channels, such as phone, email, and live chat, to ensure prompt and responsive customer service. They can also offer personalized consultations to address clients' unique problems specifically.

Okay, great. Can you also tell how they should go about the B2C segment?

Sure, do we have any budget allocated for the marketing expenses for this segment?

They have roughly $100000 for a B2C marketing plan.

Okay. As B2C is customer-centric, combining platforms like Instagram, Facebook, and YouTube can be effective due to a broader audience and better visual appeal. As they are new to this segment and want to explore it through the packers and movers domain, they should play on their strengths, as safety is the main requirement in such moves. They should develop video content that showcases the company's complete shipping process visually appealingly, highlighting the benefits offered concerning the fragility of items. They can also show the sceneries and terrains that their company delivers the goods and services to reach a wider audience and drive traffic to the company's website.

Interviewer: That was a well-curated plan. Moving on to Key Performance Indicators (KPIs), what metrics would you prioritise to measure the success of these marketing campaigns?

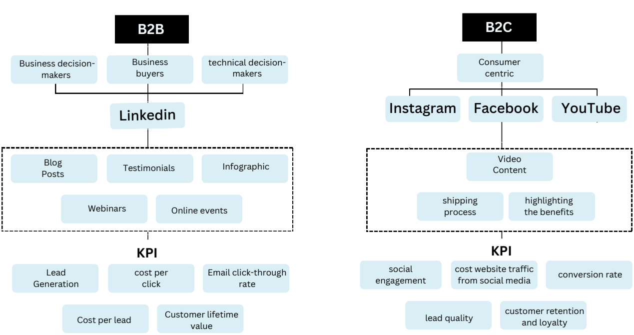
Interviewee: For B2B, appropriate KPIs include lead generation, cost per click, email click-through rate, lead conversion rate, cost per lead and customer lifetime value. For B2C, KPIs like social engagement, website traffic from social media, conversion rate, lead quality, customer retention and loyalty, etc.

Those are comprehensive KPIs. Do you have any other tips for ensuring the success of these social media campaigns?

Regularly analyze social media analytics to identify trends and optimize strategies to adapt. Social media trends and audience preferences evolve, so continuous monitoring and adjusting strategies accordingly are crucial for long-term success.

We can wrap up. That was good!

Marketing Campaign



CEMENT COMPANY

Your client is the CEO of a company that has gained market share in the recent past, but its profits have tanked. Identify the problem and give your recommendations.

I would like to start by clarifying the problem statement so that we are on the same page. *Repeats the problem statement* Is there any other aim or objective apart from this?

None for now.

I would like to take a minute to frame my preliminary questions.

Sure

What do you mean by Market share? Is it in terms of revenue or volume?

Revenue

Since then our client has been facing this issue. Is it a company-specific issue or have we seen any of our competitors facing the same problem?

In the last three months. All our contemporaries have been facing this issue but it has impacted our client drastically.

To get a better understanding of the business, I would like to know more about the revenue model. What is the product mix?

Our client is a cement company. There's no product mix. It's a commodity product.

Where are we exactly in the value chain? As per my knowledge, it's an extensive process with different stakeholders responsible for clinker production, cement grinding, and packaging

You can go with the assumption that it's a single unit. Cement is manufactured by the client & sold to customers.

What about the geographies that we operate in?

We have four facilities in the east and south.

Okay. Last point, I would like to gain some insight about our customers. As per my understanding, it's a B2B product, used in construction. Our major customers would be Infra Companies like L&T, RPS and small contractors and individual workmen. Am I good to go with this?

Well, 80% of our revenues are from infra companies and contractors; we can ignore the workman category.

Sure. I would take a moment to form a basic structure and decide how we should proceed with the case.

Sure

Since our absolute profits are decreasing, our revenues have been increasing, we might be dealing with increasing costs. Is that so?

Yes

I will come to it later. First, I would like to close the Revenue side. So, our revenues have been increasing. This can be attributed to a price rise or volume rise. We have increased our prices.

We have increased our prices.

Given cement is a commodity product, the price rise didn't affect volume sales?

Our volumes did go down and that has been a major factor in the increasing costs. Can you look into the possible reasons for the decline apart from the price rise?

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Well, it can either be a supply side issue or demand issue.

It's a demand side issue.

Okay. Assuming the customer preferences haven't changed altogether, the possible reasons could be
A. Affordability We've already covered the price rise
B. Accessibility of our product
C. Any change in our Product
D. Any change in the external environment

Well, the problem is with our Customer Service. We have a poor connection with the contractors. What do you suggest we do?

