CONSULTING CASEBOOK

2024 - 2025

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BY THE MEMBERS OF THE CONSULTING CLUB

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Casebook, Vyuham – The Consulting Club, IIM Visakhapatnam.

First edition: Feb 2024
Second edition: Feb 2025

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INTRODUCING THE IIM V CONSULTING CASEBOOK

Vyuham – The Consulting Club, IIM Visakhapatnam, proudly presents the second edition of the IIM V Casebook. Building upon the strong foundation of our inaugural edition, this updated version consolidates an enhanced range of resources essential for excelling in consulting interviews. Our aim is to foster a critical thinking approach and cultivate a problem-solving mindset among aspirants.

In this edition of the Consulting Casebook, we've expanded and fine-tuned our content to better address the evolving demands of consulting interviews. The Casebook aims to provide consulting enthusiasts with a comprehensive understanding of the various case types typically encountered in interviews. For each case type, we have included refined and proven frameworks that can be seamlessly applied to tackle cases effectively. Additionally, you will find updated sections containing Consulting Overview, Industry Analysis, Guesstimate Section and Key Frameworks for structuring case solutions. These additions are crafted to equip you with the tools and insights needed to approach interviews with confidence.

Our ultimate objective remains to nurture a consulting mindset—one that recognizes there is no single 'correct' answer for any case, whether it's in this Casebook or a real-world interview. By embracing this perspective, we hope to help you excel in your preparation and stand out during the recruitment process.

A heartfelt thanks to the Vyuham team for their unwavering dedication and effort in bringing this second edition to life. Your commitment has been instrumental in creating a resource that reflects our shared pursuit of excellence.

ACKNOWLEDGEMENTS

IIM V Casebook

We express our gratitude to all those who have generously contributed to the compilation of this casebook. Their valuable input has allowed us to create a comprehensive preparation resource for upcoming batches.

We extend our heartfelt appreciation to Senior Coordinators - Subham Sahoo and Kinjal Panwar (PGP 2023-25) for their leadership and dedication in compiling the second edition of the IIM V Casebook. We would also like to recognize the dedicated efforts of Junior Coordinators - Diksha Wadhwa, Gaurav Tuntune, Harshpreet Kaur and Mohit Rane (PGP 2024-26) for their invaluable assistance in assembling this casebook. Their contributions have helped create a well-structured and diverse collection of cases, equipping aspirants with practical insights and a deeper understanding of case-solving approaches.

A special note of appreciation to Mr. Dushyant Gupta, IDFC FIRST Bank and Vanshika Saini, Integrace Health, Coordinators-Vyuham (PGP 2022-2024), for their thoughtful feedback and constructive suggestions during the review process. Their keen observations and thoughtful critiques have played a crucial role in refining the clarity and coherence of the casebook.

We extend our sincere gratitude to the entire batch of IIM Visakhapatnam for their collective support and involvement in this endeavor. A special thanks to the students of IIM Visakhapatnam for contributing pictures for the casebook.

The IIM V Casebook stands as a testament to collaboration, leadership and teamwork. It serves as a valuable resource for current and future batches, offering structured guidance to navigate case studies effectively in both academic and placement journeys.

HOW TO USE THIS BOOK?

Using this casebook effectively involves a structured approach in understanding and solving business problems. Here's a guide on how to utilize this casebook, referencing the provided points:

1. **Master Key Frameworks:** Begin by familiarizing yourself with essential business frameworks. These tools provide structured approaches to dissecting problems and formulating solutions. By understanding these frameworks, you can systematically analyze case scenarios.
2. **Construct Case Scenarios:** After grasping the frameworks, delve into the interview transcripts within the casebook. Use these transcripts to create case scenarios involving two individuals or groups. Crafting the case scenarios enhances your analytical skills and prepares you for a variety of situations.
3. **Apply and Adapt Frameworks:** While the provided frameworks offer guidance, remember they aren't rigid templates. As you encounter different cases, tailor these frameworks to fit the unique challenges presented. Your ability to adapt demonstrates versatility and depth in your problem-solving approach.
4. **Refer to Solution Process Sheets:** Once you've analyzed a case using your adapted frameworks, consult the solution process sheets in the casebook. This step provides insights into the recommended methodologies and areas where your analysis might be refined or enhanced.
5. **Transfer Insights:** Each case offers unique lessons. Extract insights, recommendations and suggestions from our analysis. These learnings shouldn't be hoarded but rather applied across different cases. Continual learning and adaptation are key to honing your case-solving skills.
6. **Emphasize Industry Analysis:** Beyond the specific case details, always incorporate an industry analysis. Understanding industry dynamics, competitive forces and market trends provides context to your case solution. This broader perspective ensures your recommendations are grounded in industry realities.
7. **Using Guesstimates:** Guesstimates in consulting case interviews evaluate candidates' quick thinking, data analysis and ability to make numerical approximations without precise data.
8. **Value the Process:** Remember, the journey of preparing and analyzing cases is as crucial as arriving at a solution. Engage in both collaborative case discussions and individual preparations. This holistic approach ensures a well-rounded development of your analytical and presentation skills.

In conclusion, utilizing this casebook effectively demands a blend of structured learning, adaptability, continuous reflection and industry awareness. Embrace the process, draw insights from every case and persistently refine your approach to excel in case-solving endeavors.

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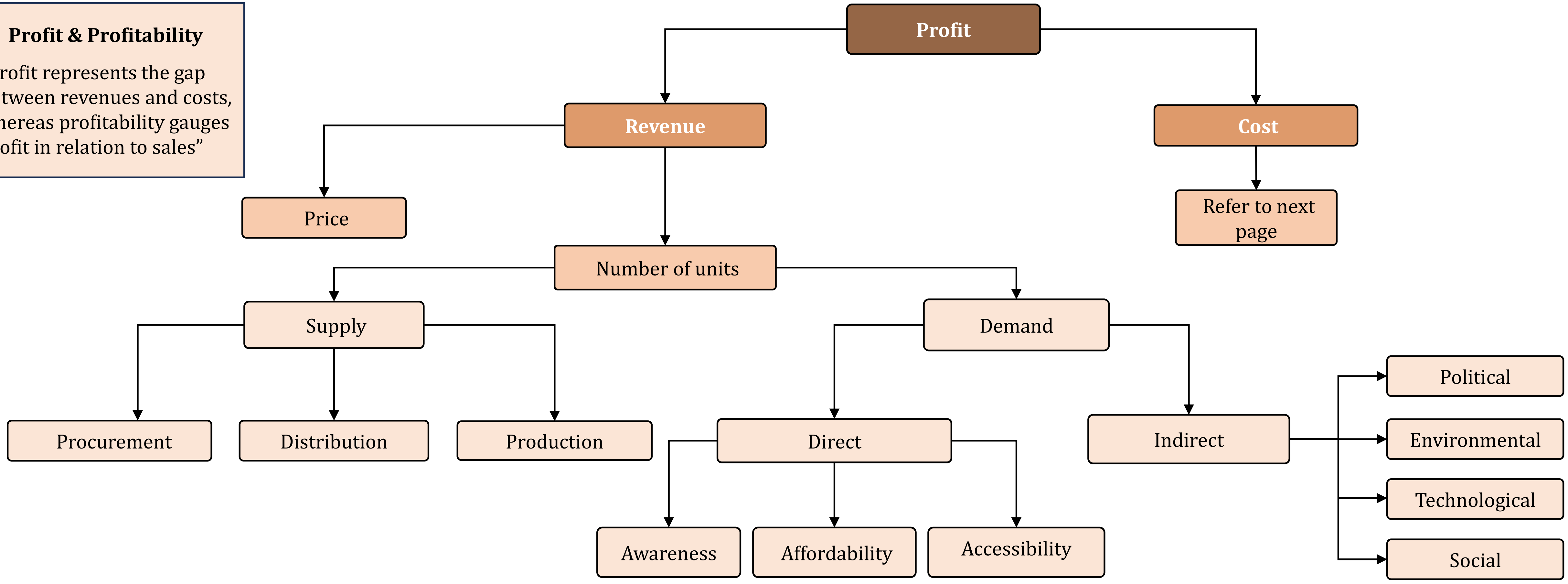
FRAMEWORKS AND CASE INTERVIEWS

PROFITABILITY FRAMEWORK

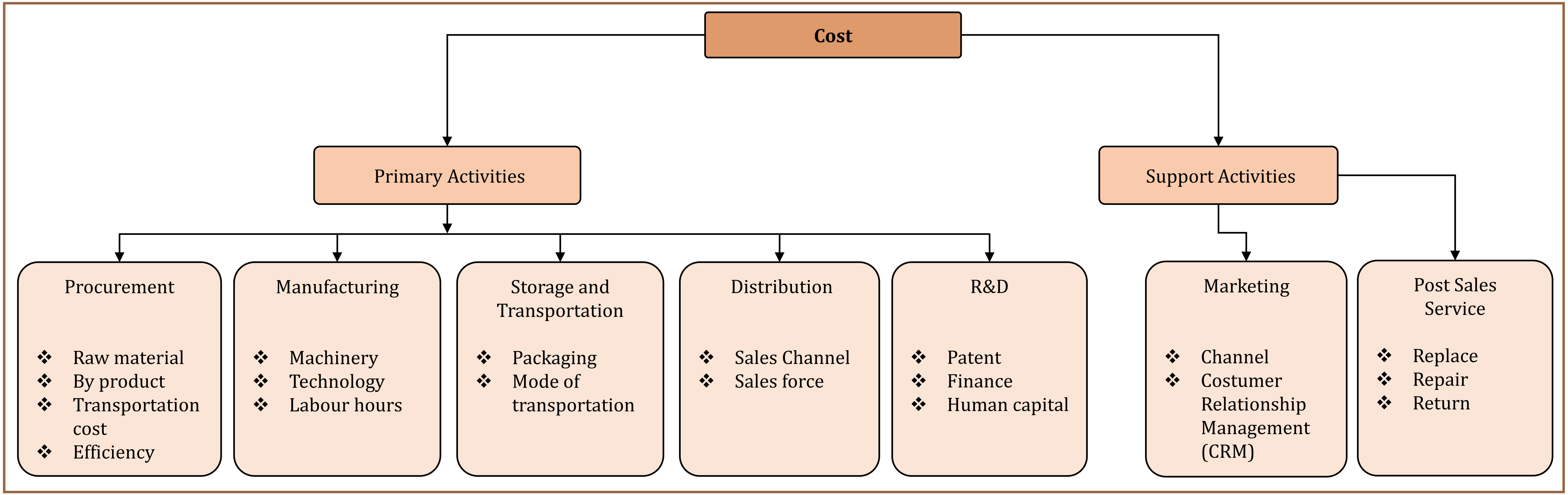
Profitability framework involves evaluating key factors such as revenue streams and cost structures to optimize profitability. The framework provides a comprehensive approach to strategically manage and improve the various components that contribute to a company's overall profitability. The framework often includes strategies such as cost optimization, pricing adjustments and operational improvements to ensure sustained and healthy profitability.

Profit & Profitability

"Profit represents the gap between revenues and costs, whereas profitability gauges profit in relation to sales"



PROFITABILITY FRAMEWORK (CONT.)



Types of cost to consider are as follows:

Fixed Costs (FC) - Fixed costs are expenses that do not vary with the level of production or sales. They remain constant regardless of the business activity.

Variable Costs (VC) - Variable costs are expenses that vary in direct proportion to the level of production or sales. They change with the volume of output.

Indirect Costs - Indirect costs, often referred to as overhead, include expenses that are not directly tied to the production of a specific product or service.

Opportunity Costs - Opportunity costs refer to the potential benefits forgone when one alternative is chosen over another.

Sunk Costs - Sunk costs are expenses that have already been incurred and cannot be recovered. They should not influence future decision-making.

Your client is an ed tech company that has been in business for five years. They offer a variety of online courses and programs. The company has been growing rapidly in recent years, but their profitability has not kept pace. In fact, their profits have been declining in the past two years.

Thank you for the case. To get started, I would like to ask a question - Can you tell me more about the company's product offerings?

The company's product offerings include a variety of online courses and programs for employees working in industry. They can be technical, soft skills, etc.

Thank you. Can you explain more on the client's main customer segments?

Individuals, usually in tier 2 cities who are looking to upskill or reskill themselves to improve their job prospects or advance their careers. This segment may include:

- Fresh graduates who are looking to make themselves more marketable to potential employers.
- Mid-career professionals who are looking to transition to a new field or advance to a higher-level position.
- Unemployed individuals who are looking to learn new skills to find a new job.

That's helpful, can you please tell the company's main competitors?

Their main competitors are other ed tech companies, as well as traditional educational institutions. Our client has good reputation among the players in the industry.

What is usually the mode of delivery of the content? Does the client offer offline classroom sessions or online or both?

The client offers only online courses. Candidates buy online and consume through the online application only.

Great. I have all the background information I need. Let's start by analyzing the impact of revenue and costs on profits. Do we have any data on how these have been affected?

Revenues have gone down, but costs have stayed the same.

To better understand the problem, let's break down revenue into its three components: number of units sold, price and product mix. Do we have any data on which of these components has declined.

Our revenue has declined due to a decrease in sales volume, even though our prices and product offerings have remained constant.

To better understand the decline in units sold, we need to determine whether it is due to a decline in the overall ed-tech market size, or a decline in our market share.

The ed-tech industry is growing, but our competitors are taking a larger share of the market.

Let's stick to the client then. What is the reason for the decline in market share for the client? Is it due to content issues, distribution/logistics issues, or customer demand issues?

The client's content is better than our competitors' and our distribution is the same, but we're still seeing a decline in customer demand.

It appears that the decline in revenue is due to a decline in demand for the courses. To better understand the reason for this decline, I would like to explore four factors:

- Our product: How does our product compare to that of our competitors? Are there any features or benefits that we are missing?
- Places we are reaching out: Are we reaching the same customers as our competitors? Are there any new markets that we could be targeting?

- Price of our product: Is our product priced competitively? Are we offering any discounts or promotions?
- Our promotion strategy: How are we promoting our product to customers? Are we using the same channels as our competitors?

The promotional activities are the biggest concern. What could be causing this?

Have the competitors increased the promotional activity more than us?

No, they haven't, can you suggest any promotional activities?

Here, are the some that I could think of right now-

- Awareness (since company operates in tier 2 industry)- Offering free trials or demos of your products or services.
- Hosting webinars or online events.
- Partnering with companies and offering scholarships or grants.
- Running contests or giveaways.
- After sales promotions to get repeat/enhanced sales.

Are the competitors giving huge discounts?

No, that's not the case. What's about partnering with companies you are talking about?

The client can offer corporates tailored training programs that meet the specific needs of their employees. This could include programs on specific skills or technologies, or programs that help employees develop their soft skills.

But that's not the issue. Excellent for figuring out awareness issue. It is one of the two. Another problem is no repeat/enhanced sales.

Thank you. For dwelling into the second problem, I would consider that the client is coming again for his/her own use for updated/another course, or he/she will refer to someone else. The problem lies in which scenario?

The first one. Client is not updating his/her own courses. They are just taking the basic ones and exiting from our platform.

The recommendations from my side are push marketing in which specialized people can make them understand the value of the upgraded courses. The company must hire professionals so that they can call/mail the customers about the new/upgraded courses more effectively and efficiently. It is important because the client is working in tier 2 city and may be less aware of the other courses.

Perfect. They did the same. They had naïve sales agents knowing less about the courses. They hired professionals and trained them. Thank you!

CASE ANALYSIS | PROFITABILITY - REVENUE | ED-TECH

Your client is an ed tech company that has been in business for five years. They offer a variety of online courses and programs. The company has been growing rapidly in recent years, but their profitability has not kept pace.

Objective

To give profitability strategy and increase the market share.

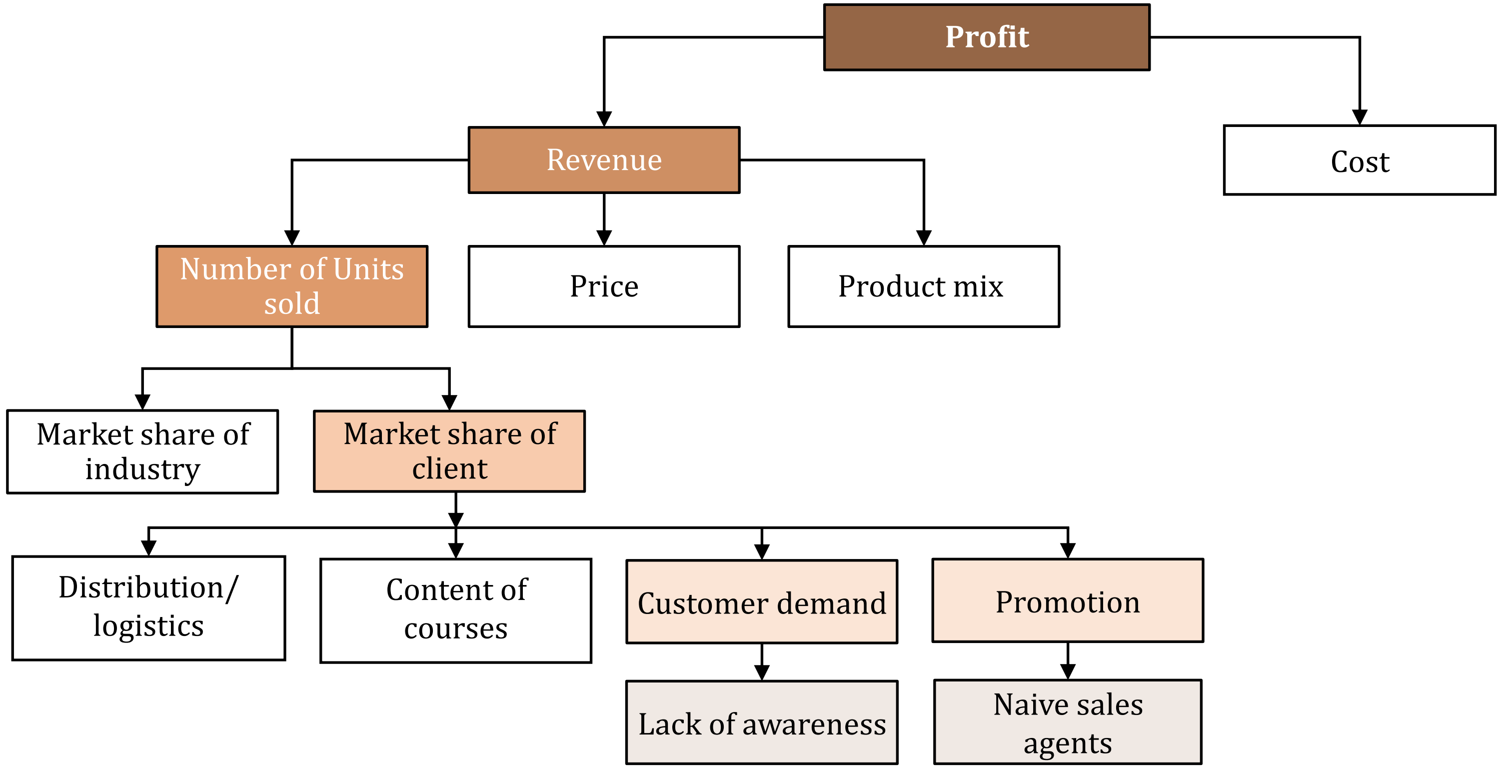
Interviewee Notes

- Client's main customer segments.
- Offers online courses.
- Decrease in sales volume.
- It's a client specific problem, not industry-wide.
- Competitors are taking a larger share of the market.
- Four factors to explore: product comparison with competitors, target markets, product pricing and promotion strategy.

Case Facts

- The company provides a variety of programs for working professionals.
- The ed tech company is growing but the competitors are taking majority of shares.
- The competitors are other ed tech companies and traditional educational institutes.
- Revenues have decreased, while costs have remained constant.

Approach/Framework



Suggestions

- One of the problem seems lack of upgrading the courses on a timely basis.
- Second is awareness problem. The client should pursue push marketing by hiring professionals to educates people about upgraded courses more effectively.

The client, a restaurant owner, has approached you as a consultant to address a continuous decline in profitability over the last six months.

I would like to ask a few clarifying questions before I proceed with the analysis. Can you tell me more about the client? Is our client based out of India? Is it the only client's restaurant that has seen the decline in profits or have other restaurants in the area also seen a decline? Is it an industry-wide decline?

Sure, our client is based in India. There is no evidence of an industry-wide issue, but the client has been severely hit.

Okay, where is the restaurant located? Is it in the town, on the outskirts, or near a college campus? And is it a particular cuisine or a multi-cuisine restaurant?

The client has high-end multi-cuisine restaurants located in high-footfall areas.

Okay, for how long has the client been in the market?

The client has been operating for the last 60 years, has a good brand value and the restaurant is rated five stars. It caters mostly to people who like leisure food and refined dining.

Got it. Profits could be declining owing to a rise in expenditures, a loss in revenue, or a mix of the two. Do we have an idea on which side the problem lies?

The client's revenues are quite good. Many people are visiting and the demand is growing. However, the client is undoubtedly experiencing financial difficulties.

Okay, I can divide the cost into two factors: fixed or variable cost. In a restaurant business, fixed costs include rent, utilities, labour, licensing fees, etc. and variable costs include procurement costs, employee benefits, maintenance & repair, etc. Do we have an idea on which side the problem lies?

Let's first analyse the variable cost. What does the raw material cost include?

Okay, so it includes liquor, baking supplies, primary ingredients, mainly primary ingredients. Is the client-facing any problems with the increased price of procurement?

No, the client is not facing any such problem. Costs are pretty much the same, moderately increasing with the inflation rate. Let’s analyse the fixed costs.

Okay, does the client hold or renew all the necessary licenses, for example, liquor, food service, etc.?

The client has all the licenses required and renewed as well. Only the liquor license expired recently and for that, the client purchased a new one.

Okay, I understand that the profitability may have gone down because the client has recently invested in a new license.

Yes, that's exactly the case with the client. Let's now analyse the other fixed costs. There are not many changes in the building cost and the rent is pretty much the same. Electricity expenses are also the same.

Okay, since you have provided the information that rent, building and electricity expenses are not changing for the client, I want to focus on the costs that are marketing, advertisement expenses, employee expenses, storage and distribution. Has the client made any changes recently in any of these sectors?

The storage and distribution, marketing, as well as advertisement expenses, remain the same for the client. Could you elaborate more on the employee expenses you were talking about?

Okay, so has the client changed or upgraded any of the staff recently? It includes maintenance staff, kitchen staff and administration staff.

The maintenance and administration staff are still the same, but the client has recently upgraded the kitchen staff and hired more experienced and renowned chefs with their own teams.

Okay, I understand that the profitability may have gone down because the client has hired a renowned chef, which will come at a good cost.

Yes, that's exactly the case with the client, as the client wants to focus more on quality. Could you provide some recommendations?

Sure. Few of the recommendations are as follows:

- The restaurant should take up a license that has low or no transaction costs.
- Optimize employee expenses, assess staffing efficiency and review benefit costs.
- Promote the unique qualities of your restaurant, including the renowned chefs, through targeted marketing campaigns. Leverage social media, loyalty programs and special promotions to attract and retain customers.
- Organize special events, collaborations, or themed nights featuring the expertise of the client's renowned chefs. This can attract a wider audience and generate additional revenue.
- Ensure that menu prices reflect the value of the dining experience and the quality of the chefs. Adjust prices strategically to maintain profitability without discouraging customers.

Great. We can close the discussion on this note.

CASE ANALYSIS | PROFITABILITY - COST | RESTAURANT

The client, a restaurant owner, has approached you as a consultant to address a continuous decline in profitability over the last six months.

Objective

Analyse the cause of declining profitability and propose solutions to improve financial health.

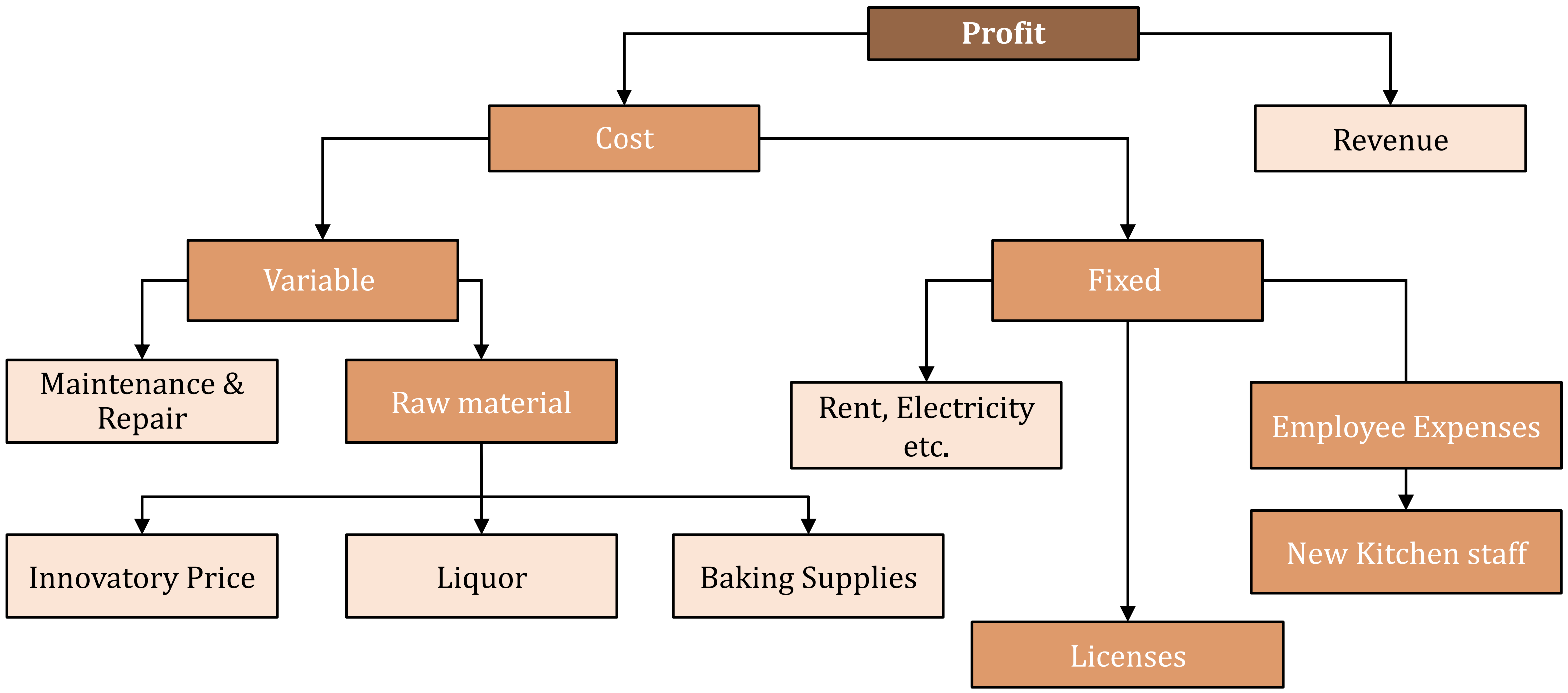
Interviewee Notes

- High-end multi-cuisine restaurant in India operating for 60 years with declining profitability, despite good revenue & demand.
- New liquor license purchased recently.
- It's a client-specific problem, not industry-wide.
- Increased employee expenses due to hiring renowned chefs and their own teams.

Case Facts

- The multi-cuisine restaurant is India-based and located in high-footfall areas.
- No change in the variable costs.
- The storage and distribution, marketing, as well as advertisement expenses, remain the same for the client.

Approach / Framework



Suggestions

- The restaurant should take up a license that has low or no transaction cost.
- Cross-train staff for flexibility, market renowned chefs, organize events, adjust prices strategically for profitability without discouraging customers. Utilize social media and loyalty programs for marketing.

Your client is a dairy company. It's an Indian company operating in Bengaluru and it has been seeing a decline in profitability over the last one year. The client needs your assistance in analyzing this problem and determining the plan forward.

Thank you for sharing the details. To reiterate the problem, client which is a Bengaluru based dairy company, is facing declining profitability over the last one year. The primary concern is to identify the problem area causing the decline in profitability. Is that correct?

Yes, that's correct.

Thank you. Can you explain more on the client's main product offerings?

Sure, it is a regular milk company which manufactures, markets and sells milk and milk products including paneer, cheese, lassi, dahi and other products.

That's helpful. Can you please tell me if there is a specific product that is seeing a decline in the profitability or is it a companywide profitability issue?

The company is seeing a decline across the product line.

Alright. Is there an industrywide decline in profitability issue or is it again a company specific issue?

The problem is being faced specifically by the client.

Great. I have all the background information I need. So now that we know that this is a client problem and not an industry problem, has there been any changes in price or quantity for the products?

The prices have remained constant and client are selling more units now.

Alright, the client has been experiencing increasing revenues. However, with profitability declining despite higher revenues, it indicates that the company's costs are rising. To understand this better, let's analyze the key cost drivers. Since this is a dairy company, the primary cost drivers would include logistics, manufacturing, transportation, raw material procurement and distribution. Have there been any notable changes in any of these areas recently?

There haven't been any changes in raw material procurement or other related factors. However, you're right—there has been a slight adjustment in the distribution network. We recently partnered with a new logistics provider and made some modifications to our logistics processes.

Alright. Could you please let me know why the company has made the logistics modifications?

The company has started distributing its products to new locations, which has contributed to an increase in logistics costs to some extent.

This possibly explains why the company is seeing a rise in costs.

Yes, you're correct.

Since we have expanded to new areas, so is it safe to assume that the products are being transported in refrigerated trucks due to the perishable nature of the products?

Yes, you're correct.

Okay. What kind of changes in the logistics has the company made? Is it the fleet size, routes, types of vehicles, points of delivery, etc?

Yes, the existing routes have remained the same. But to service the new locations, the fleet size has been increased by the logistics provider.

It appears that the disproportionate increase in cost is due to the trucks being underutilized to some extent.

You're right. To service the new locations, the logistics provider has added a new fleet of trucks. However, the demand in these new locations is lower compared to the existing ones. Since the trucks provided are of the same size, this has resulted in underutilized capacity, leading to a disproportionate increase in logistics costs per product. Great job identifying the issue! Do you have any recommendations to address this?

Sure. Few of the recommendations to reduce these costs are as follows:

- Focus on optimizing the current routes used by the logistics provider for greater efficiency.
- Work with the logistics provider to ensure the fleet size is appropriately matched to our demand, enabling us to fully utilize the fleet's capacity and avoid underutilization.
- Use regional consolidation hubs to group shipments before dispatch, reducing the number of half-empty trucks moving to low-demand areas.
- Partner with other businesses that need transportation in the same regions to share logistics costs and maximize truck utilization.

Perfect. They did the same. Thank you!

CASE ANALYSIS | PROFITABILITY - COST | DAIRY COMPANY

The client, a dairy company, has approached you as a consultant to address a continuous decline in profitability over the last one year.

Objective

Analyse the cause of declining profitability and propose solutions to improve financial health.

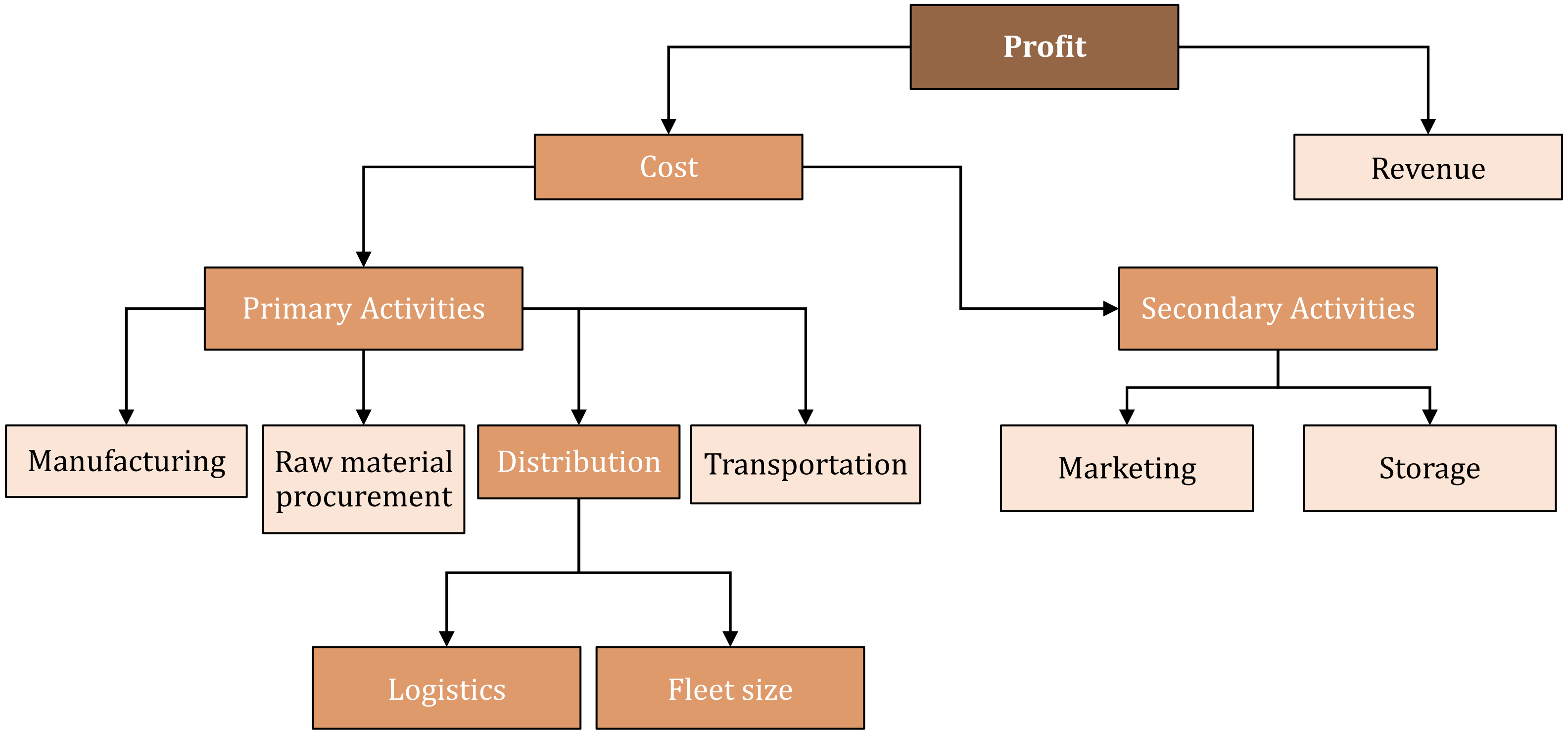
Interviewee Notes

- A dairy manufacturer in India operating with declining profitability, despite good revenue & demand.
- Partnered with a new logistics provider and made some modifications to logistics processes.
- Started distributing its products to new locations.
- It's a client-specific problem, not industry-wide.

Case Facts

- The dairy company is an India-based milk manufacturer, marketer and seller of milk products including paneer, cheese, lassi, dahi and other products.
- No change in the cost drivers except logistics.
- The storage and marketing, as well as advertisement expenses, remain the same for the client.

Approach / Framework



Suggestions

- Focus on optimizing the current routes used by the logistics provider for greater efficiency.
- Work with the logistics provider to ensure the fleet size is appropriately matched to our demand, enabling us to fully utilize the fleet's capacity and avoid underutilization.

MERGER AND ACQUISITION FRAMEWORK

Mergers and acquisitions provide pathways for companies to attain growth through non-organic methods. This strategic business transaction is aimed at enhancing competitiveness, achieving synergies and fostering growth by combining assets, operations and resources, encompassing both financial and non-financial dimensions.

Merger and acquisition

- **Financial**
  - Value of the company
    - -DCF
    - -P/E Ratio
    - -EV/Sales
  - Synergies
    - -Financial synergies
    - -Operational synergies
  - Cost
    - -Acquisition price
    - -Integration cost
- **Non-Financial**
  - Cultural fit
  - Organizational fit
  - Regulatory fit

Steps to solve a Merger and Acquisition case interview:

1. Recognize the purpose of the merger or acquisition
2. Try to quantify the precise objective or target
3. Establish an M&A structure and process the case
4. Take risks into account or look at different acquisition targets
5. Make a recommendation and give justification for the same

Value of the company

Discounted Cash flow: Determines a company's current value, according to its estimated future cash flows.
The P/E ratio is a comparison of a company's share price to its annual earnings.
Enterprise value-to-sales (EV/sales) is a financial ratio that measures how much it would cost to purchase a company's value in terms of its sales.

Synergies

Financial Synergy arises from the improved efficiency of financing activities and is primarily linked to a reduction in the cost of capital.
Operational Synergy is achieved through the improvement of operating activities, such as reduced costs from Economies of Scale.

Cost

Acquisition price: the cost of buying target company.
Integration cost: costs incurred for joining operational, organizational structure.

Cultural fit

Local working norms, languages, international culture differences.

Organizational fit

Difference in organizational structure, matrix, process fit, reward systems, KPI measurements.

Regulatory fit

Issues related to antitrust, company laws, foreign exchange, & investment laws.
Analyse using PESTEL.

Your client is a large manufacturing company with several operating divisions. They have received a takeover bid from a private equity firm offering to acquire the company by purchasing all outstanding shares at ₹ 875 per share, where current market price is ₹789/share. Consult them to determine if they are receiving a fair offer.

Could you provide more details about the client's business?

The client manufactures furniture, toys and apparel. Last year, the company divested underperforming assets. In the following fiscal year, the toys and furniture divisions performed surprisingly well, while sales in the apparel business have been declining.

What is the objective of this acquisition?

The private equity firm aims to diversify its portfolio. Additionally, the client company is facing challenges such as undervaluation and financial overcapitalization, which have made it vulnerable to this hostile takeover. The PE firm is known for restructuring and divesting companies to maximize returns.

Understood. To evaluate whether the offer is fair, I would need some financial data. The offer price is ₹ 875 per share. May I know the number of outstanding shares and the net debt of the client?

Good start. The number of shares is 0.325 Crore and the net debt is approximately ₹ 33.0 Crore.

Thank you. The equity value is 0.325×875 = ₹284.4 Crore and the firm value is 284.4+33 = ₹ 317.4 Crore. To proceed, I would like to perform a comparable transaction analysis to assess whether this offer is suitable. May I continue?

Yes, that sounds good.

May I have data on the sales and operating income across the three divisions for 2024, along with the range of purchase price multiples for sales and operating income from comparable transactions over the past three years?

Sure, for 2024, the sales multiples for each segment are as follows: Apparel has ₹ 131.25 Crore in sales with multiples ranging from 0.5x to 0.8x. Furniture, with ₹ 193.4 Crore in sales has multiples between 0.5x and 1.8x. Lastly, Toys with ₹ 155.8 Crore in sales has multiples ranging from 0.5x to 1.9x.
As for operating income, Apparel has ₹ 3.5 Crore with multiples ranging from 10x to 24x. Furniture has ₹ 26.25 Crore in operating income with multiples ranging from 12x to 22x. And Toys has ₹ 15.8 Crore, with multiples ranging from 12.8x to 26x.

Let's calculate the valuation:
Sales-Based Valuation-

- **Apparel**: With 2024 sales of ₹ 131.25 Crore and multiples ranging from 0.5x to 0.8x, the segment's value is ₹ 65.63 Crore and ₹ 105 Crore .
- **Furniture**: With 2024 sales of ₹ 193.4 Crore and multiples ranging from 0.5x to 1.8x, the segment's value is estimated between ₹ 96.7 Crore and ₹ 348.1 Crore .
- **Toys**: With 2024 sales of ₹ 155.8 Crore and multiples ranging from 0.5x to 1.9x, the segment's value is estimated between ₹ 77.9 Crore and ₹ 295.93 Crore .
- **Total Value Range (Sales-Based)**: Adding up all segments, the total firm value based on sales ranges from ₹ 240.2 Crore (low) to ₹ 749 Crore (high).

Operating Income-Based Valuation-

- **Apparel:** With 2024 operating income of ₹ 3.5 Crore and multiples ranging from 10x to 24x, the segment's value is estimated between ₹ 35 Crore and ₹ 84 Crore .
- **Furniture:** With 2024 operating income of ₹ 26.25 Crore and multiples ranging from 12x to 22x, the segment's value is estimated between ₹ 315 Crore and ₹ 577.5 Crore.
- **Toys:** With 2024 operating income of ₹ 15.8 Crore and multiples ranging from 12.8x to 26x, the segment's value is estimated between ₹ 201.6 Crore and ₹ 409.5 Crore.
- **Total Value Range (Operating Income-Based):** Adding up all segments, the total firm value based on operating income ranges from ₹ 551.6 Crore (low) to ₹ 1071.0 Crore (high).

The PE firm's offer values the client at ₹ 317.4 Crore, which is less than the lower end (₹ 551.6 Crore) and higher end of the operating income-based valuation (₹ 1071.0 Crore) but it exceeds the lower end of the sales-based valuation (₹ 240.2 Crore).

You're on the right track. What do you infer for the client?

The offer is fair when compared to the current market price of per share of the company, using comparable transactions, it is higher than the lower end of sales-based valuation but undervalues the company when considering higher end of sales and operating income-based valuation.

Good work. Can you provide strategic recommendations?

Sure.

- Use other methods of Valuation to find value of the firm: The client should use DCF method as well to find the fair value of the firm and compare it with the offer value.
- Reject the Current Offer (based solely on comparable analysis): The ₹ 875/share offer undervalues the client, given the potential value of the furniture and toys divisions.
- Focus on Operational Restructuring: Optimize costs in underperforming apparel division or divesting it to prioritize high-growth, high-margin segments like furniture and toys.
- Divest Non-Core Assets: Streamline operations by selling non-core or underperforming assets to reinvest in profitable areas and boost shareholder returns.
- Engage with Shareholders: Communicate the rationale for reevaluation of the offer and present a clear strategic plan to enhance profitability and long-term value.
- Consider a Share Buyback Program: If the client has excess case, initiate a share buyback to enhance shareholder value and signal management's confidence in the company's prospects. This move will reduce the number of outstanding shares, potentially boosting the share price & make the company less vulnerable to undervalued takeover bids.

Good analysis. We can conclude the case here.

Offer price	₹ 875/share
Number of shares outstanding	0.325 Crore
Market capitalization	₹ 284.4 Crore
Net Debt	₹ 33.00 Crore
Value of the firm	**₹ 317.4 Crore**

Business Segments	Sales (₹ Crore)	Multiple Range		Value Range		Operating Income (₹ Crore)	Multiple Range		Value Range	
		Low	High	Low	High		Low	High	Low	High
Apparel	₹ 131.25	0.5	0.8	₹ 65.63	₹ 105.00	₹ 3.50	10	24	₹ 35.00	₹ 84.00
Furniture	₹ 193.4	0.5	1.8	₹ 96.7	₹ 348.08	₹ 26.3	12	22	₹ 315.00	₹ 577.50
Toys	₹ 155.8	0.5	1.9	₹ 77.9	₹ 295.93	₹ 15.8	12.8	26	₹ 201.60	₹ 409.50
			Total	**₹ 240.2**	**₹ 749.0**			**Total**	**₹ 551.6**	**₹ 1071**

CASE ANALYSIS | M&A | MANUFACTURING COMPANY

Your client is a large manufacturing company with several operating divisions. They have received a takeover bid from a private equity firm offering to acquire the company by purchasing all outstanding shares at ₹ 875 per share, current market price is ₹789/share. Consult them to determine if they are receiving a fair offer.

Objective

Evaluate the Acquisition Offer: Assess whether the ₹ 875/share offer from the private equity firm is fair by analyzing the company's valuation through sales and operating income multiples.

Segment-Specific Analysis: Examine the performance of the company's three divisions—furniture, toys and apparel—to identify growth potential and underperforming areas.

Hostile Takeover Considerations: Understand the private equity firm's intent to restructure and divest undervalued assets for maximum returns.