We can provide them with monetary and non-monetary incentives. Under monetary benefits, we can ensure an increased credit period and volume discounts. For non-monetary benefits, we can ensure availability at all times facilitating models like JIT, taking care of the logistics, and providing storage for volume purchases.

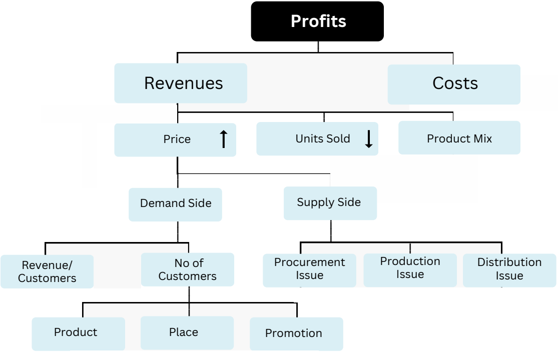
Okay. I am not convinced of the solutions. Anyway, when you give these suggestions to the client, an investment is required. What are the factors you would look into before making one?

A. The Payback period, that is for how long the capital is going to be stuck in the project.

B. The ROI or any other benchmark parameter

C. Capital Budgeting, where are we going to get the required capital from, is it the bond market or the equity markets?

This is fine. You missed some critical factors. Whenever we make an investment decision, the major factors considered are Quantity of Capital, Time, which is the investment horizon, Impact, which is how it's going to transform into cash flows, and then comes Capital Budgeting. We can close the interview now.


Profits
Revenues
Costs
Price
Units Sold
Product Mix
Demand Side
Supply Side
Revenue/ Customers
No of Customers
Procurement Issue
Production Issue
Distribution Issue
Product
Place
Promotion

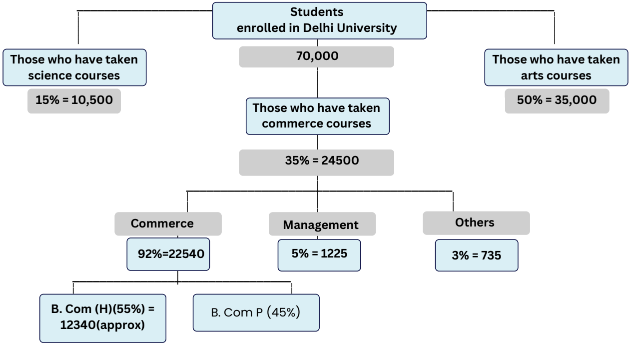
GUESSTIMATES

Number of B.Com(Hons) Students at Delhi University

ASSUMPTIONS

1. Total enrollment at Delhi University is 70,000 students.
2. 35% of students enrolled opt for commerce-related programs.
3. 15% and 50% of students opt for science and arts-related courses, respectively.
4. Delhi University has multiple colleges offering B.Com Honours.
5. Around half of the commerce students choose to pursue B.Com Honours.

Guesstimate 1



Guesstimate 2

Estimate the number of schools in India.

ASSUMPTIONS

1) Age Group:

Life span of an individual = 60 years

Age group which goes to school = 4-18 years=15 years

(15/60 X 100 = 25%)

2) Income variation is assumed to be :

Rich- 10%

Middle class- 70%

Poor- 20%

(30% of the poor are going to school = 30% of 20 = 6%)

10+70+6=86%

3) **Schools**:

Assuming 50 students per class

Total Classes in every school = 14

Sections in big school = 5

Sections in small school = 2

Guesstimate 2

Population of India
1.3 billion

Age group which goes to school
25% of 1.3= 32.5 CR

Drilling down on the basis of income
10+70+6= 86%
86%*32.5 CR= <u>28 CR Students</u>

Age group which does not go school
75% of 1.3= 97.5 CR

Schools in India
on the basis of no. of sections in CLASS

Big School
5 sections

Small School
2 section

No of Student
14 classes* 50(per class)
*5= 3500

Average no. of students in one school
=3500+1400/2= 4900/2= 2450

Secondary
14 classes* 50(per class)
*2= 1400

Number of schools
=Total No of student/average no of student per school
=28CR/2450= 1.14 lakh (approx.)

Estimate the Market Size of EVs

ASSUMPTIONS

1. There exists only 4 types of Electronic Vehicles (EVs) in the market:

   4 Wheelers

   3 Wheelers

   2 Wheelers

   Buses

2. Keeping up with trends in the vehicle market, 5%, 10%, 15%, 2% comprises of EVs in the 4 Wheeler, 3 Wheeler, 2 Wheeler and Buses segment respectively
3. The Total Sales are estimated on the recent sales data.
4. The Share of Electronic Vehicles (EVs) in the total car sales is estimated based on government targets.