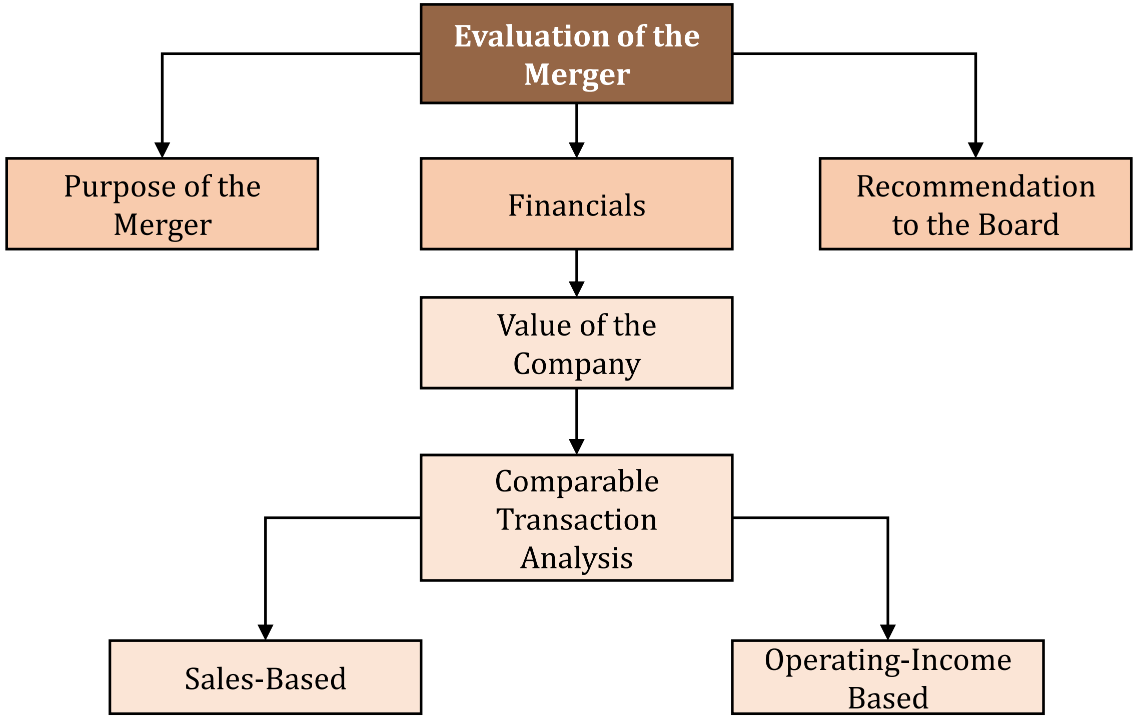
Interviewee Notes

- Outstanding Shares: 0.325 Crore
- Offer Price: ₹ 875/share
- Equity Value: 0.325 Crore * ₹ 875 = ₹ 284.4 Crore
- Net Debt: ₹ 33 Crore
- Total Firm Value: ₹ 284.4 Crore (equity value) + ₹ 33 Crore (net debt) = ₹ 317.4 Crore
- Total Firm Value (Operating Income Based) = ₹ 551.6 Crore to ₹ 1071 Crore
- Total Firm Value (Sales Based) = ₹ 240.2 Crore to ₹ 749 Crore

Case Facts

- Manufacturing company with furniture, toys and apparel divisions.
- PE firm made a hostile takeover bid at ₹ 875/share .
- Strong performance in toys and furniture, apparel declining.
- Client facing undervaluation, overcapitalization and targeting for restructuring.
- Outstanding shares = 0.325 Crore.
- Net debt of ₹ 33 Crore.
- PE offer values the company at ₹ 317.4 Crore (Equity + Net Debt).

Approach / Framework



Suggestions

The client should reject the ₹ 875/share offer, as it undervalues the company based on comparable transaction analysis. Focusing on restructuring the apparel division and divesting non-core assets will unlock value. Clear communication with shareholders and preparing for future negotiations will strengthen the company's position.

Your client is planning to partially diversify its portfolio by investing in textiles. They are currently evaluating an investment proposal and have hired us as consultants.

At first, could you please tell me more about the firm's profile and investment focus and portfolio?

Our client is a major Indian-based PE firm with 15 years of experience investing in growth-stage startups worldwide. They are aiming to become a full-fledged alternative investor.

Is the textile company the client is acquiring small scale or a large scale?

The Company is a growing startup which deals in sustainable clothing and high fashion brand. They also offer a subscription service that sends personalized text messages to their subscribers about exclusive deals, new arrivals and fashion trends from high-end designers and boutiques. They have a strong following among affluent millennials and Gen Z consumers.

What are your main goals for this acquisition?

The client see the company to expand their reach into the luxury market and build deeper relationships. They also believe their textile model could be replicated across other segments of their business.

Okay. These are both ambitious goals. Thanks for the information. So, what will be the scope of our work here for the client?

The client has hired us to draft a standardized investment checklist and assess the risks of the investment proposal under consideration.

I see. Now, let's talk about the market. What is the competitive landscape for high-end fashion text line services?

It's a relatively new market, but there are a few other players emerging. However, the target company has a first-mover advantage and a strong brand reputation.

How about the deal structure? Are there any deal breakers for us?

The current proposal involves an all-cash acquisition ($40 million for 40% stake).

Thanks, I would like to learn more about the financial performance of the target company to analyze the economic attractiveness and NPV/IRR of the deal.

They're a relatively young company, but they've been growing rapidly. Their subscriber base has doubled in the past year and their revenue is on track to reach $10 million this year.

That's impressive. But have they achieved profitability yet?

Not yet. They're still investing heavily in marketing and technology. But they have a clear path to profitability in the next 12-18 months.

So, their post money valuation is $100 million (40/0.4) and their pre money valuation is $60 million (100-40). The company right now having $10 million in revenue, reaching profitability is must to justify the valuation. To attain profitability, the target company should focus on clear brand positioning, emphasizing quality and innovation, optimizing its supply chain and implementing efficient pricing strategies. Additionally, a strong online presence, effective customer relationship management and strategic partnerships can contribute to increased sales and brand loyalty, while careful cost control and continuous innovation are essential for sustained success.

You talked about NPV/IRR analysis. Can you elaborate more on it?

Apart from the revenue, the factors/costs considered for IRR/NPV analysis may include:

- Product Development Costs: Costs incurred in designing, manufacturing and developing the high-end fashion products.
- Marketing and Branding Expenses: Investments in marketing campaigns, brand promotion and establishing a brand presence in the market.
- Distribution and Retail Costs: Costs associated with setting up retail stores, distribution channels and any partnerships with high-end department stores or boutiques.
- Operating Costs: Day-to-day operational expenses, including salaries for staff, rent for physical stores, utilities and other general expenses.
- Customer Acquisition and Retention Costs: Costs associated with acquiring new customers and retaining existing ones, including marketing expenses and loyalty programs.

That's great. Can you shed some light on various types of risk involved in the deal?

- Economic attractiveness – Revenue model, profitability, Break even volume.
- Funding plan – All cash deal puts pressure on our company's short-term financial flexibility.
- Business model - One concern is the reliance on subscription revenue. A sudden drop in subscriber growth or churn could significantly impact their cash flow. Additionally, the high-end fashion market is susceptible to economic downturns.
- Technical capabilities – There are potential challenges. Their text messaging infrastructure operates on a different platform than the client, requiring integration or migration. Additionally, their data analytics capabilities might not align with client's customer relationship management system.
- Cultural integration risk - Merging two company cultures, particularly with different working styles and priorities, can be tricky. Effective communication, employee training and clear integration plans will be crucial to avoid employee disengagement and disruption.

Exit risk - Potential challenges in divesting the brand at a profitable valuation due to volatile market trends or economic downturns. The risk of brand dilution or loss of exclusivity during the holding period may impact its appeal to potential buyers.

Please explain how exit risk can be reduced.

- Diversification and Brand Building: Expanding beyond a single trend and building a strong brand identity can reduce dependence on volatile trends and make the startup more appealing to a wider range of potential buyers.
- Clear Performance Milestones and KPIs
- Thorough Due Diligence and Integration Planning

Great, thanks you properly analyzed both financial and non-financial aspects of an acquisition.

CASE ANALYSIS | M&A | PRIVATE EQUITY

Your client is an Indian Private equity firm looking to partially diversify its portfolio by investing in textiles. The client wants to expand their reach into the luxury market. Draft a standardized investment checklist and assess the risks of the investment proposal.

Objective.

The client see the company to expand their reach into the luxury market and build deeper relationships. They also believe their text line model could be replicated across other segments of their business.

Interviewee Notes

- Investment proposal involves an all-cash acquisition ($40 million for 40% stake).
- The target company post money valuation is $100 million (40/0.4) and their pre money valuation is $60 million.
- Further, NPV/IRR analysis performed

Case Facts

- Indian PE firm with ~INR 3000 crores AUM.
- Diversification into textiles.
- Startup offers sustainable clothing, targets affluent millennials and Gen Z, revenue expected to reach $10 million.
- Client aims to expand into luxury market and replicate the model across business segments.

Approach/Framework

Investment Criteria- Risk assessment

- **Economic attractiveness** → Revenue model, profitability, Break even volume
- **Funding plan** → All cash deal- pressure of short-term financial flexibility
- **Business Model** → Dependence on subscription revenue
- **Technical Capabilities** → Challenges in-different text messaging infrastructure & data analytics capabilities
- **Cultural Integration Risk** → Employee disengagement and disruption
- **Exit risk** → Divesting the brand at a profitable valuation due to volatile market trends. Risk of brand dilution or loss of exclusivity

Suggestions

- To justify valuation, attaining profitability is must. It can be done by clear brand positioning, emphasis quality and innovation, optimize supply chain, implement pricing strategies, strong online presence, effective customer relationship management and strategic partnerships.
- Exit risk can be reduced by diversification beyond a single trend and build a strong brand identity to reduce dependence on volatile trends, by setting clear performance milestones and KPIs and by performing thorough due diligence and integration planning for technical and cultural fit.

The client is an established player in the entertainment industry who wants to merge with a competitor of the same size for which you are a consultant to analyze if the merger must go forward or not.

May I know the objective for this merger?

The main objective is to improve the market share in the industry while retaining the existing customers and increasing the size of the firm

That sounds like a very interesting problem statement. For a typical merger between two major players in the industry that might create a monopoly/oligopoly, one must look at 5 strategic aspects to go forward-

- Market attractiveness- Market's appeal factors such as growth, competition, customer demand, regulations and entry barriers.
- Financial Attractiveness- Considering the financial viability, revenue potential, profitability, ROI, cost structure, cash flow, etc.
- Synergy- The extra value created by combining the two entities including operational, strategic and financial synergies.
- Risk- Uncertainty and potential adverse outcomes including compliance risks.
- Organizational Fit- Examining alignment in culture, management styles, communication, structures and overall goals and values.

That is very comprehensive. Go ahead.

To understand market attractiveness, may I know the company's growth with respect to the industry over the last 3 years and the number of subscribers for both the companies?

The firm is growing at the same rate as the industry. Currently, the client has 20 million subscribers and the competitor has around the same.

How many would be unique subscribers for the client when compared to the target?

Out of 20 M, around 16 M are unique subscribers with the client.

So, 20% of the client’s customer base use both the platforms. Following the proposed merger, the total number of users would be around 36 million. With the industry growth rate and assuming new subscribers increases at 15%, we can see the number cap at 41.4 million. Is that a close estimate?

Yes, it is. Please go ahead. What are the challenges you see going forward in the merger?

First, organizational fit requires various aspects to align. However, that doesn't seem like a cause of concern as both the companies have been operating in the same field for a long time. Their managements would have to function alike and given that their scale of operations and size is similar, there is very little cause for friction in terms of management competence.

You're right. But what risks do you foresee?

Major risks for a merger of this scale would be regulatory compliance and opportunity cost. Media rights, envelopment and perceived monopoly can be mitigated if the company is restructured and operates in accordance with the Competition Commission Rules. In terms of opportunity cost, either could acquire a smaller firm or sign exclusive deals with prominent production houses to produce exclusive content for the platform.

That sounds fair. Any other insights?

In terms of synergy, it projects a decrease in the overall cost and an increase in the efficiency of the operations. Also, the merger will bring an increase in the revenue of the merged entity considering the growth which I estimated to be 15%.

Sounds great. Let’s talk about some finance of the merger. What are the different methods to fund this merger?

One can pursue it in 3 ways- Cash, Cash plus equity or equity. Please tell which one to consider. Also, to delve into further part of valuation, I'd like to have some additional information. I would like to know the number of total outstanding shares , market price of shares and the Earnings per share for both the companies.

Consider cash plus equity deal. Also, the total shares outstanding is 0.6 million and the share price would be $40 for the client and for the target, it is 0.5 million with the share price being $30. The EPS of the client and the target's is $5 and $6, respectively.

Thanks for the information. As per calculations, the equity value calculated is to be $24 million for the client and $15 million. The PE multiple of the client and target's is calculated to be 8 ($40/$5) and 5 ($30/$6) respectively. Is there any information on the amount of premium percentage the client is willing to pay?

Yes, the client is willing to pay a premium of 33..33% on the share price of the target.

Alright. Thank you for the information. The price of the target is $20 million (15*1.33). Consider Cash + Equity deal, $10 million must be paid in cash and $10 million in equity. One share of the target will substitute one share from the client. Total of 250,000 shares of client must give to the shareholders of the target.

Alright. Your insights and recommendation are sound. Thank you for the inputs and I think we can end the case discussion here.

Your client is a player in the entertainment industry who wants to merge with a competitor of the same size. As a consultant, you need to assess if the merger should proceed.

Objective

The client's primary objective is to understand the risks and benefits of this merger and decide a valuation.

Assumptions

- A rate of 15% at which new subscribers are gained is assumed.
- The price of the shares are expected to increase post-merger. However, calculations are done on the data provided.

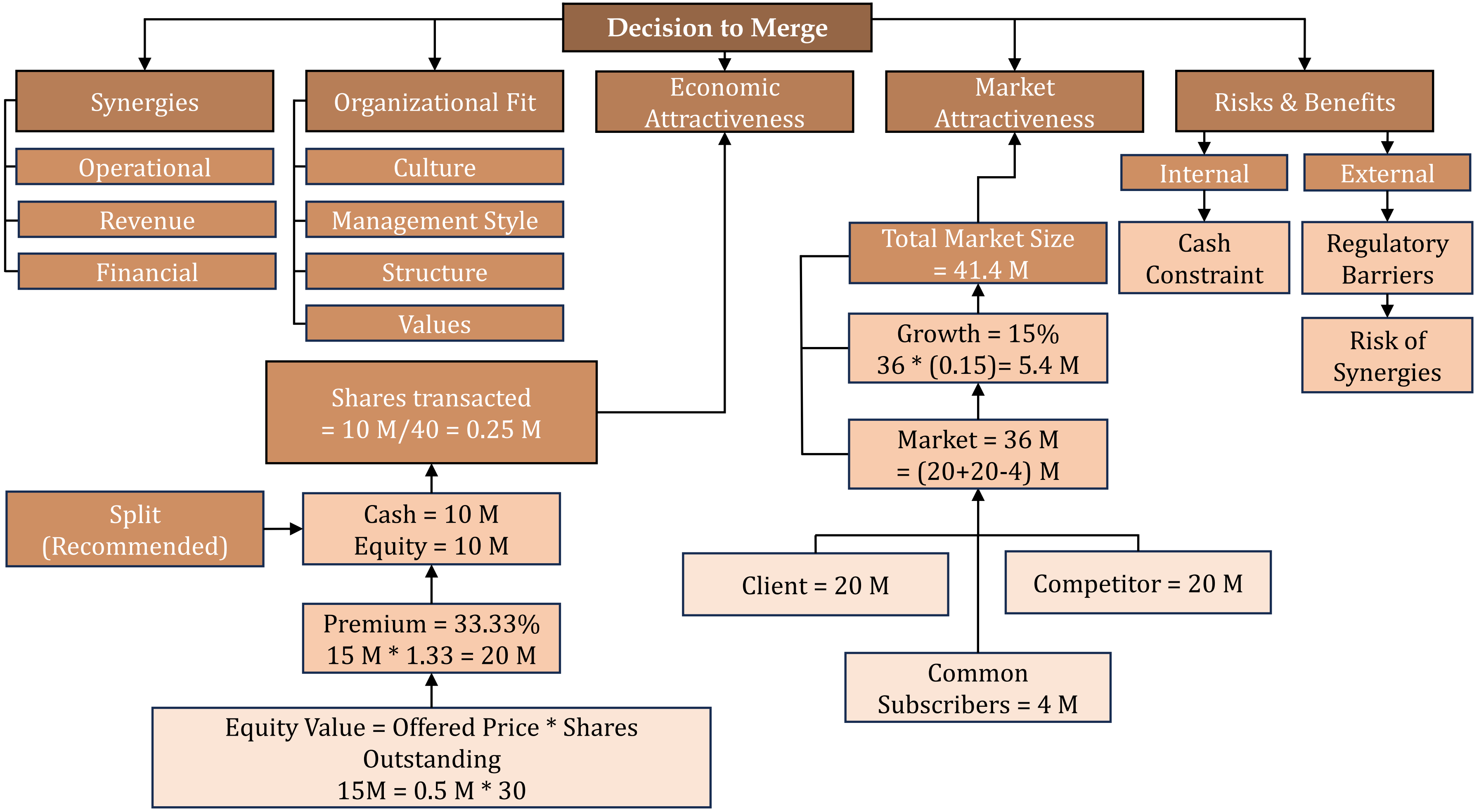
Calculations

	Acquirer	Target
Outstanding Shares (million)	0.6	0.5
Share price (Dollar)	40	30
Equity value (million)	24	15
EPS (Dollar)	5	6
PE Multiple	8	5

Recommendation

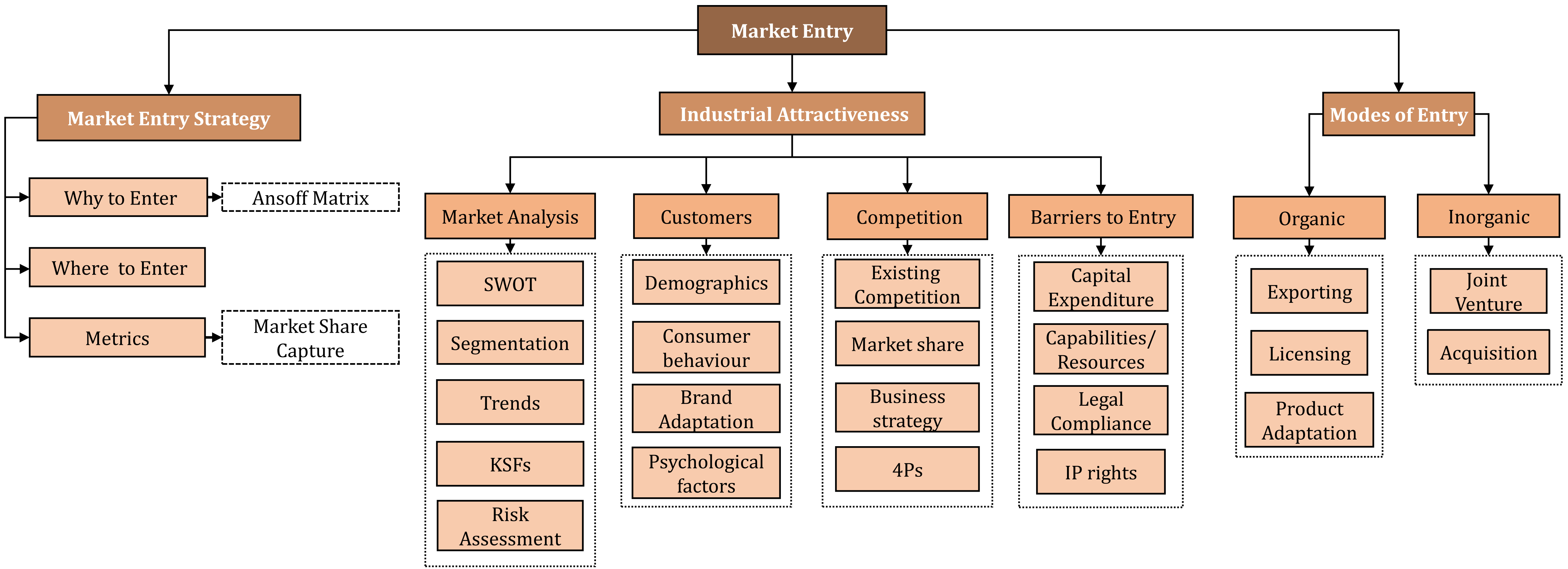
Target's valuation is $20 million. $10 million will be paid in cash and 250,000 shares are offered. (1 share of the client will be replacing 1 share of the target company)

Approach / Framework



MARKET ENTRY FRAMEWORK

A market entry framework is a strategic approach or set of guidelines that businesses use to analyze and plan their entry into a new market. It involves evaluating various factors such as market conditions, competition, regulatory environment, consumer behavior etc. to formulate an effective strategy for successfully entering and establishing a presence in a specific market.



An OTT Platform in India is contemplating entering the gaming arena and wants your opinion on whether they should go ahead or not.

Just to clarify, the scenario is that an OTT Platform in India is considering venturing into the gaming segment and my task is to evaluate whether they should go ahead with it or not. Is that correct?

Yes, that's right.

May I begin by asking a few questions to gain a better understanding?

Absolutely, please go ahead.

Could you please provide insights into the company's current offerings and capabilities?

Think of it as like Amazon prime video or Disney Hotstar. They produce their own shows and have a significant presence in India and globally. For this case, you can use Disney Hotstar as a proxy.

Thanks for the context. What types of games are they planning to introduce and how will users access these games? Also, will it be affecting the price of the subscription? Does the company have the similar offering outside India?

The plan is to add a dedicated gaming section within the existing OTT Platform accounts. These games will be inspired by the company's own shows. Additionally, there won't be any change in pricing; it's included in the existing subscription.

To assess the opportunity, I would like to conduct a strategic evaluation by examining factors such as market attractiveness, Rules & regulations of the industry and the capabilities of the company in terms of financial viability & operational feasibility.

Ok, please proceed.

Starting with market attractiveness, What's the primary objective behind entering this market?

The company aims to gain a significant market share in the first 2 to 3 years, given the increasing trend of gaming industry in India.

Who are our potential competitors, if any?

There are no direct competitors offering both a gaming platform and OTT entertainment.

Thanks for the information. Now, to estimate the user base, I'll break it down into calculating the potential market size and the percentage conversion rate.
Assuming India's internet penetration is around 50%, we're looking at approximately 700 million potential users (Total population = 1.4 billion). I'll further segment them based on income levels.

Okay, go on.

I'll categorize them into three income levels: low, middle and high. Assuming 30% for low income, 60% for middle and 10% for high income, we get roughly 210 million low income, 420 million middle income and 70 million high-income users. I'll assume subscription affordability as 0% for low income, 50% for middle and 100% for high income. Does this seem reasonable?

Yes, proceed.

This would yield an estimated user base of approximately 280 million families, assuming an average household size of 4 and one subscription per family. Potential market size will be 70 Million. To calculate the percentage conversion, I'd consider awareness and adoption rates.

Assuming an awareness rate of 60% for middle and high-income groups and an adoption rate of around 40%, we can estimate around 17 million potential users. Does this figure align with your expectations?

Yes, it seems reasonable.

Thank you. Are there any external factors that might hinder the opportunity such as any rules & regulations by the government or any legal challenges?

Currently there no such barriers.

Great. Moving on to financial viability, I'll consider costs associated with game development, including capital investment for R&D setup, infrastructure and ongoing SG&A expenses. Operational viability, in this case, would encompass the capacity of the company to effectively manage the integration of gaming into their existing platform. It involves assessing the capabilities of the workforce, ensuring a seamless customer experience and addressing potential challenges post-launch. Operational viability also considers the company's ability to adapt to the dynamic gaming industry, providing ongoing support, updates and maintaining a high level of customer satisfaction.

Okay, now what would be your final recommendation?

Given the objective of gaining a substantial market share within the first 2 to 3 years, the unique absence of direct competitors and the potential market size, I recommend a phased launch strategy.

- Introduce a curated selection of games inspired by existing shows, closely monitoring user engagement and feedback.
- Execute an aggressive marketing campaign to increase awareness among the target audience and leverage the existing subscriber base.
- Allocate resources effectively for R&D and marketing, maintaining flexibility for unforeseen challenges.
- Establish a dedicated team for game development and customer support, adapting operational strategies based on real-time data for continuous improvement.

This approach will allow the client for a gradual entry into the gaming market while optimizing user satisfaction and market penetration.

Good analysis. We can conclude the case here.

CASE ANALYSIS | MARKET ENTRY | OTT PLATFORM

Your client has an OTT Platform in India is contemplating entering the gaming arena and wants your opinion on whether they should go ahead or not.

Objective

The client's primary objective is to understand whether they should venture into the gaming arena or not with aim to gain gaining a substantial market share within the first 2 to 3 years.

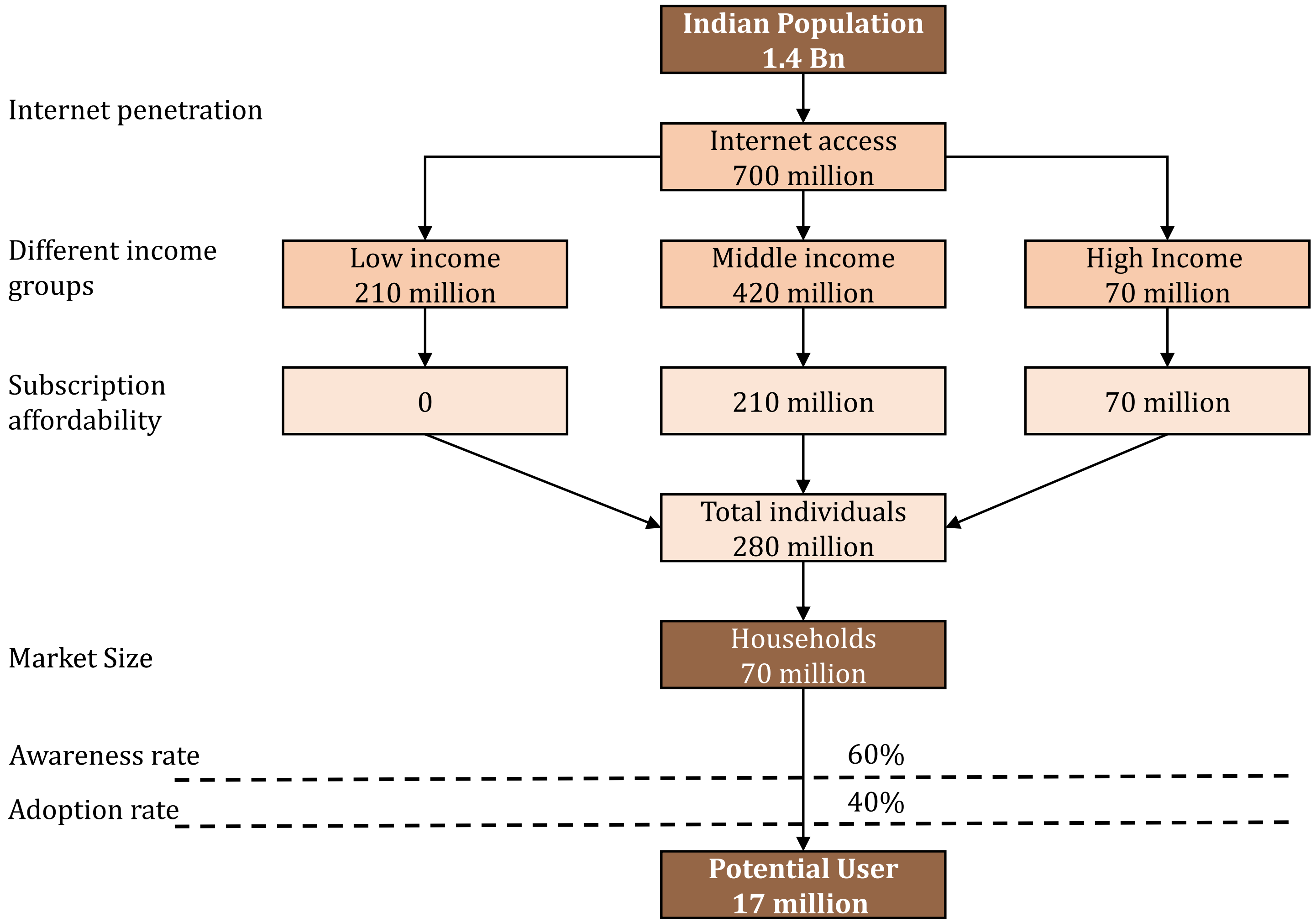
Interviewee Notes

- Potential market size is 70 million based on income segmentation.
- Estimated user base is approximately 280 million families, assuming an average household size of 4 and one subscription per family & 50% internet penetration.
- In guesstimates, we are assuming the middle- & High-Income group.
- Considered that low-income family will not be able to afford subscription thus took it as 0 (zero).

Case Facts

- The company's current offerings and capabilities are like Disney Hotstar.
- It will be a dedicated gaming section within existing OTT platform accounts, inspired by the company's own shows, gaming service will not impact subscription pricing.
- There are no competitors offering both a gaming and an OTT platform.
- There are no barriers to entry, rules & regulations by the government or any legal challenges.

Guesstimate Approach



CASE ANALYSIS | MARKET ENTRY | OTT PLATFORM

Approach / Framework

- **Market Entry**
  - Market Entry Strategy
    - Why to Enter
    - Where to Enter
    - Metrics
    - Market share capture
  - Industrial Attractiveness
    - Market Analysis
      - SWOT
      - Segmentation
      - Trends
      - KSFs
      - Risk Assessment
    - Customers
      - Demographics
      - Consumer behaviour
      - Brand Adaptation
      - Psychological factors
    - Competition
      - Existing Competition
      - Market share
      - Business strategy
      - 4Ps
    - Barriers to Entry
      - Capital Expenditure
      - Capabilities /Resources
      - Legal Compliance
      - IP rights
  - Modes of Entry
    - Organic
      - Exporting
      - Licensing
      - Product Adaptation
    - Inorganic
      - Joint Venture
      - Acquisition

Suggestions

- A phased launch strategy. Introduce a curated selection of games inspired by existing shows, monitor user engagement & feedback.
- Execute an aggressive marketing campaign to increase awareness among the target audience and leverage the existing subscriber base. Allocate resources effectively for research and development and marketing, maintaining flexibility for unforeseen challenges.
- Establish a dedicated team for game development and customer support, with continuous improvement. This may lead to a gradual entry into the gaming market while optimizing user satisfaction and market penetration.

Your client is a highly diversified business based in the United States, involved in the sectors of oral healthcare and personal care products. They are seeking to expand their personal care business in India, where they have already achieved success in their oral care ventures. You have to develop a go-to-market strategy for the client.

Okay. I would like to repeat the key points first to make sure I covered all the important aspects of the case. The client, based in the United States, specializes in oral and personal care products. With a well-established market for its oral care products in India, the client is now planning to enter the Indian market for its personal care products.

That's correct! You've understood the case well and now you can proceed with analyzing it.

Sure! Could you provide insights into the company's objective for expanding into the Indian market?

India has a burgeoning population and is currently the most populous country. With the rise of social media, the personal care industry is anticipated to experience an annual growth rate of 3.00% (CAGR 2024-2028). Consequently, the client is targeting to break even within the first two years, considering this opportunity favorable.

Okay. How is the client performing in the US market for both the products?

In the U.S., it's quite a fragmented market and securing a 30% market share is pretty good considering the market's fragmented nature.

That sounds good. Can you provide information on the key competitors of the client in the Indian market and detail the distinctive features that set the client’s products apart from theirs?

In India, the fragmented market sees numerous players, including startups influenced by social media and heightened personal hygiene concerns post-COVID. The largest player holds a 20% market share. The product line is same as that of the US but incorporates more organic components, offering a unique advantage tailored to Indian skin health and tone.

Okay got it! Based on my understanding, can I assume that the client's strong presence in the Indian market for oral care products gives them a competitive edge? It seems they may not be overly concerned about the operational aspects of the personal care business at this point, given the well-established network in the other segment.

Yes, the assumptions are right!

Okay. Since the company wants to achieve the break even in the next two years. Let’s discuss the feasibility or the economic aspect of the client's goal. Could you provide more details on the targeted market share over this period, along with insights into both variable and fixed costs, as well as the average ticket size?

Sure. The client aims for an 8% share of the Indian personal care market in the next two years, with fixed and variable costs at INR 1 Cr and INR 250 per item, respectively. The average ticket size stands at INR 500 per item.

Thank you for the details! To approximate the market share for the client, I will make an estimated projection for the entire personal care industry in India during the initial two years. Let me know if the following approach is correct.

Sure! Please go ahead.

Assuming negligible rural penetration and a 1:1 sex ratio in urban areas, our focus is on upper middle- and high-income groups. With a 20% and 15% distribution for males and females within upper middle- and high-income groups and usage rates of 70% for adult males and 90% for adult females, I calculate the total number of customers which comes out to be 77 Mn. The client aims for 8% of this share. Assuming an average product usage duration of 3 months, totaling 8 times over 2 years, multiplying this by the difference between the average ticket size and variable cost yields projected profits of INR 49,280,000—exceeding the Rs. 1 Cr fixed cost. Kindly confirm if this approach and result align with your expectations.

The approach is correct and it appears to be a highly attractive market to enter. Are there any barriers to entry?

Examining entry barriers in this industry reveals regulatory, input and market challenges. Regulatory barriers, involving agencies like the Drugs Controller General, pose approval challenges. Despite strong supplier connections and access to raw materials from their well-established oral care segment, obtaining components for the organic formulation might be a bit challenging. Additionally, encountering resistance from competitors in the new market will introduce market barriers to some extent.

Okay that makes sense. What do you think about the operational feasibility of the idea?

So, talking about the overall value chain, encompassing raw materials, manufacturing, logistics, sales and distribution, the operations appear relatively straightforward, especially given the success of their oral care segment in the Indian market and established distribution channels. However, if the distribution capacity is at full utilization (100%), the client may contemplate outsourcing this aspect.

That was a good analysis. We can close the case here.

Your client is a highly diversified business based in the United States, involved in the sectors of oral healthcare and personal care products. They are seeking to expand their personal care business in India, where they have already achieved success in their oral care ventures. You have to develop a go-to-market strategy for the client.

Objective

The client's primary objective is to achieve break-even in the first two years.

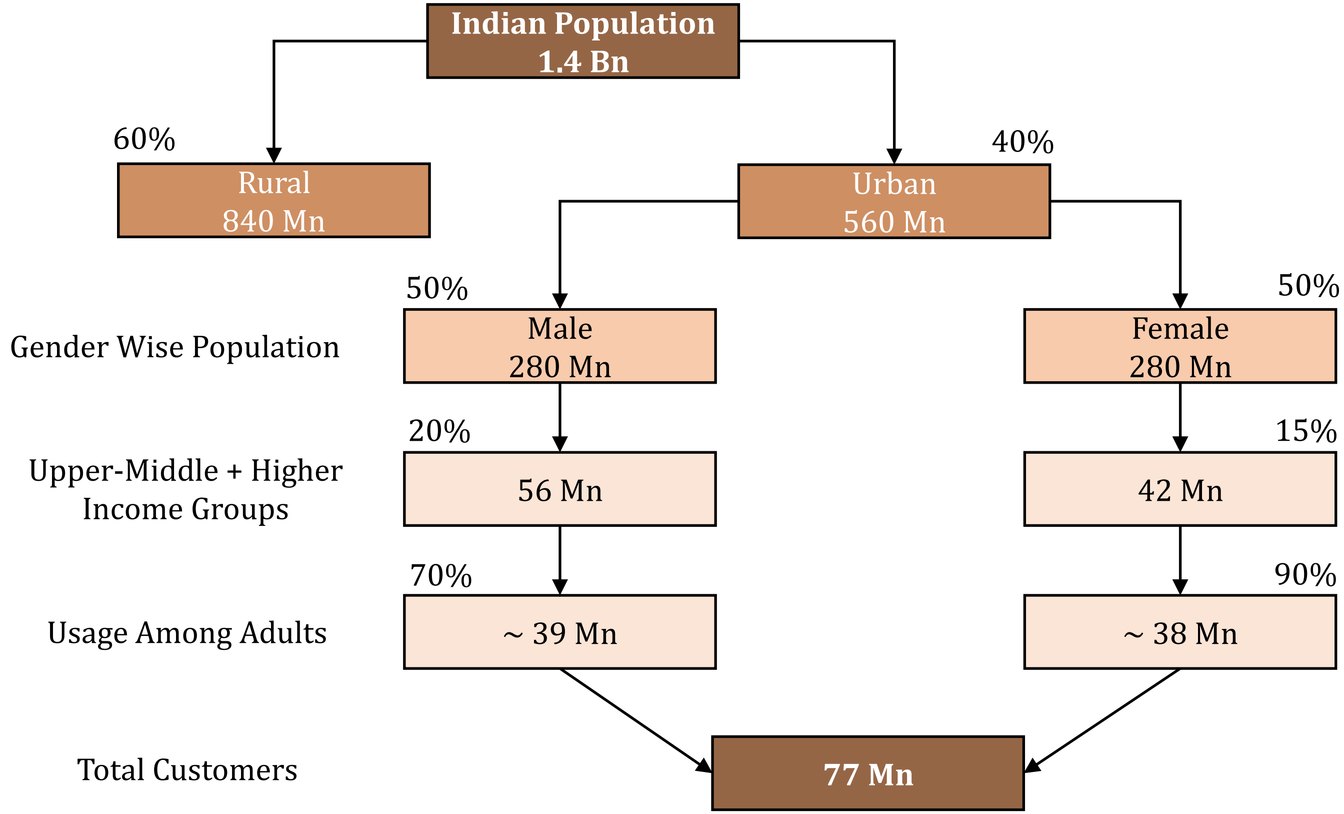
Interviewee Notes

- Having a strong foothold in the Indian oral care market facilitates a smoother supply chain and marketing process for the Personal Care Segment.
- In guesstimate, we assumed only the Upper-middle- and High-Income adult Population as the client's users.
- Assumed an average product usage duration of 3 months, totaling 8 times over 2 years.

Case Facts

- Fixed Cost is INR 1 Cr.
- Variable Cost is INR 250 per item.
- The average ticket size is INR 500 per item.
- The personal care industry is expected to grow annually at a rate of 3.00% (CAGR 2024-2028).
- The client wants to target an 8% share of the Indian personal care market within the next two years.

Approach / Framework



Suggestions

Having met the goal of achieving an 8% market share in the initial 2 years, our analysis suggests that the client is well-positioned to enter the personal care market in India.

Calculations

77 Mn* 8%* 8* (500-250) = INR 4,92,80,000 is the profit generated.

- **Market Entry**
  - **Market Entry Strategy**
    - Why to Enter → Ansoff Matrix
    - Where to Enter
    - Metrics → Market Share Capture
  - **Industrial Attractiveness**
    - Market Analysis
      - SWOT
      - Segmentation
      - Trends
      - KSFs
      - Risk Assessment
    - Customers
      - Demographic
      - Consumer Behaviour
      - Brand Adaptation
      - Psychological Factors
    - Competition
      - Existing Competition
      - Market Share
      - Business Strategy
      - 4 Ps
    - Barriers to Entry
      - Capital Expenditure
      - Capabilities / Resources
      - Legal Compliance
      - IP rights
  - **Modes of Entry**
    - Organic
      - Exporting
      - Licensing
      - Product Adaptation
    - Inorganic
      - Joint Venture
      - Acquisition

Key Learnings

- Understanding the goal and the timeline for its attainment is important.
- Communicate clearly by explaining your approach to the problem first, then seek feedback.
- When analyzing a market, it's essential to consider both its positive and negative drivers.

Your client is an Indian two-wheeler electric vehicle (EV) manufacturer that has been operating for the last five years. The company primarily caters to the western and southern parts of India, with a manufacturing plant based in Gujarat. They are currently deciding between developing a new four-wheeler EV or expanding their market (market development) coverage to the rest of India.

Okay. Just to clarify, the scenario involves a two-wheeler EV manufacturer with its plant in Gujarat, operating mainly in the southern and western regions of India. The company is contemplating either market development by expanding its two-wheeler EV footprint or product development through entering the four-wheeler EV market.

Yes, that's correct. Product development would involve creating four-wheeler electric vehicles.

Alright. What is the company's rationale for entering the four-wheeler market or further developing its two-wheeler segment?

The company has observed a significant shift in consumer behavior, competition in 2-wheeler market, purchasing patterns and EV adoption across India. They want to align their business strategy with these trends and decide the best path forward for growth.

Got it. Regarding market expansion, in which regions does the company plan to enter?

Currently, the company sells primarily in cities like Mumbai, Hyderabad and Bangalore. They aim to cover other parts of India, especially the northern, eastern and central regions, to increase their reach.

Is there any data available about the market share and industry growth trends?

The EV two-wheeler segment has a CAGR of approximately 35%, while the four-wheeler EV market is growing at around 29%. The company's market share in the two-wheeler EV segment stands between 12% and 15%.

Who are the competitors in both the segments?

In the two-wheeler EV market, the company faces competition from Ola, Ather and Hero Electric, yet maintains a healthy market share of 12% to 15%. The four-wheeler EV market, on the other hand, is dominated by players like Tata Motors, Hyundai and Mahindra. If the company enters this space, it plans to target the mass-market segment.

Analyzing this, the company's strengths in the two-wheeler EV segment include an established manufacturing facility in Gujarat, proven technology, a skilled workforce, uncaptured market share and an existing market share of 15%. However, reach is limited geographical presence, as the company operates mainly in southern and western India. And can you please clarify about the four-wheeler EV segment in future, is the company planning to manufacture in-house, or will they explore a joint venture or strategic alliance?

Currently, the client has no plans for future collaborations. However, if the client decides to enter this segment, they intend to pursue in-house manufacturing.

In that case, entering the four-wheeler segment would require significant capital expenditure, R&D investment and infrastructure setup, consumer perception posing substantial challenges. These are some barriers I foresee for the client; please let me know if there are additional factors to consider.

Like you rightly mentioned, the capital expenditure would be a high cost involved there, but there are no other major barriers to entry in either of the 2 segments.

Considering the high costs and the already competitive four-wheeler market, which is dominated by well-established players, entering this segment seems less attractive. However, in the two-wheeler EV market, the company has an opportunity to grow further by leveraging its existing expertise. By incorporating updated features and new technology, the company can effectively expand through market development.

That's a valid observation. Can you estimate the potential number of new customers if the company decides to expand its two-wheeler EV market?

Sure, I'll analyze the market size and calculate the potential customer base in the two-wheeler EV segment. Alright, let's do the calculations step by step. Considering the population of India is 1400 million, I am assuming the average household size in India is 4 persons per family. So, the total number of households in India would be 1400/4, which comes out to 350 million households. Now, can I assume that two-wheelers will primarily be purchased by the Indian middle-class population (40%), as they are generally unaffordable for the lower class and represent a niche market for the upper class?

Alright, go ahead with the middle-class population only.

The total number of middle-class households in India is calculated as 350*0.4, which equals 140 million. Considering the middle-class population, I assume that each household owns one 2-wheeler and the total market size of EVs in India is 10%, the total number of two-wheeler EVs would be 140*0.1, which equals 14 million. I'm assuming three types of customers: first-time buyers (10%), those switching from petrol 2-Wheelers to EV 2-Wheelers (80%) and those replacing their existing EV 2-Wheelers (10%). Does this seem like a reasonable assumptions to proceed with?

Ok, Is there a particular reason for categorizing these customer segments separately?

Currently, an EV battery lasts around 3 to 5 years, depending on the model. After that, the replacement cost can be quite high, sometimes up to 60-70% of the vehicle's total cost. That's why we've assumed a shorter lifespan (4 years) for existing EV 2-Wheeler owners. On the other hand, petrol 2-Wheelers are still more widely available, more popular and tend to last longer which is around 7 years.

Sounds good, please proceed with the calculations.

First-time buyers make up 10%, resulting in 1.4 Mn potential customers. The largest segment, at 80%, consists of customers switching from petrol to EV 2-Wheelers, amounting to 11.5 Mn. Considering their lifespan of 7 years, the annual replacement demand is 11.2 Mn / 7 = 1.6 Mn. The final 10% represents existing EV owners replacing their vehicles, totaling 1.4 Mn. Since EVs have a 4-year lifespan, the annual replacement demand is 1.4 Mn / 4 = 0.35 Mn. Adding both replacement segments, the total annual demand is 3.35 Mn. Currently the clients market share is 15%, assuming after expansion into the remaining parts of India, the client will aim to capture the same market share for these new regions, resulting in a total market share of 30%. So, the total estimated sales of 2-Wheeler Electric Vehicles in the upcoming year by our client is 3.35*0.3, which is about 1.005 Million units.