Guesstimate 3

Population of India
140 Crores

Market Size/
Total Sales

- 4 Wheeler: 40 Lakh Units
- 3 Wheeler: 50 Lakh Units
- 2 Wheeler: 2.5 Crores Units
- Buses: 1 Lakh Units

Percentage of EV
Penetration in The Market

- 4 Wheeler Car Users: **5%** of Total 4 Wheeler Market
- 3 Wheeler Users: **10%** of Total 3 Wheeler Market
- 2 Wheeler Users: **15%** of Total 2 Wheeler Market
- Buses: **2%** of Total Buses Market

Calculation:

4 Wheeler = 5% *40 Lakhs= 2 Lakh Units
3 Wheeler = 10% * 50 Lakhs= 5 Lakh Units
2 Wheeler = 15% * 2.5 Crores = 37.5 Lakh Units
Buses = 2% * 1 Lakh = 2 Thousand Units

Total Market Size of EVs = **44,52,000 Units**

Estimate the Number of Smartwatches Sold In India

ASSUMPTIONS

1. The population is categorized into three groups (Rich, Middle Class, and Poor) according to their Per Capita Income levels
2. Both digital and analogue watches constitute 70% of the total market size for watches sold, while smartwatches make up 30% of the total.
3. The wearing of watches is prevalent among 99% of the affluent population as a means of displaying their status, 60% of the middle class for professional reasons, and 7% of the impoverished, primarily due to affordability constraints.

Guesstimate 4

Population of India
140 Crores

	Rich	Middle Class	Poor
Number of People in Each Category	1% of 140 Cr= **1.4Cr**	40% of 140 Cr = **56 Cr**	59% of 140 Cr = **82.6 Cr**
Percentage of People Who Wear Watches	99% of 1.4 Cr = **1.386 Cr units**	60% of 56 Cr = **33.6 Cr units**	7% of 82.6 Cr = **5.783 Cr units**
Calculation	30%* 1.386 Cr= **41.58 Lakh units**	30% * 33.6 Cr = **10.08 Cr units**	30% * 5.782 Cr = **173.46 Lakh units**

Total Number of Smartwatches Sold In India =
12,23,04,000 Units

Guesstimate 5

Estimate the number of Tea Cups Consumed in Delhi in a Month

ASSUMPTIONS

1. Each week's consumption is Equal.
2. The Population of Delhi is 2.5 Crores.
3. Sub Division of this population in Various Groups

    15% of the Population are Children who do not drink Tea.

    20% of the Population has a habit of drinking Tea daily.

    30% of the Population drink Tea regularly

    20% of the Population drink tea occasionally

    15% of the Population does not drink tea at all.

4. Consumption of Tea of the above mentioned categories:

    People who have a Habit of Drinking Tea Daily = 3 Cups per Day

    People who Drink Tea Regularly = 1 Cup per Day

    People who Drink Tea Occassionally = 2 Cups in a Week

DELHI'S POPULATION
2.5 Crores

People with the Habit Of Drinking Tea

Number Of Tea Cups Consumed in a Month = **Population in this category x Number of Tea Cups Per Week x 4**

(20% x 2.5 Cr) x (3 x 7) x 4 =
42 Crores

People Who Consume Tea Regularly

Number Of Tea Cups Consumed in a Month **= Population in this category x Number of Tea Cups Per Week x 4**

(30% x 2.5 Cr) x (1 x 7) x 4 =
21 Crores

People Who Consume Tea Occassionally

Number Of Tea Cups Consumed in a Month **= Population in this category x Number of Tea Cups Per Week x 4**

(20% x 2.5 Cr) x (2/7 x 7) x 4 =
4 Crores

Total Number of Tea Cups Consumed In A Month
= 42 Crores + 21 Crores + 4 Crores = **67 Crores**

Number of Netflix Subcriptions In India

ASSUMPTIONS

1. Population is classified into 2 categories : Rural (70%) & Urban (30%)
2. In Urban areas upper class , Middle Class and lower divide is assumed as 20%,50% and 30% respectively
3. It is assumed Netflix being a premium streaming service has only customer base among middle class and upper class
4. 70% of total figure is taken to account for shared accounts.