Good, the number looks reasonable. Now, can you provide recommendations for the client regarding the next steps?

- Evaluate the current plant's capacity, assess the technology and manpower and identify any gaps. If the Gujarat facility is insufficient, we should either expand it or establish a new plant strategically located closer to these regions and develop a robust distribution network by onboarding dealers, distributors and logistics partners.
- Investing in R&D for innovative product features and ensuring adequate manpower through recruitment and training is critical.
- Focus on region-specific marketing strategies, set up warehouses for efficient inventory management and ensure compliance with local regulations for smooth operations.

Great analysis. We can conclude the case here, Thank You!

CASE ANALYSIS | MARKET ENTRY | EV

Your client is an Indian two-wheeler EV manufacturer that has been operating for the last five years. The company primarily caters to the western and southern parts of India, with a manufacturing plant based in Gujarat. They are currently deciding between developing a new four-wheeler EV or expanding their market coverage to the rest of India.

Objective

The objective of the company is to determine the optimal growth strategy by evaluating:
Market Development: Expanding the existing two-wheeler EV business to untapped regions of India to increase market share.
Product Development: Entering the four-wheeler EV segment to diversify the product portfolio and cater to emerging consumer demand.

Interviewee Notes

- Population of India is 1400 Mn.
- Average household size in India: 4 persons/family
- Assuming only middle class will be going to purchase these EV. (Not affordable to lower class & Niche market for upper class)
- Middle Class (Income Basis): 40%
- Assuming total market size of EV's in India: 10%
- Three types of customers are shown in the Guesstimate
- Average life of 2-wheeler: 7 years
- Average life of 2-Wheeler EVs: 4 Years

Case Facts

- Growth (CAGR) of 2-wheeler EV market: 35%
- Growth (CAGR) of 4-wheeler EV market: 29%
- Company's market share of 2-wheeler EV's: 12% to 15%
- Market share after expanding into other parts of India: 30%

Approach / Framework

Indian Population 1400 Mn

No. of Households: 1400/4 = 350 Mn

Total Available Market of 2-Wheelers in India: 350*0.4 = 140 Mn — **40%**

Serviceable Available Market of 2-Wheeler EV's: 140*0.1 = 14 Mn — **10%**

- **10%** First Time Buyer → 14*0.1 = 1.4 Mn
- **80%** Replacement from Traditional Vehicles to 2-Wheeler EVs → 14*0.8 = 11.5 Mn → 11.2/7 = 1.6 Mn
- **10%** Replacement from Existing 2-Wheeler EVs → 14*0.1 = 1.4 Mn → 1.4/4 = 0.35 Mn

Life Span

Estimated Market Share 30%: **3.35*0.3 = 1.005 Mn**

Estimated sales of 2-Wheeler EV's in next year by the client

Market Entry

- **Market Entry Strategy**
  - Why to Enter → Ansoff Matrix
  - Where to Enter
  - Metrics → Market Share Capture
- **Industrial Attractiveness**
  - Market Analysis
    - SWOT
    - Segmentation
    - Trends
    - KSFs
    - Risk Assessment
  - Customers
    - Demographic
    - Consumer Behaviour
    - Brand Adaptation
    - Psychological Factors
  - Competition
    - Existing Competition
    - Market Share
    - Business Strategy
    - 4 Ps
  - Barriers to Entry
    - Capital Expenditure
    - Capabilities / Resources
    - Legal Compliance
    - IP rights
- **Modes of Entry**
  - Organic
    - Exporting
    - Licensing
    - Product Adaptation
  - Inorganic
    - Joint Venture
    - Acquisition

Key Learnings

- It’s crucial to carefully analyze whether to expand to new markets or introduce new products based on current strengths and opportunities.
- Understanding the company's existing resources is essential before making any expansion decisions.
- Knowing the competitive landscape and assessing market share can help determine the feasibility of market or product development.

The client is an Indian skincare producer known for its herbal and natural ingredients. Currently, it is planning to diversify into nutraceuticals, including products like vitamins, probiotics and amino acids. We'd like to assess the feasibility of this expansion.

Understood. Let me summarize to ensure I've grasped everything correctly. The Client is a prominent skincare brand known for its herbal and natural ingredients, assuming they use high quality raw materials. Now, it is considering venturing into the nutraceuticals market. Does that sound accurate?

Yes, that's correct.

Great. I'd like to ask some follow-up questions to better understand the client's objectives and the scope of this new initiative. First, why does the client want to diversify into nutraceuticals when its skincare products are performing well in the market?

The client has noticed increasing demand for nutraceuticals, with more people becoming health-conscious and looking for products like vitamins and probiotics. It finds this as a significant revenue growth opportunity and the company also holds a significant market share of 23-25% in the skincare market.

Got it. Who would be the target audience for these supplements? Are there any specific geographic regions you'd like to focus on?

The client plans to target adults aged 18 to 50, both male and female. Geographically, there are no restrictions; it aims to cover the entire nation.

Understood. Based on this, is it safe to assume that the production of these supplements will be done in-house?

Yes, you are correct. The client will handle production in-house.

Great. Now, let's talk about competitors. Who are the company's major competitors in this segment and what is their market share?

Client faces direct competition from brands like Himalaya, Dabur and Wellbeing Nutrition. Companies that specialize in nutraceuticals generally have a market share of 15-20%.

Are there any concerns regarding regulatory approvals, machinery costs, R&D expenditure, or storage, given the nature of products like probiotics and amino acids?

Not really. Since client already produces skincare products with high-end ingredients, it has the expertise required. Regulatory approvals are also like what the company has already handled, so they're not a significant hurdle.

That's helpful to know. Given client's existing customer base and strong brand reputation, would you agree that adopting a competitor-based pricing strategy would be a logical approach? This would ensure your prices are in line with market expectations and make it easier for customers to adopt your products.

Yes, that seems reasonable.

Now, let's analyze the potential market. Since rural areas are unlikely to have a significant demand for these products, we'll focus on the urban population, which makes up 30% of India's total population of 140 Cr—this comes to approximately 42 Cr people. From this, we can assume that about 70% of the population falls within the target age group of 18 to 50 years, amounting to 29.4 Cr. Estimating that 8% of these customers would regularly purchase the products, we are left with 2.352 Cr active customers. Additionally, it's likely that females, being generally more health-conscious, will account for 60% of the sales, while males will contribute 40%. Can I proceed with these assumptions?

Yes, please go ahead.

Thank you. Let's now estimate pricing and market share. Assuming a 6% market share in the first year, translates to approximately 14,11,200 active customers. With a gender split of 40% males and 60% females, this equates to 5,64,480 male customers and 8,46,720 female customers. Calculating yearly revenue based on monthly expenditures of ₹500 for males and ₹600 for females, the revenue from males would amount to ₹338.68 crore and the revenue from females would amount to ₹609.64 crore. This results in a total yearly revenue of approximately ₹948.32 crore.

Great, this looks a good number on the revenue side.

With a 6% market share in the first year, the growth will be driven by the client's established brand reputation in the skincare sector and the increasing consumer demand for health-conscious products. Based on the analysis and considering all the factors that we discussed, entering the nutraceuticals market appears to be a highly promising opportunity for the Client.

That's great. Do you have any recommendations on how we should proceed?

Certainly. Based on the analysis, I'd recommend a few strategic actions to effectively enter the nutraceuticals market.

- First, cross-selling would be a valuable tactic, allowing the client to leverage its existing skincare customer base by promoting nutraceuticals alongside skincare products.
- Second, it's essential to focus on marketing strategies such as digital marketing, influencer collaborations and targeted advertising.
- Third, to attract early adopters, the client can introduce promotional offers, such as discounts or bundle deals, to encourage trial purchases.
- Additionally, implementing subscription plans (monthly or annual) would provide consistent sales and improve customer retention, ensuring long-term loyalty

Thank you. This has been very insightful.

CASE ANALYSIS | MARKET ENTRY | NUTRACEUTICALS

Your client is a Skin Care Manufacturer. It is planning to diversify into healthcare supplements. You must assess the feasibility of this expansion.

Objective

The client wants to diversify into healthcare supplements due to increasing demand for the same.

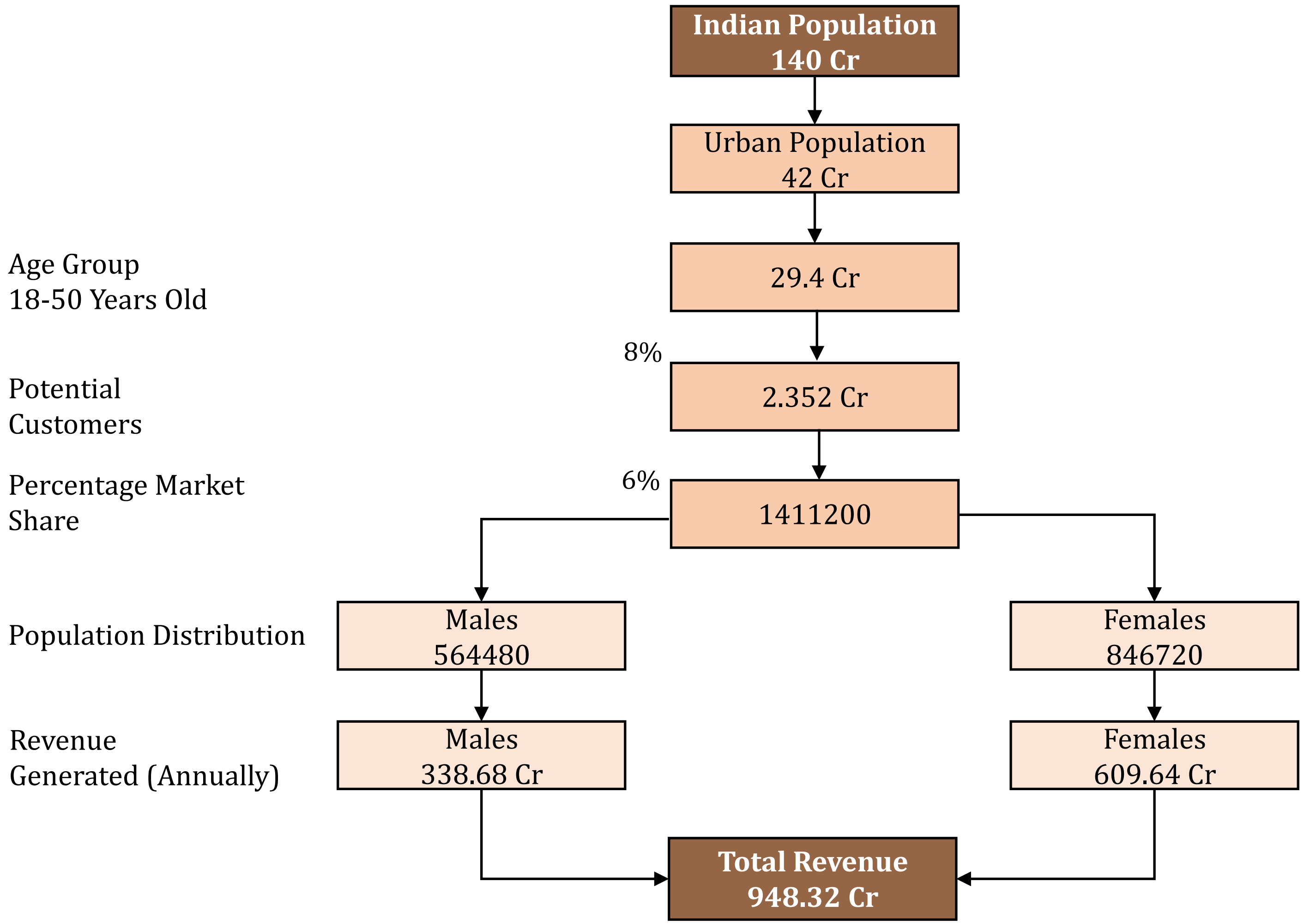
Interviewee Notes

- Competitor-based pricing due to the many similar products available in the market.
- We will be considering only the urban population since rural areas are unlikely to have a significant demand for these products.
- We will be assuming a 6% market share in the first year.
- We will be considering 40% and 60% of target population as males & females, respectively.

Case Facts

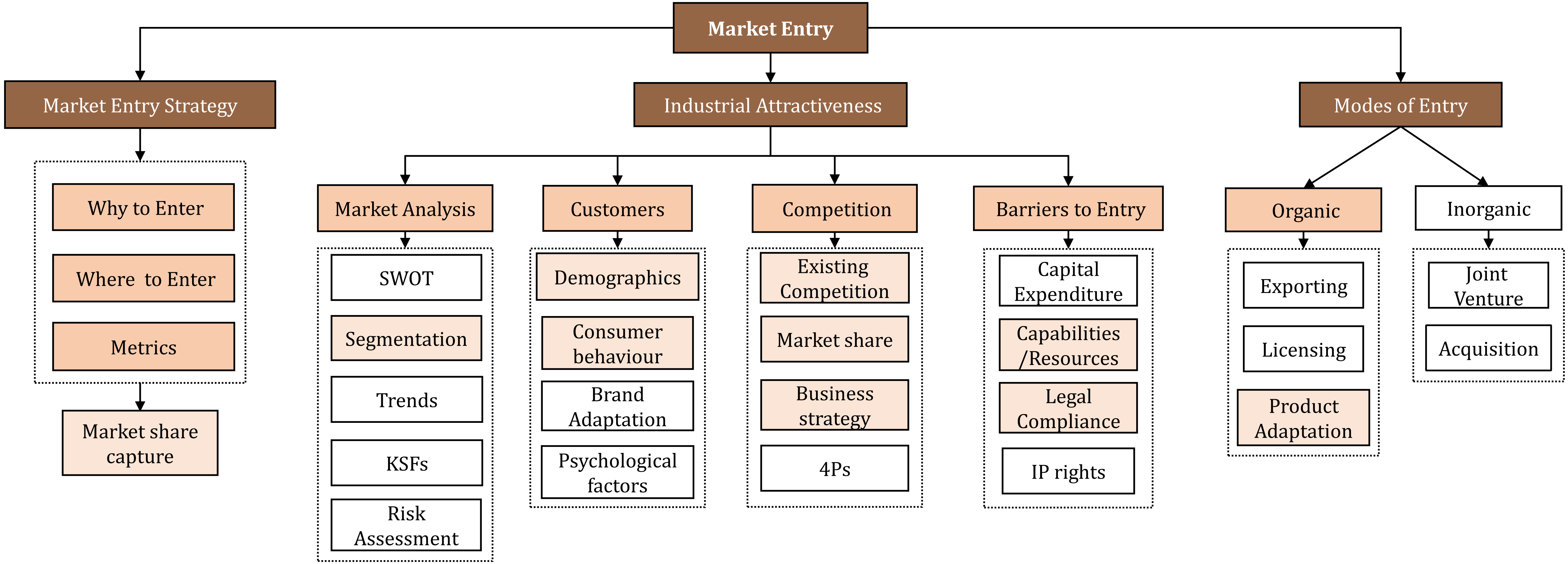
- The Client is a prominent skincare brand with a strong reputation for using high-quality, natural ingredients.
- Client hold a significant market share of 23-25% in the Skincare market.
- The client plans to target adults aged 18 to 50.
- Regulatory approvals are not a significant hurdle for the client.

Guesstimate Approach



CASE ANALYSIS | MARKET ENTRY | NUTRACEUTICALS

Approach / Framework



Suggestions

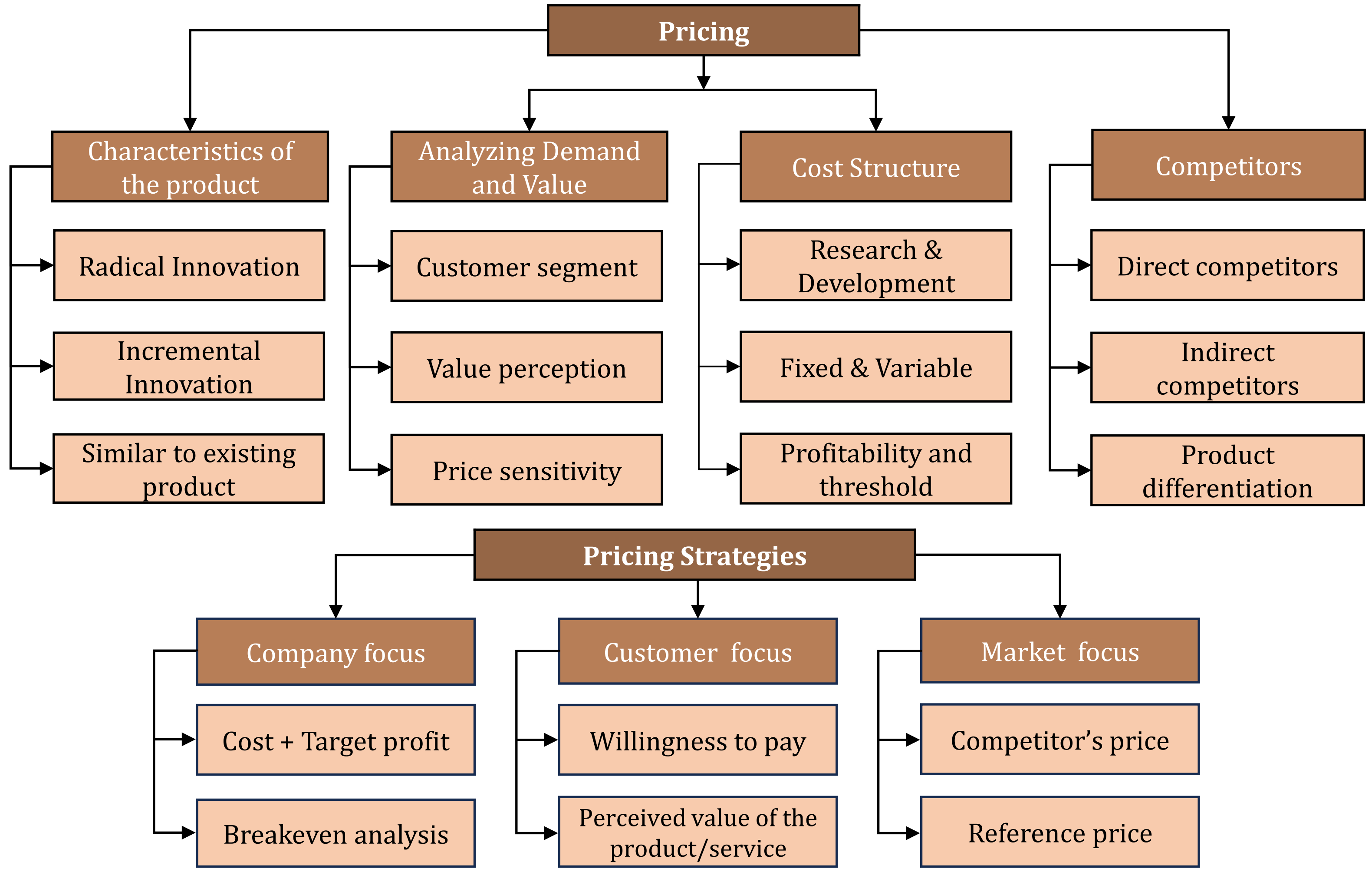
- With a 6% market share in the first year, entering the healthcare supplements market appears to be a highly promising opportunity for the Client.
- Cross-selling would be a valuable tactic, allowing the Client to leverage its existing skincare customer base by promoting healthcare supplements alongside skincare products.
- To attract early adopters, the Client can introduce promotional offers, such as discounts or bundle deals, to encourage trial purchase.
- Additionally, implementing subscription plans (monthly or annual) would provide consistent sales and improve customer retention, ensuring long-term loyalty.

PRICING FRAMEWORK

A pricing framework is a structured approach guiding organizations in setting prices for their products & services. It strategically maximizes revenue by analyzing competition, considering elasticity and examining cost structures.

Key point to remember

- Customer-Centric Insights: Understand consumer preferences, income levels and behavior to align pricing with perceived value and sensitivity.
- Strategic Considerations: Consider psychological pricing factors, brand loyalty and the impact of government regulations, innovation and global economic conditions to optimize pricing strategies for demand responsiveness.
- Contextual Assessment: Consider the product within the context of existing products in the market.
- Innovation Evaluation: Assess whether the product represents a radical innovation, a modification, or shares similarities with existing offerings.
- Understand the costs thoroughly, including production, distribution, marketing and any other relevant expenses.
- Market Dynamics: Evaluate market demand, supply and competition to position pricing effectively and respond to fluctuations and trends.
- Utility and Use Cases: Evaluate the various use cases and utility of the product to determine its pricing strategy.
- Pros and Cons Consideration: Account for both the advantages and disadvantages of the product.



The client is a manufacturer of hair-care products and has a product line consisting of various offerings such as hair oils, serums etc. They are planning to launch a Hair Dye which changes its colour when exposed to sunlight. Help the client establish a pricing strategy for the new product.

I would like to ask a few clarifying questions before I proceed with the analysis. Can you tell me more about the client? Is our client based out of India? Are we planning to launch the product in India or globally?

Sure, our client is based out of India but operates in multiple geographies. The product will be launched only in India for now.

Ok and are there any specific reasons why the client has chosen India to launch its product?

The client is of Indian origin and believes that the product will be a great fit especially for the Indian youth.

Ok, I also have a few questions about the product. Is it temporary or permanent color? Has the product been quality tested and certified?

The product is a temporary hair dye which can be directly applied on the hair and washed off after use. The dye has passed all the quality certifications and is ready for production. Also, the client is planning to sell the dye in 100 mL bottles.

Ok, thanks. One last question before we begin the analysis. Is there any existing product available on the market which is like the client's offering?

No, there are no similar products available in the market. The client is the first company with this product offering.

As there are no competitors for this product category, I was thinking we could approach this problem based on the costs that have been incurred.

Sure, go ahead.

Ok, so how much has the client spent on R&D on this?

The client has spent around Rs. 5 Cr for the R&D of this product.

And what are the raw material costs involved?

The client is using special photochromic chemical compound which are designed to change color when exposed to UV rays. These along with the solution base are expensive and range somewhere around Rs. 5000/L.

Alright and is the client using any separate production process specifically designed for this product?

No, the client is not using any additional machinery for this required, and it will be manufactured in the client's existing facility. However, a few modifications will be made to the production line considering the special requirements of the product. Also, some additional labor will be required, and they will need to undergo preliminary training especially for understanding the composition of the product. You can estimate that the added costs will amount to Rs.100/bottle. This cost includes the additional labor & electricity costs too.

Ok and how much is the client spending on the packaging?

As this will be targeted towards the youth and marketed as a semi-premium product, the client would be able to spend around Rs.50/bottle for packaging.

As you mentioned marketing, can we discuss what is the marketing strategy used and how much is the marketing budget?

The client is thinking about creating some social media marketing campaigns along with short TV commercials. He is also thinking about hiring some influencers to market our product. As I previously mentioned, this product is mainly targeted towards the youth and the marketing budget is around Rs. 5 Cr.

So, looking at the nature of the product, I'm considering the product will be mainly targeted towards the urban population – which is 30% of the entire country. Also, the client would be targeting the youth, i.e. – the age group of 15-35 years, which is around 35%. That brings us to a total addressable market (TAM) of 14.7 crore ~ 15 crore. Now, as this is a completely new product offering, we can consider the adoption rate to be really low, as any new product is first adopted by the innovators and then the early adopters. The percentage of innovators lies around 2.5- 3.5% of the TAM, we can assume that the serviceable observable market (SOM) = 3% of the total available market will adopt the product in the first year of launch. So, 15 crore * 3% = 45 lakhs. Please let me know if I can proceed with these assumptions?

Yes, please proceed.

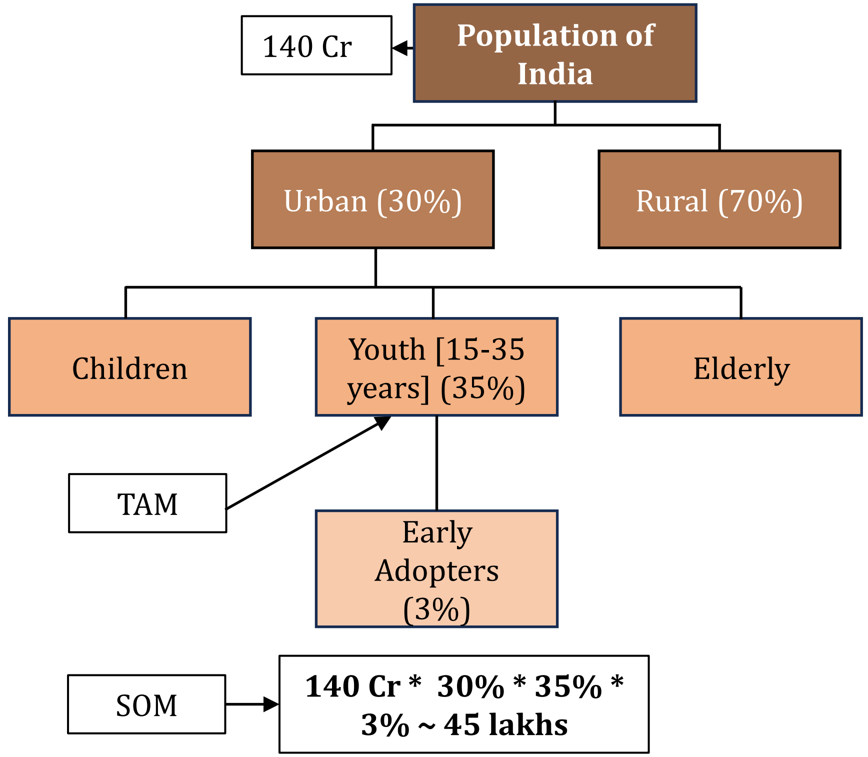
Thanks, so considering the above figure, I can arrive at the marketing spend / customer to be 5 Cr/45 lakhs ~ Rs.11.1. I'll assume the R&D costs to be distributed over a span of 5 years. Thus, R&D costs (year 1)/ bottle = 1 Cr/45 lakhs ~ Rs.2.2/bottle. Adding up the other costs previously mentioned, Raw material – Rs.5000/10 = Rs.500/bottle, processing costs = Rs.100/bottle, packaging = Rs.50/bottle. This brings us to a total cost of Rs. 663.3. Other miscellaneous costs are added, and total can be rounded off to Rs. 670. As this is a new product and offers a value proposition of uniqueness and novelty factor, buyers, in our case, the innovators, would pay a premium to own a distinguishable product. We can proceed with a value-based pricing of Rs. 130 to bring the rounded off total of Rs. 800. Can we go ahead with these values and assumptions?

Sounds good. Please carry on.

Thanks, so adding the final component of profit, I would suggest a comparatively conservative profit margin in the beginning to keep prices reasonable. 10% profit margin added to Rs.800 brings us to a selling price of Rs. 880. To incentivize the retailers to push the product to the consumer, we can keep a greater margin of ~ 15% which will bring the total to Rs. 1012. We can keep the maximum retail price at Rs. 999 for the added benefit of charm pricing.

That's good. Thank you!

Guesstimate Approach



CASE ANALYSIS | PRICING | PERSONAL CARE

The client is a manufacturer of hair-care products and has a product line consisting of various offerings such as hair oils, serums etc. They are planning to launch a Hair Dye which changes its color when exposed to sunlight. Help the client establish a pricing strategy for the new product.

Objective

The client wants to launch a color-changing, temporary hair dye targeted towards the youth of India. We need to develop a pricing strategy based on the inputs given in the interview.

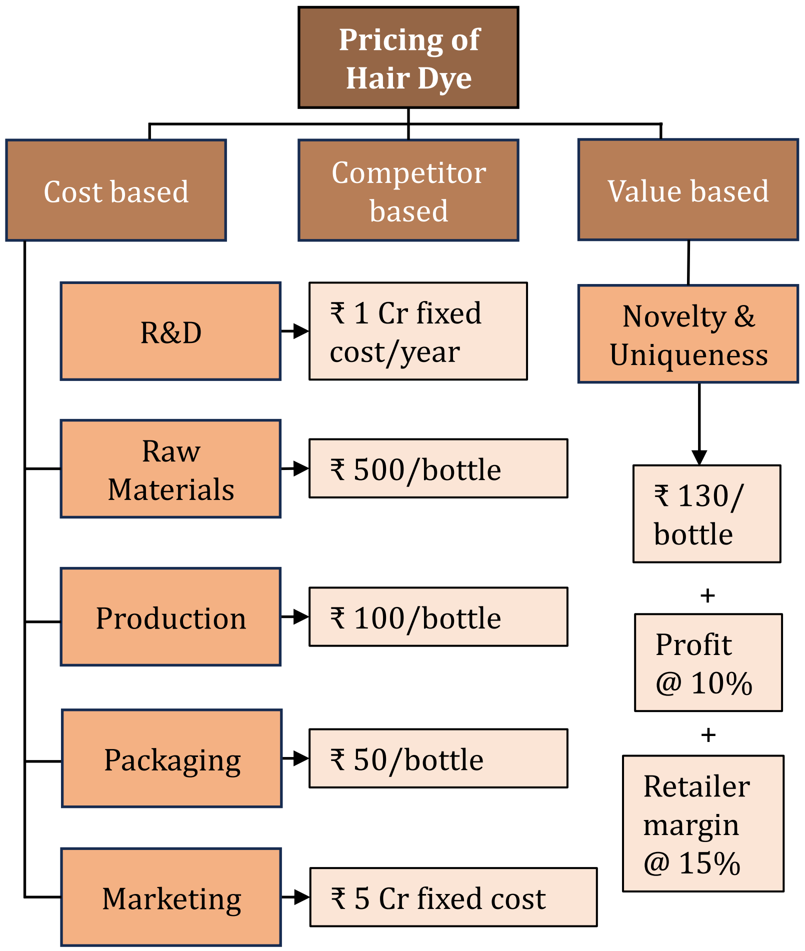
Interviewee Notes

- The client operates in multiple geographies, but the product will be launched only in India for now.
- The product is a temporary hair dye which can be directly applied on the hair and washed off after use.
- There is no competition for the product; the client is the first in the market.
- Client will be using its existing manufacturing process.
- Product is targeted towards the youth and marketed as a semi premium product.
- Marketing will include social media influencer marketing as well as short TV commercials.

Case Facts & Calculations

- Product will be sold in 100 mL bottles
- R&D costs can be distributed over 5 years
- R&D costs are ₹ 5 Crore/5 = ₹ 1 Crore / year
- Raw materials include chemical compounds and solution base which together cost ₹5000/litre
- Additional operational costs will amount to ₹100/bottle
- Packaging costs are ₹50/bottle
- Marketing budget is around ₹5 Crore
- Serviceable Observable Market (SOM) is calculated at 45 lakhs
- Fixed cost per bottle = (R&D costs + Marketing Costs)/SAM = ₹6 Cr / 45 lakhs ~ **₹13.3**
- Variable costs per bottle = Raw material price/100 mL + Operational costs + Packaging costs = ₹500 + ₹100 + ₹50
- Miscellaneous costs = ₹6.7
- Value based pricing added ₹130, total ₹800
- Profit @ 10%, total ₹880
- Retailer margin @15%, total ₹1012
- Charm pricing @ ₹999

Pricing Approach



Your client is a shoe manufacturer. They have recently come up with a product that will protect your shoes from getting dirty. You must suggest a pricing strategy for this product.

Ok! Sounds Interesting. May I ask a few clarifying questions before I proceed further with suggesting a pricing strategy.

Interviewer: Sure, Go ahead

Is there any objective behind the launching of this product by the company?

The company just wants to increase their product portfolio and thus wants to generate some revenue from the sales of this product.

Ok. Is it an invention or modification to any existing product?

Our client has developed this product for the first time. However, there are existing products from other companies. But our client's product is a bit different than the others in terms of its production. The product is capable of repelling not just dirty water but also many other things such as soy sauce, ketchup, mud etc. And another differentiation is the product can be used on any type of shoes, whether it be made of fabric, leather etc.

How does the product work?

It's in the form of spray and is thus easy to apply. After spraying on the shoes, just keep it in dry area for 5 -10 minutes and you are good to go. Once applied, the protection layer lasts for at least 25-30 days.

That sounds good. I guess there must be huge R&D Costs involved. Do we have any data for the same?

The R&D costs is 1 Crore. However, you can ignore the R&D cost as of now.

Just one last question, is there any data related to competitor's product’s price?

On average, the competitors have priced such products in the range of 500-800 Rs. for a bottle of 100 mL

Thank you! Give me a few minutes to gather my thoughts around.

Sure!

There can be 3 ways to do it: Competitive pricing, cost-plus pricing & value-based pricing. Since companies' objective is to generate revenue and not care much about the costs incurred in developing the product as of now, I think we should focus on competitors and value-based pricing. As our product is superior to the competitor's product, thus, we can add a 10-20% premium over the competitor's price.

Ok! Tell me the final price you will recommend for the product to be sold at ?

For a 200 ml bottle, we can price it at 1700 Rs plus 15% value margin. So, the final price would be around 2000 Rs. It might be beneficial to strategically position the product as a premium solution in the market. Emphasizing its superior protection capabilities and versatility across shoe materials can justify the premium pricing.

Any further considerations or recommendations?

Yes, to encourage trial and attract more customers, I recommend introducing smaller SKUs, such as 50 mL or 100 mL, at lower price points. This would allow potential customers to experience the product before committing to a larger purchase.
Additionally, investing in a targeted marketing campaign highlighting the product's unique features and benefits would further support its premium positioning.

Sounds fair! Let's close the case here. Thank you!

CASE ANALYSIS | PRICING | SHOE MANUFACTURER

Your client is a shoe manufacturer. They have recently come up with a product that will protect your shoes from getting dirty. You have to suggest a pricing strategy for this product.

Objective

The client wants to increase its product portfolio and generate revenue; need to develop a pricing strategy.

Interviewee Notes

- R&D costs are ₹1 Crore but can be ignored for now.
- Since companies' objective is to generate revenue and not care much about the costs incurred in developing the product as of now, value-based pricing would be the best approach.
- Premium pricing can be justified because of the superior capabilities of the product.

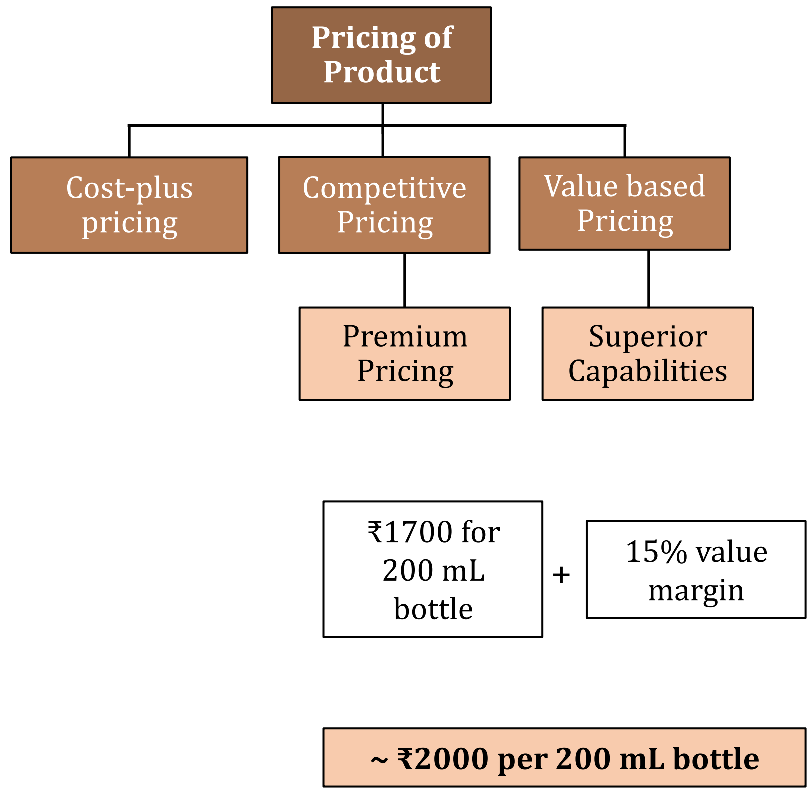
Case Facts

- Client is a shoe manufacturer who has produced a new product that will protect shoes from getting dirty.
- Client has developed the product for the first time and is different from competitors' products and provides superior protection against a variety of things.
- Competitors' products priced at ₹500 - ₹800 per 100 mL bottle.

Suggestions

- A 200mL bottle can be priced at ₹1700 + 15% value margin which would bring the final price to around ₹2000.
- The product can be strategically positioned as a premium product in the market due to its superior protection capabilities when compared to its competitors.
- To encourage trail and attract more customers, smaller SKU's can be introduced such as 50mL or 100mL at lower price points to allow potential customers to experience the product before committing to a larger purchase.
- A targeted marketing campaign highlighting the product's unique capabilities would support its premium positioning.

Pricing Approach



Our company has developed a breakthrough product — a car that does not require charging or any external fuel source. This "No Charge Car" runs entirely on advanced solar panels, regenerative braking and other novel technologies. Additionally, it incurs no operational cost for the next ten years. We need your assistance in determining the pricing strategy for this product.

Thank you for sharing the details. To confirm, your company has developed a completely self-sustaining car that eliminates the need for external charging, making it a unique product in the market. Your primary concern is deciding on the optimal pricing strategy. Is that correct?

Yes, that's correct.

Great. Before we proceed, I'd like to ask a few clarifying questions. First, is this innovation proprietary, or are there competitors working on similar technology?

There's no evidence of competitors working on a similar product. This is a unique breakthrough for us.

So, we can classify this as a breakthrough innovation, correct?

Yes, absolutely.

When deciding on a pricing strategy, there are generally three common approaches: competitive pricing, cost-plus pricing and value-based pricing. Since you've mentioned that this is a breakthrough innovation with no competitors offering a similar product, it stands out as a unique offering. Given its novel nature, value-based pricing seems to be the most suitable approach moving forward.

That sounds good. Please go ahead.

Great! Now, to compute the savings your car provides over ten years, I'd like to make a few assumptions about typical usage patterns. Based on a typical family's usage, I assume the car will be driven 250 days a year for city commutes at an average of 50 kilometers per day. Additionally, it will likely be used 50 times a year for weekend travel at 200 kilometers per travel. This would result in a total annual usage of 22,500 kilometers. Would this be a reasonable assumption?

Yes, please go ahead.

Okay. So now to calculate the value for your car, we need a reference car. Could you suggest a comparable vehicle in the market?

You can use the top model of the Tata Nexon EV as the reference car, which is priced around ₹18,00,000.

Great! So, for the Tata Nexon EV, I will assume the average cost per kilometer for charging is ₹1.5. Is this a fair estimate?

Yes, ₹1.5 per kilometer sounds reasonable.

So, For 2,25,000 kilometers over 10 years, the total fuel cost would be ₹3,37,500. Adding this fuel cost saving to the base price of ₹18,00,000 for the Tata Nexon EV, the total value of your car comes to ₹21,37,500. Considering your product's innovative nature, I suggest applying a price-skimming strategy to target early adopters. For this, I propose a 20% premium over the calculated value.

Yes, a 20% premium for early adopters seems right.

Adding 20% to ₹21,37,500 gives us ₹4,27,500, making the total price ₹25,65,000. For psychological pricing and better customer appeal, I suggest rounding this down to ₹24,99,000. Does that align with your expectations?

Yes, that sounds perfect.! Let's close the case here. Thank you!

CASE ANALYSIS | PRICING | NO CHARGE CAR

Your client is a car manufacturer. They have recently come up with a car that does not require charging or any external fuel source. You have to suggest a pricing strategy for this car.

Objective

The client wants to launch its "No Charge Car" and increase revenue; need to develop a pricing strategy.

Interviewee Notes

- Value-based pricing due to the product's unique value proposition.
- Car will be driven for 250 days for 50 km/day and 50 times on weekends for 200 km/ride.
- Average rate of EV – Rs. 1.5 / km
- Premium pricing reflects the product's innovative nature and appeals to early adopters and ensures the perceived value aligns with the groundbreaking benefits provided by the car.

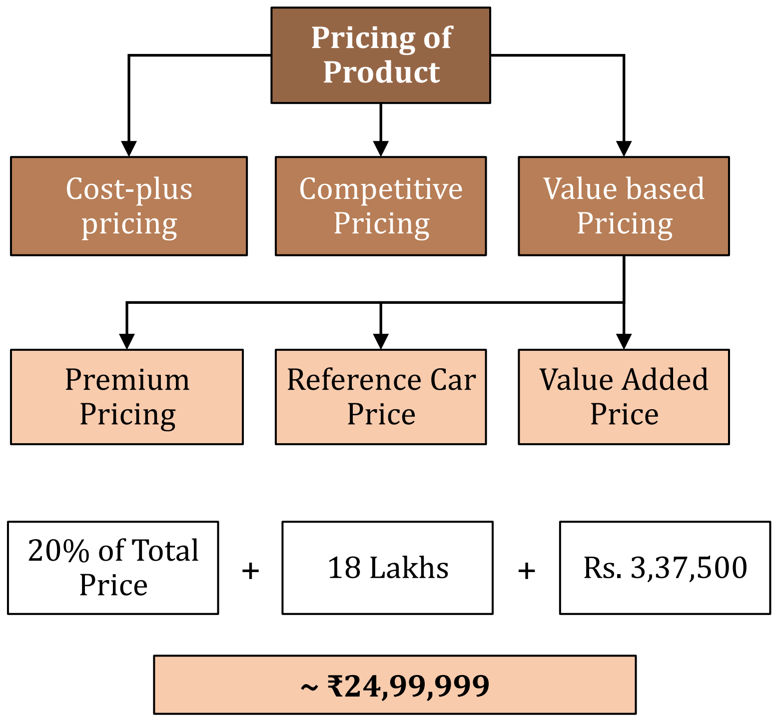
Case Facts

- Client is a car manufacturer who has come up with a breakthrough innovation with car requiring zero operational costs for the next ten years.
- Reference car used for comparison is TATA Nexon EV
- No direct competitors; the product is unique in the market.

Suggestions

- Use a price-skimming strategy to maximize initial revenue, targeting environmentally conscious consumers and tech enthusiasts willing to pay a premium.
- Implement psychological pricing strategies (e.g., ₹24,99,000 instead of ₹25,00,000) to enhance perceived affordability while maintaining exclusivity.
- Clearly communicate the long-term savings of ₹3,37,500 over ten years compared to competitors to justify the premium price.
- Highlight the car's innovative technology and zero operational costs in marketing campaigns to emphasize its value and differentiation.

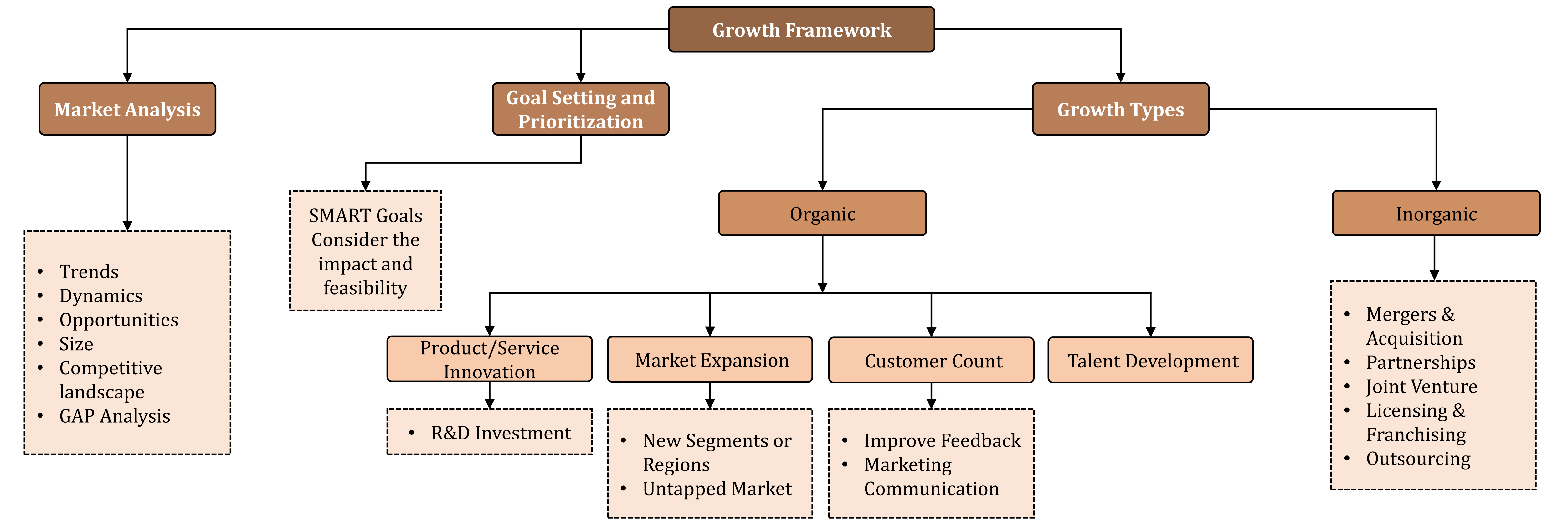
Pricing Approach



GROWTH FRAMEWORK

Growth strategy scenarios often revolve around tackling obstacles associated with increasing a company's revenue, profitability, or market presence, with the goal of achieving a year-over-year growth of X%. These cases generally fall into two categories:

1. Identifying avenues for growth within the company's current operations, finding opportunities to expand within existing markets using existing products or services.
2. Exploring possibilities for growth in new areas, which can encompass both entering entirely new markets and expanding within existing markets through the introduction of either similar or different products and services.