Guesstimate 6

India Population
1.3 bn

- **Urban household**
  30% of 1300mn
  =390mn
  - **Internet Penetration**
    50% of 390mn
    =195mn
    - **Lower Class (20%)**
    - **Middle Class (50%)**
      =92.5mn
      - **Netflix Subscription(20%)**
        18.5Mn
    - **Upper Class (30%)**
      =58.5%
      - **Netflix Subscription(40%)**
        23.4Mn
- **Rural household**
  70% of 1300mn
  =910mn

Total No of Subscriptions = 70%(18.5 + 23.4) = 70%(41.9Mn)=30mn approx

Average number of OLA Cab users in a day in Delhi

ASSUMPTIONS

1. The total population of delhi is assumed to be 3.4 crores
2. Target audience is assumed to be in age group of 15-65 with life expectancy of 80
3. Total user are categorized into three category - Power user who take atleast 1 ride every week, Normal User who take 1 ride per month and rare user who take 1 ride every 2 month

Guesstimate 7

Delhi Population
3,40,00,000

Target Audience
Age 15-65 = 3.4 * 50/80= 2.1Cr

Estimated Market Share
30% of 2.1 Cr = 63 lakhs

Power User(20%) Once Every week
=12.6Lakh/7 = 1.8lakh daily

Normal User(60%) Once Every month
=37.8Lakh/30 = 126000 daily

Rare User(20%) Once Every 2 month
=12.6Lakh/60 = 21000

Total No of Ola User
=180000+126000+21000
=327000 Users

Guesstimate 8

Estimate the number of iPhone user in India.

ASSUMPTIONS

1. The population is divided into the following classes: upper class (20%), upper middle class (25%), lower middle class (25%), and lower class (30%).
2. It is assumed that only the upper class and upper middle class can afford iPhones.
3. Age Group
   - 10-70 yrs = 70%
   - 0-10 and 70 and above = 30%

Guesstimate 8

India Population
1.4 bn

Smartphone Users age group:-
10-70yrs
70% of 1300mn=910mn

People who dont use smartphone
(0-10yrs and 70 or above)
30% of 1300mn=390mn

who can afford iphone
upper class(20%) + upper middle class(25%)
=45% of 910mn=427.5mn

who cant afford iphone
lower middle class(25%) + lower class(30%)
=45% of 910mn=427.5mn

Market share of iphone
=10% of 427.5mn
=43mn(approx)

Total Number of iPhones Sold In India =
43 Million

Guesstimate 9

Number of Delhi Metro Users in a day

ASSUMPTIONS

1. Delhi Metro (DMRC) caters to not just Delhi as a location but National Capital Regions too which include - Faridabad, Ghaziabad, Gurugram, Noida and so on.
2. There are 9 lines operating in Delhi Metro - (1) Red, (2) Blue, (3) Green, (4) Pink, (5) Magenta, (6) Yellow, (7) Violet, (8) Orange, (9) Gray
3. The average number of boxes in one metro train = 6
4. The total capacity of one coach of metro train = 200 (50 seating and 150 standing). Average number of passengers in one metro train = 6 X 200 = 1200 approximately.
5. Now, let’s break down the busiest and non-busiest hours of the Delhi Metro.
   (Weekday)
   Busiest Hours- 8 AM – 11 AM and 4 PM – 8 PM (Total – 7 Hours)
   Non-Busiest Hours: 6 AM – 8 AM and 11 AM – 4 PM and 8 PM – 12 AM (Total – 11 Hours)
   Metro pauses it’s services from 12 AM – 6 AM
6. During the busiest hours, the frequency of metro trains coming to one station is 4 minutes.
7. During the non-busiest hours, the frequency of metro trains coming to one station is 6 minutes.

Guesstimate 9

DELHI METRO

User Completed Trips = **2**
Average Number of Users in 1 Metro = **1200**
Total Number of Metro Lines = **9**

Number of Users In Busiest Hours

Busiest Hours = **7 hours**
Metro Train Arrival Rate (Peak hours)
= **60 min / 4 min**

Total Number of Users in Busiest Hours:
2 x 1200 x 9 x 7 x 60/4 = 2,268,000

Number of Users In Non-Busiest Hours

Non- Busiest Hours = **11 hours**
Metro Train Arrival Rate (Off Peak hours) =
60 min / 6 min

Total Number of Users in Non-Busiest Hours:
2 x 1200 x 9 x 11 x 60/6 = 2,376,000

Total Number of Delhi Metro Users in a Day =
2,268,000 + 2,376,000 = **4,644,000 (4.6 million approx)**

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ALL THE BEST!

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