Your client is an Indian company operating across multiple businesses. With consistent growth over the past five years, they now approach you as a consultant to formulate a 10-year growth strategy.

Greetings. I acknowledge your interest in seeking guidance on a decade-long growth strategy. To proceed, could you provide more details on the multiple businesses in which the client is currently engaged?

The client predominantly operates in three key business segments:
1.Pulp Manufacturing
2.Supplying furnished wood to various enterprises, also referred to as log merchandising
3.Forest maintenance for sourcing premium-quality wood

Certainly. I'd like to clarify whether the forest maintenance activities are categorized as part of the client's Corporate Social Responsibility (CSR) initiatives or if they are integrated into their core business model.

The forest maintenance activities are integral to the client's core business operations and not designated as part of their Corporate Social Responsibility. Additionally, the client also engages with external suppliers for wood procurement.

Great. Could you please specify if the client has any objectives or goals in mind for the growth strategy to be proposed?

The client's primary objective is to triple their revenue.

Okay. Could you please provide information on the current segment-wise distribution of revenue for the client? Additionally, the segment-wise growth pattern and if there is a particular segment the client intends on expanding within.

Currently, pulp manufacturing contributes 50% to the revenue, log merchandising 30% and forest maintenance 20%. The growth rates are 4-5% for pulp manufacturing, 1-2% for log merchandising and 3-4% for forest maintenance. You are free to choose any segment for expansion.

Certainly. Given the substantial contribution to revenue and the highest growth trends, focusing on the pulp manufacturing business unit is a strategic choice for the growth strategy. We can develop a comprehensive plan to maximize growth and capitalize on the existing strengths within this segment. Could you provide insights into the current customer base of the client, including key demographics and any specific characteristics that define their customer profile?

The client currently operates in India, with a pan-India presence. There is no specific differentiation based on states. They serve customers across the country.

Okay great. Does the client have any intentions or plans to expand into international markets in the foreseeable future?

Yes, the client has an interest in expanding its operations to international markets.

Certainly. Leveraging the existing product line to enter international markets could be a strategic approach. By doing so, the client may aim to tap into a larger customer base, facilitating revenue growth through expanded market reach.

Could you provide a list of the specific countries you are considering for market expansion?

Given the relatively lower profit margins and growth trends in Pulp Manufacturing, my preference is to narrow down the list of potential countries for expansion to Southeast Asian nations and those neighboring India.

If the client intends to confine its operations within the national boundaries, what would be the strategy in such a scenario?

Certainly. In the scenario of focusing on domestic growth, we have two viable options:
1. Organic Growth
2. Inorganic Growth

Let's discuss the organic growth strategy first.

The organic growth strategy involves the following steps:
- Achieve growth by outperforming competitors through product or service differentiation or cost reduction. Diversify product offerings by developing high-performance pulps for niche markets like medical textiles, food packaging, or bio composites. The client can also explore technologies to convert pulp into bio-based chemicals, fuels, or materials, expanding market reach and revenue potential. Streamlining the production process through the adoption of advanced technologies and automation can enhance operational efficiency, reduce energy consumption and minimize waste.
- Establish a competitive edge through improved distribution channels and innovative product designs. The client can look for various options for closed-loop systems where wood byproducts are reused or converted into bio-based products, generating additional revenue streams and enhancing sustainability.

That's great. Please tell more on the inorganic strategy.

The flow of the inorganic strategy follows the subsequent path:
- Pursue growth through acquisitions or partnerships. The client can look out for forming strategic alliances with key players in the supply chain, such as forestry companies or distribution partners, which can enhance market reach and operational synergies.
- Consider two main strategies: horizontal integration – The client can join forces with another pulp manufacturer of similar size and capabilities to create a larger, more competitive entity with increased bargaining power and economies of scale. Vertical integration – The client can acquire companies involved in upstream (forestry) or downstream (paper production) segments of the value chain to gain better control over quality, costs and market access.

Great. That concludes our discussion on the case. We can consider it closed.

CASE ANALYSIS | GROWTH | PULP MANUFACTURING

Your client is an Indian company operating across multiple businesses. With consistent growth over the past five years, they now approach you as a consultant to formulate a 10-year growth strategy.

Objective

The client's primary objective is to triple their revenue.

Interviewee Notes

- Clear preference for focusing on Pulp Manufacturing for strategic growth.
- Existing customer base nationwide with no state-wise differentiation.
- Client expresses interest in international market expansion.

Case Facts

- Three business Segments: Pulp Manufacturing, Log Merchandising and Forest Maintenance.
- Pulp Manufacturing segment is growing at 4%-5% annually, the other two segments are growing at 1%-4% annually.
- Nationwide presence in India, pan-India operations.

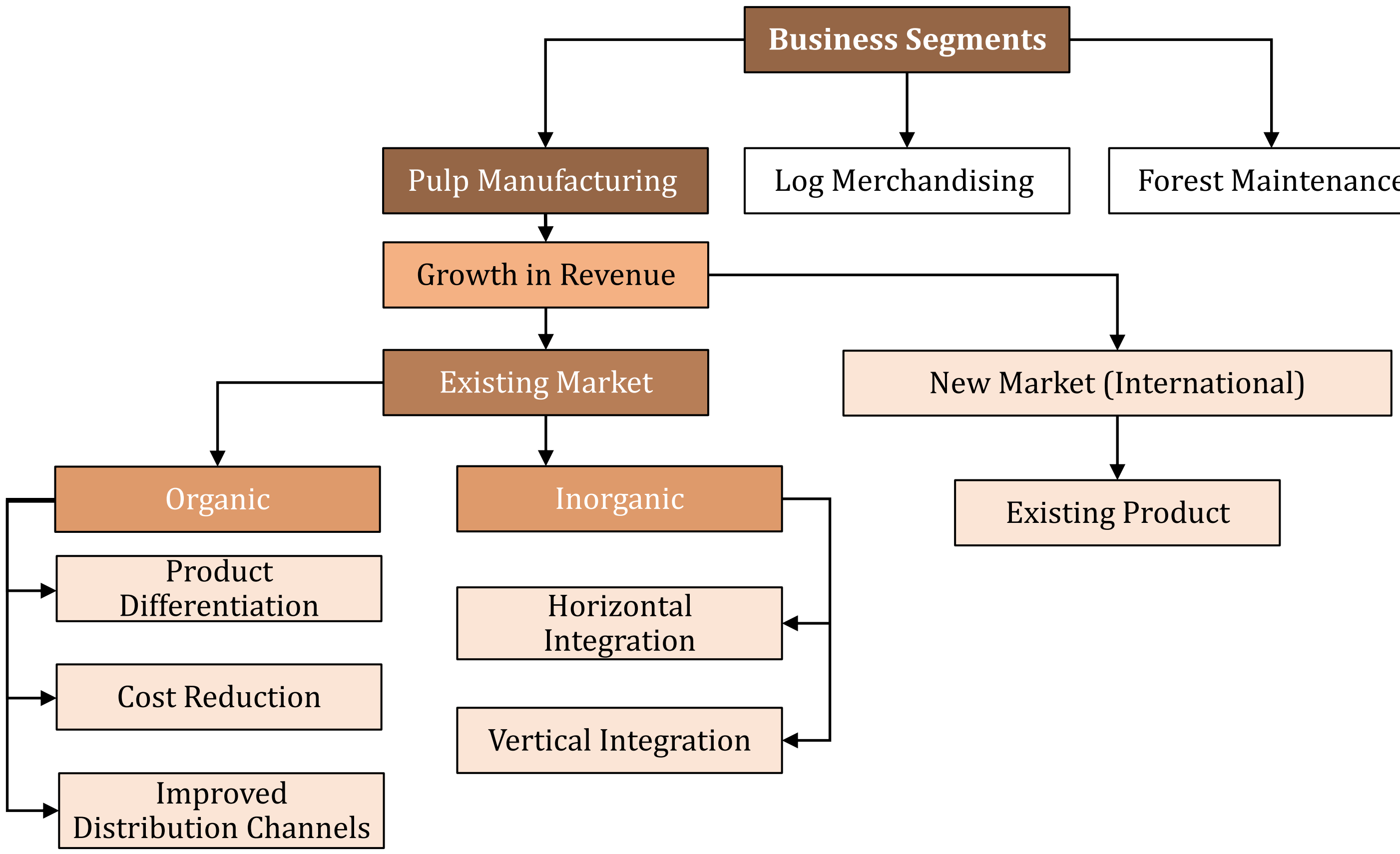
Suggestions

- Leverage existing product line for international entry.

Domestic Growth Strategy:

- The organic growth strategy involves outperforming competitors, diversifying products, adopting technology, optimizing operations and establishing a competitive edge for sustainability.
- If pursuing inorganic growth, consider acquisitions or partnerships, forming alliances and exploring horizontal or vertical integration strategies for competitiveness.

Approach / Framework



Your client, a leading Indian insurance company, is facing declining revenues and profits due to a drop in premium renewals especially in the motor insurance segment. Many customers are not renewing their policies, citing reduced car usage as the reason. How can you help the client address this issue?

Okay, to reiterate, there has been a loss in revenue due to a drop in renewals. People are not using their cars as much, so is it fair to say that they are not renewing their insurance mainly because of this reason?

They feel that since they are not using their cars as much, it's not worth paying the high premium fees for the entire year, as they would only be using the car for a much shorter period. So, this is directly related to car usage.

So, I guess this issue would be the same for other companies and competitors as well, right?

Yes, you're correct. This is a phenomenon being observed across the entire industry and it's a significant problem.

Has the company already considered any potential solutions, or are they open to new suggestions and ideas?

The company currently wants to retain these customers and is looking to develop a value proposition that will appeal to both the customers and help generate some revenue for the company.

I'm considering a pay-as-you-use model. In this model, customers would only pay for the time they use their cars, rather than for the entire year.

This model has been successful in other countries, so I believe it could help the company generate better revenues while addressing customer concerns.

Yes, you're correct. The company has been considering moving forward with something like this. Since it's an innovation, they'd be glad to pursue it. Do you have any ideas on how we could go about implementing this?

Yes, to move ahead, I can think of two strategies: organic and inorganic. For the inorganic strategy, the company would need to form some partnerships like joint ventures, mergers, franchising, outsourcing etc. Are you aware of any companies currently involved in similar models? And is the company open to any partnerships and other collaborations for this initiative?

Currently, there are no Indian companies doing something like this and the company doesn't plan to pursue any acquisitions or partnerships yet. In fact, it would prefer to go in a different direction.

Okay, so we can proceed with the organic strategy and leverage in-house capabilities. To understand it better, I'd like to know if the company has the necessary resources, such as data analytics, advanced modelling and other relevant capabilities, to support this initiative.

Correct, the company currently has a suite of advanced data analytics tools, predictive analytics and has integrated artificial intelligence into its platforms. It also has a robust mobile application platform and aims to leverage these resources as part of this product development.

Since the company has all these tech resources, I have a few ideas. One feature could be instant insurance through image uploads. Customers could take a picture of their vehicle, upload it and receive insurance coverage. To detect fraud, we can use AI-based image recognition systems to validate the image. This technology could also be applied to claim settlements, where customers upload images of possible damage, and the system uses AI to verify the authenticity of the claim and process it efficiently.

That sounds good. Can you identify any potential challenges associated with implementing this, such as technical, customer-related, or operational hurdles?

Yes, there are a few challenges. Given the high potential for fraud, we'll need to invest heavily in a robust fraud detection system. Additionally, as this is new technology, the model will require extensive training, which involves advanced programming. It may also require manual intervention in the initial stages, as fine-tuning the system will take time.

That sounds good. We can close the case here. Thank you.

CASE ANALYSIS | GROWTH | CAR INSURANCE

Your client is a leading Indian insurance company experiencing declining revenues and profits due to a drop in motor insurance premium renewals. The client wants to identify strategies to improve renewal rates, retain customers and sustain profitability in this changing market landscape.

Objective

Enhance motor insurance renewal rates and retain customers.

Interviewee Notes

- Declining revenues and profits due to reduced premium renewals in the motor insurance segment.
- Customers cite reduced car usage as the main reason.
- Industry-wide problem, not just specific for the client.
- Prefers an organic approach (no partnerships or acquisitions).
- Strong tech capabilities (data analytics, AI, predictive modeling)

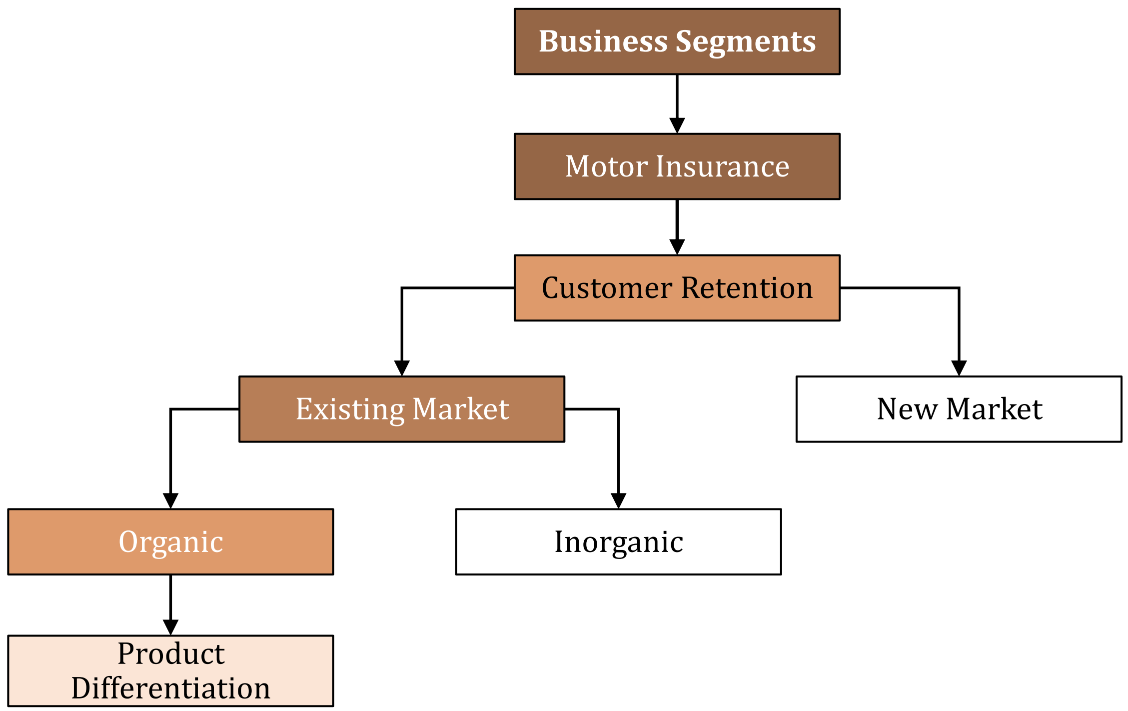
Case Facts

- Many customers are not renewing their policies because they feel it's not worth paying high premiums for a full year when they are using their cars less frequently.
- The issue is not unique to the client but is being observed across the entire industry.
- Company wants to focus on customer retention in existing markets.

Suggestions

- Implement a pay-as-you-use model for motor insurance, leveraging the company's existing technology resources such as AI, predictive analytics and mobile platforms.
- This model would allow customers to pay premiums based on actual car usage rather than a fixed annual fee, addressing their concerns about paying for unused coverage.
- Offer on-demand activation and deactivation via the mobile app to enhance convenience.
- Incorporating features like instant insurance via image uploads and AI-powered fraud detection.

Approach / Framework



Your client is Myntra and requested for a medium-term strategy for 4-5 years. The client is keen to hear your assessment on how they can solidify their position as the leading online fashion destination in India, while also maintaining healthy profitability.

Good day. I understand you're seeking advice on Myntra's medium-term strategy for the next 3-5 years. Are there specific objectives in mind of the client?

Yes, their dual objective is growth and improving profitability.

Myntra has enjoyed phenomenal growth, but the fashion e-commerce landscape is constantly evolving. To stay ahead, let's break down the strategy into four key areas:

- Customer Acquisition: Expanding reach beyond metro cities and attracting new customer segments.
- Customer Retention: Fostering brand loyalty and repeat purchases.
- Basket Size and Order Frequency: Encouraging customers to buy more, more often.
- Cost Optimization and increased profitability: Identifying and streamlining operations to improve profitability.

Excellent framework. Let's start with customer acquisition. The client has seen some success with influencer marketing and social media campaigns, but reaching new demographics, particularly in smaller towns, remains a challenge.

Indeed. Myntra's trendy and youthful image might not resonate well in tier-II and tier-III cities. The client could explore collaborations with regional influencers and celebrities, or even partner with local boutiques to offer a curated selection of Myntra styles.

Interesting. What about customer retention? They have a loyalty program, but engagement could be improved.

Absolutely. Consider personalizing the program, offering exclusive deals and early access to sales based on individual preferences and purchase history. The client could also gamify the experience with points, badges and rewards for social sharing and brand advocacy.

I like the gamification idea. It aligns well with the client’s younger customer base. Now, onto basket size and order frequency. Discounts and promotions seem to be the main driver currently, but client want to move beyond that.

Agreed. Focus on building a strong content strategy with engaging fashion shoots, styling tips and trend guides. This can inspire customers to experiment and add more items to their carts. Offer curated collections and outfit recommendations based on individual preferences and purchase history.

That makes sense. Client have a vast amount of customer data; they need to leverage it better to personalize the shopping experience. Now pls explain the last part.

Precisely. Now, regarding cost optimization and profitability, let's analyse the client’s biggest expense heads. Marketing and logistics are likely significant factors.

Yes, marketing campaigns and delivery costs eat into the client’s margins.

Optimizing ad targeting and influencer partnerships can bring down marketing costs. For logistics, explore partnerships with regional couriers and fulfilment centres to improve efficiency and reduce last-mile delivery costs. Drawing lessons from Walmart's supply chain efficiency, as the client is now a part of the Walmart group, could enhance their operational efficiency.

Those are concrete suggestions. Any other strategy you can think of and please tell the factors that have to be kept in mind while executing.

Considering expanding into private label brands is a good option. Private label can be a good strategy to control margins and offer unique products. However, ensure the private label offerings cater to the client's core customer segments and complement the existing brand identity.

Great. Finally, any external factors client should consider?

Competition from established players like Amazon and Reliance Jio is always a concern. Additionally, the Indian fashion market is highly fragmented, with numerous small brands and online retailers emerging. Stay agile and adaptable to cater to changing trends and customer preferences.

Myntra is primarily known for its mass-market appeal and fast-fashion offerings. Entering the B2B and high-end segments requires establishing a distinct brand identity that resonates with luxury and exclusivity. What can be the potential solutions you can provide.

Some of them are:-

- Create a dedicated platform within Myntra showcasing premium brands, exclusive collections and designer collaborations.
- Collaborations with established players
- Content marketing and storytelling
- Omnichannel experience: Provide a seamless omnichannel experience for B2B and high-end customers. Offer virtual showrooms, 3D product views and personalized styling consultations.
- Technology and security: Invest in robust security measures to ensure data privacy and brand protection of B2B clients and high-end brands.

That concludes our discussion on the case. We can consider it closed.

Your client is Myntra and requested for a medium-term strategy for 4-5 years. The client is keen to hear your assessment on how they can solidify our position as the leading online fashion destination in India, while also maintaining healthy profitability.

Objective

The client's objective is growth and improving profitability.

Interviewee Notes

- Four key strategy areas outlined: Customer Acquisition, Customer Retention, Basket Size and Profitability.
- External factors considered: Competition from Amazon and Reliance Jio, evolving fashion market dynamics.
- Expansion into B2B and high-end segments discussed, requiring a distinct brand identity and omnichannel experiences.

Case Facts

- Myntra, known for mass-market and fast-fashion.
- Venturing into B2B and high-end demands a unique brand identity.
- Intense competition from Amazon and Reliance Jio.
- Indian fashion market marked by high fragmentation.

Suggestions

- Collaborate with regional influencers for customer acquisition in smaller towns. Personalize the loyalty program and gamify the experience for customer retention.
- Focus on content strategy to inspire larger basket sizes and frequent orders.
- Enter B2B and high-end segments with a dedicated platform, collaborations, content marketing, omnichannel experience and robust security measures.

Approach / Framework

Customer Acquisition	Expanding reach beyond metro cities and attracting new customer segments.
Customer Retention	Fostering brand loyalty and repeat purchases.
Increasing Basket Size and Order Frequency	Encouraging customers to buy more, more often.
Cost Optimization and increased profitability	Identifying and streamlining operations to improve profitability.

Our client is a plastic manufacturer based in the USA, with all its operations located domestically. They produce a wide range of plastic goods, from plates to chairs, at their plant. However, they are now considering outsourcing their manufacturing to China to focus primarily on logistics and supply chain operations in the USA. Analyze the situation and suggest whether the client should proceed with outsourcing manufacturing to China.

Understood. To begin, can you clarify the primary reason for considering outsourcing to China?

The primary reason is to reduce manufacturing costs while shifting the focus to logistics operations.

Got it. Can you provide insights into your competitive landscape? Are there any pricing or demand pressures from the market?

Yes, there is significant pricing pressure from competitors. Additionally, while demand for plastic goods is increasing, customers are reluctant to buy our products due to high prices.

Understood. What do your customers prioritize more—quality or affordability?

Customers prefer both high quality and reasonable prices. However, our Chinese manufacturing partner has assured us that the quality of production in China will be the same as in the USA.

That's helpful. Have any of your competitors outsourced their manufacturing to China? Also, has your company previously outsourced manufacturing within the USA or to any other country?

No, neither we nor our competitors have outsourced manufacturing before. All production has been handled in-house.

Understood. Based on the details provided, I will focus on two major cost components:

- Fixed Costs – This includes machinery, rent and overhead costs.
- Variable Costs – This includes labor, raw materials and utilities.

Additionally, outsourcing to China introduces other cost factors, such as shipping expenses and import duties. I will compare the total costs for both manufacturing locations. Does that sound like the right approach?

Yes, please proceed.

To make a cost comparison, could you provide the manufacturing cost breakdown for both the USA and China?

Certainly. Below are the cost components for both locations:

Cost	USA	China
Fixed	10 Cents / Pound	6 Cents / Pound
Variable		
Labour Cost	30 Cents / Pound	0.24 Cents / Pound
Raw Materials	50 Cents / Pound	40 Cents / Pound
Utilities	5 Cents / Pound	7 Cents / Pound
Logistics	5 Cents / Pound	5 Cents / Pound
Shipping Cost	NA	6000$ per 4000 Pounds
Import Duty	NA	25% of COG

Analyzing the provided cost structure, the USA's cost structure consists of a fixed cost of 10 cents per pound, labour costs of 30 cents per pound, raw materials at 50 cents per pound, utilities at 5 cents per pound and logistics at 5 cents per pound, bringing the total to 100 cents per pound.

In contrast, manufacturing in China involves a fixed cost of 6 cents per pound, labour cost of 0.24 cents per pound, raw materials at 40 cents per pound, utilities at 7 cents per pound and logistics at 5 cents per pound, summing up to 58.24 cents per pound before additional costs. Adding a shipping cost of $6,000 per 4,000 pounds, which translates to 1.5 cents per pound, the cost increases to 59.74 cents per pound. Furthermore, an import duty of 25% on the Cost of Goods (COG)—which amounts to 14.56 cents per pound—brings the final total cost in China to 74.675 cents per pound.
Before proceeding with a recommendation, would it be possible to reduce the manufacturing capacity of your USA plant?

Yes, we can reduce the current manufacturing capacity by up to 50%.

I recommend a 60-40 hybrid approach, where the company outsources 60% of manufacturing to China while retaining 40% in-house. This strategy helps reduce the per-pound manufacturing cost from 100 cents to 74.675 cents, benefiting from lower labour and raw material costs in China while maintaining domestic production as a safeguard against risks like shipping delays, geopolitical tensions and supply chain disruptions. Import duties (25%) and shipping costs may fluctuate, impacting cost savings. Downsizing the U.S. plant could lead to worker layoffs and underutilized machinery, making it harder to scale up if demand rises.
To implement this successfully, the company must optimize supply chain management, negotiate strong contracts with the Chinese manufacturer for quality and plan workforce adjustments carefully. This balanced strategy ensures cost savings while maintaining operational flexibility and resilience.

That sounds like a well-balanced strategy. Thank you for the solution, we can conclude the case now.

CASE INTERVIEW | GROWTH | OUTSOURCING

Your client is a Plastic Goods Manufacturer in USA. They are now considering outsourcing their manufacturing to China to focus primarily on logistics and supply chain operations in the USA.

Objective

The client wants to outsource their manufacturing to China to focus on logistics and supply chain operations.

Interviewee Notes

- Two major cost components to compare the manufacturing in both countries will be fixed and variable costs.
- Additionally, outsourcing to China introduces other cost factors, such as shipping expenses and import duties.
- A 60 - 40 hybrid approach will be used for manufacturing in China & USA respectively.

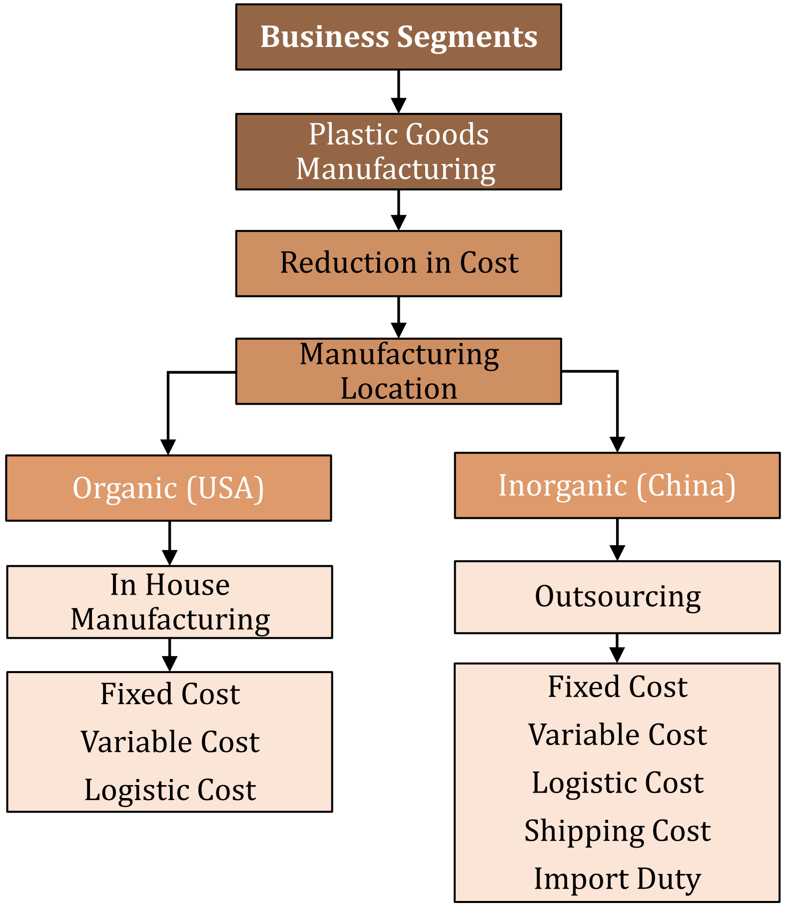
Case Facts

- The primary reason is to reduce manufacturing costs while shifting the focus to logistics operations.
- There is significant pricing pressure from competitors and demand for plastic goods is increasing.
- Customers prefer both high quality and reasonable prices.
- Neither the client nor their competitors have outsourced manufacturing before. All production has been handled in-house.
- The client can reduce the current manufacturing capacity by up to 50%.

Suggestions

- A 60-40 hybrid approach is recommended, where the company outsources 60% of manufacturing to China while retaining 40% in-house.
- This helps them maintain domestic production as a safeguard against risks like shipping delays, geopolitical tensions and supply chain disruptions.
- To implement this successfully, the company must optimize supply chain management, negotiate strong contracts with the Chinese manufacturer for quality and plan workforce adjustments carefully.

Approach / Framework



DUE DILIGENCE

Due diligence entails a thorough investigation or audit carried out by the acquiring firm to verify in detail the specific areas and heads of the target company. It is used to assess target company's suitability, risks and opportunities associated with the acquisition, business transaction, investment, or decision.

Financial Due Diligence

- Review financial statements including income statements, balance sheets and cash flow statements, to assess the company's financial health.
- Analyze historical financial performance, revenue growth, profitability and cost structure. Assess the target company's debt obligations, outstanding loans and financial liabilities.

Operations and Supply Chain

- Examine the target company's production processes, supply chain management and inventory levels. Review contracts with suppliers.
- Evaluate the company's manufacturing facilities, equipment and maintenance records.

Sales and Marketing

- Analyze the company's customer base and distribution channels, sales and marketing strategies, including customer acquisition costs.
- Review customer contracts, focusing on customer retention rates. Evaluate the brand reputation and positioning in the market.

Human Resources:

- Review the department's organizational structure and staffing levels, assess the quality of the workforce, turnover rates.
- Analyze compensation and benefit programs and evaluate the company's compliance with employment laws and regulations.

Technology and IT Systems

- Evaluate the target company's IT infrastructure, including hardware, software and data security measures and assess the condition of IT systems and any potential technology risks. Review software licenses, technology contracts and ongoing IT projects.

Legal and Compliance

- Examine all legal agreements, contracts and pending litigation cases, company's intellectual property portfolio and any issues related to patents, trademarks, or copyrights. Review regulatory compliance records, licenses, permits and any history of regulatory violations.

Environmental and Sustainability

- Assess compliance with environmental regulations and any potential environmental liabilities considering emission, pollution levels, reuse, recycle refurbish stages. Consider the company's sustainability initiatives and corporate social responsibility efforts.

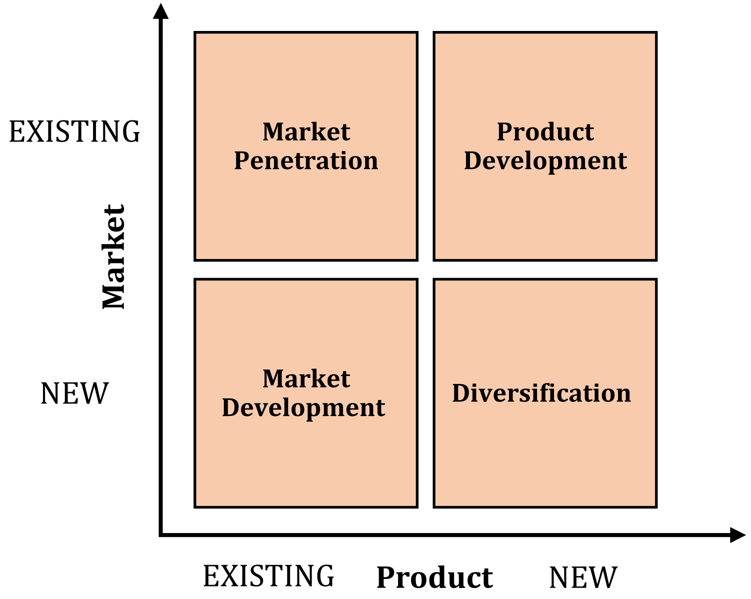
Customer Service and Support

- Analyze customer service processes and assess customer satisfaction levels. Review customer service contracts and agreements.

GROWTH FRAMEWORKS (ANSOFF MATRIX & BCG MATRIX)

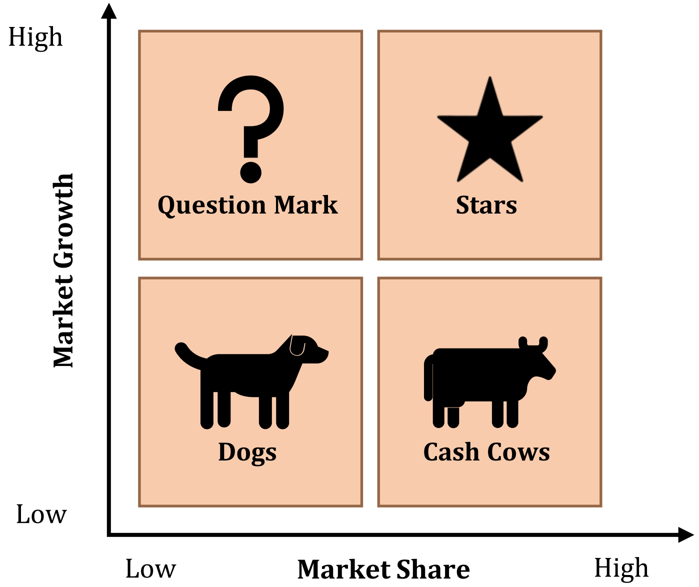
Ansoff Matrix

Ansoff Matrix is a two-by-two strategic planning matrix that helps businesses identify and evaluate growth opportunities by mapping out four different growth strategies.



Growth Strategy	Description	Risk
Market Penetration	Selling more of your existing products or services to your existing customers	Low
Product Development	Developing new products or services for your existing customers	Medium
Market Development	Selling your existing products or services to new customers	High
Diversification	Developing new products or services for new customers	Very High

BCG Matrix



The Boston Consulting Group growth-share matrix, is a strategic planning tool utilized by businesses to effectively distribute resources and make informed decisions regarding their product lineup. This two-dimensional matrix, aligns the rate of market growth with the relative market share of a company's business units.

- **Question Mark:** Products that have a high market growth rate but a low market share. They are typically not profitable, but they have the potential to become stars if they can increase their market share.
- **Stars:** Products that have a high market growth rate and a high market share. They are typically the most profitable products in a company's portfolio.
- **Dogs:** Products that have a low market growth rate and a low market share. They are typically not profitable.
- **Cash Cows:** Products that have a low market growth rate and a high market share. They are typically very profitable, but they do not require a lot of investment.

4P's of Marketing

- For a product to be properly marketed, four key considerations need to be thoughtfully analyzed and acted upon in the right way.
- The four Ps are referred as the marketing mix. These measures include several factors which are taken into consideration when the product is marketed, such as what consumers require, how they meet or do not satisfy those wants, perception in the marketplace, differentiations from competitors and relations between them and their customers.
- All four Ps of marketing play a role in value creation. By creating a product that customers value, setting a fair price, communicating the value of the product effectively and making it easy for customers to buy, businesses can maximize their chances of success.

Product	The design, development, & production of the product or including other features that makes the offering unique.
Price	The price at which consumers will buy the product con sidering product's perceived value.
Promotion	To communicate to the audience that the product is essential and is priced appropriately using overall media strategy.
Place	Considering where the product should be sold, offline stores or online and how it will be displayed.

5C's of Marketing

- 5Cs Analysis is the marketing framework to analyze an environment in which a company works.
- It can help to understand the main drivers of success, as well as risk exposures in different environmental factors.

Company
• To understand the company, its essential to identify sustainable competitive advantage of the company, which can be done using VIRO model.
Customers
• The potential customers that a company can reach to for its products. • It can be divided into Total Available Market (TAM), Serviceable Available Market (SAM) and the Serviceable Obtainable Market (SOM).
Collaborators
• The external entities like suppliers, vendors that enhances or supports a company's ability to provide product and services.
Competition
• To understand the other companies and their strategies working in the same industry and to examine their market share within the industry.
Context
• The external factors in which all the other 4Cs operates. It is most often analyzed with the use of PESTEL model. It provides the areas that may affect a business, but where the business has either no or limited control.

PESTEL ANALYSIS

A PESTEL analysis is a tool used to identify and assess the macro-environmental factors that can affect a business. Each of these factors can have a significant impact on a business, both positive and negative. It can be used to help businesses identify potential risks and opportunities and to develop strategies to mitigate the risks and capitalize on the opportunities.

P	E	S	T	E	L
Political	**Economical**	**Social**	**Technological**	**Environmental**	**Legal**
• Government policies & regulations • Political Stability • Trade Barriers • Taxation policies • Political influences	• Interest Rates • Inflation • GDP • Exchange Rates • Economic Growth • Economic Stability	• Social and cultural trends • Demographics • Consumer behavior • Lifestyle changes • Attitudes and beliefs	• Advances in technology • Innovation and Research & Development • Automation • Digital disruption	• Climate change • Resource Availability • Natural Disasters • Carbon footprint • Sustainability	• Labour laws • Industry specific regulations • Intellectual Prop erty rights • Consumer protection laws

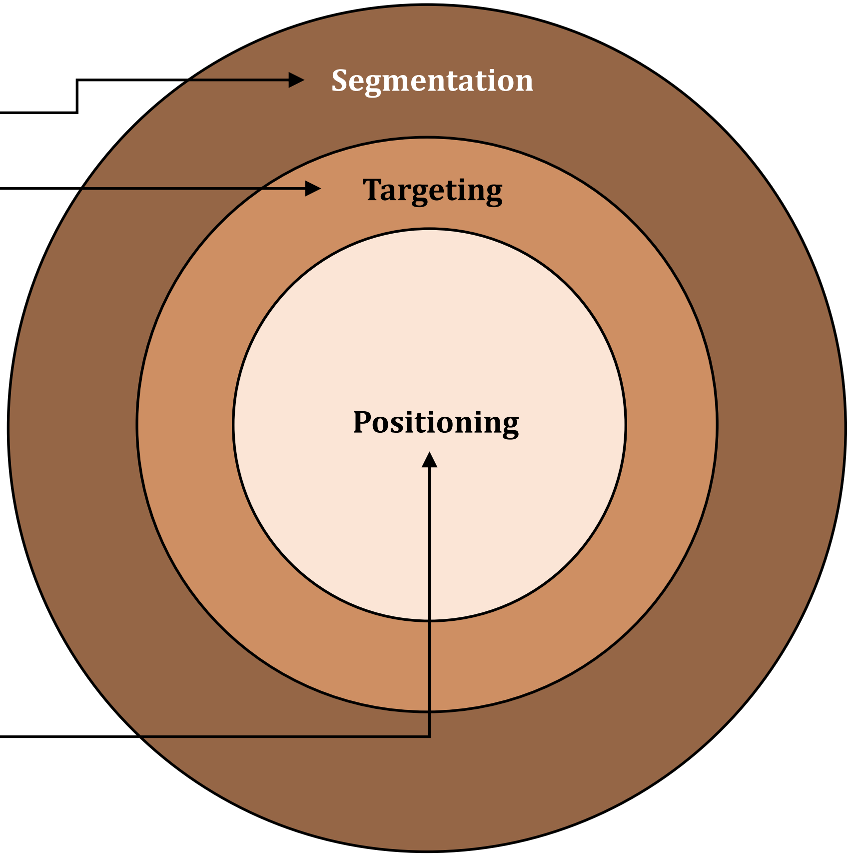
SEGMENTATION TARGETING POSITIONING

STP, which stands for Segmentation, Targeting and Positioning, is a marketing strategy framework. It involves dividing the market into distinct segments, selecting specific target audiences and positioning products or services to meet the unique needs and preferences of those chosen segments. STP helps businesses tailor their marketing efforts for greater effectiveness and customer satisfaction.

Segmentation involves the procedure of breaking down the market into smaller clusters of customers who share common requirements and desires. This division can be achieved by considering a range of factors, including demographics, psychographics and behavioral attributes.

Targeting refers to the process of selecting out one or multiple market segments to concentrate on. The aim of targeting is to select the segments that exhibit the highest likelihood of being interested in a company's offerings and generating profitability.

Positioning is the practice of crafting a distinctive perception for a company's products or services within the minds of its intended audience. The objective of positioning is to differentiate the company's offerings from competitors and establish them as the preferred choice within the target market.



SWOT ANALYSIS

SWOT analysis is a framework used to evaluate a company's competitive position and to develop strategic planning. SWOT stands for strengths, weaknesses, opportunities and threats. While strengths and weaknesses are internal factors and can be worked upon once analyzed, opportunities and threats are considered as external factors.

STRENGTHS

- Strengths are internal factors or attributes that give a competitive advantage or a positive position.
- Example- Strong Brand Reputation, Wide Distribution Network, Excellent Customer Service

WEAKNESSES

- Weaknesses are internal factors that signify areas where the entity lacks or faces challenges.
- Example- High Employee Turnover, High Debt Levels, Weak Brand Image

OPPORTUNITIES

- Opportunities are external factors or situations that can be utilized to benefit the entity.
- Example- Global expansion, Technological Advancements , Falling Raw Material Prices

THREATS

- Threats are external factors that negatively affect or hinder the progress of the organizations.
- Example- Changing Consumer Preferences, Competitive Pressure, Unfavorable Regulatory Changes

4 A'S OF MARKETING

The 4 A's of marketing can be used to guide all aspects of a marketing campaign, from product development to pricing to distribution to advertising. By focusing on these four key elements, businesses can create marketing campaigns that are more likely to be successful.

Acceptability
The product or service must be acceptable to the customer in terms of its features, benefits and price
Affordability
The product or service must be affordable to the customer
Accessibility
The product or service must be accessible to the customer in terms of its availability and convenience
Awareness
The customer must be aware of the product or service

OTHER FRAMEWORKS

VRIO

It is a framework used in strategic management to analyze and evaluate the competitive advantage of a firm's resources and capabilities.

VALUE yes **RARITY** yes **IMITABILTY** yes **ORGANIZED**

Sustained competitive advantage

Organizations can improve their market competitiveness by using VRIO to make educated strategic decisions and spend resources wisely.

AMO

The AMO framework maximizes success by aligning an individual's Abilities with motivating Opportunities and creating an environment that fosters intrinsic Motivation. Bridge any gaps with training, resource allocation, or addressing demotivating factors.

Ability	Motivation	Opportunity
The skills and resources Assess technical, tools and relevant experience.	Gauge intrinsic drive, passion for the goal and commitment to the task.	Evaluate available resources, supportive structures and market demand.

4V's of Data

Mastering the 4V's is the key to turning data into a potent weapon. Prioritize your needs, choose the right tools for each dimension and build a foundation of data integrity for impactful analysis. Remember, the 4V's are not a checklist, but a dynamic interplay – optimize one to strengthen the others.

Volume	Assess storage capacity, processing power and analytical muscle to avoid getting buried under the avalanche.
Variety	Equip yourself with tools to understand each unique language, from text and images to sensor readings and beyond.
Velocity	Ensure your systems can keep pace with the information torrent, leveraging real-time tools and agile response mechanisms to stay ahead of the curve.
Veracity	Analyze data quality, implement robust cleaning processes and address potential biases to ensure your insights are built on a bedrock of reliable information.

GUESSTIMATES

Guesstimates are estimation problems that require individuals to make an educated guess about a quantity or solve a problem with incomplete or limited information. These types of questions are frequently used in job interviews, particularly in fields like consulting, finance and management consulting. Guesstimates evaluate a candidate's ability to think logically, use assumptions effectively and produce reasonable approximations when dealing with uncertainty.

Key Elements in Tackling Guesstimates

- **Logical Structure:** Make sure to organize your approach in a structured manner. The idea is to break down the problem into smaller, more manageable components.
- **Assumptions:** Clearly state your assumptions. This helps the interviewer better understand your thought process and ability to make reasonable assumptions when necessary.
- **Simple Math:** Use basic math and rounded figures to simplify calculations. This helps in arriving at quick and practical estimates.
- **Practice:** Familiarize yourself with common types of guesstimate problems and practice solving them. This will enhance your speed and accuracy during interviews.

Different Strategies to Approach Guesstimates

In guesstimate questions, top-down and bottom-up approaches are different strategies for arriving at an estimate or calculation, used to structure one's thought process in problem-solving.

Top-Down Approach

In a top-down approach, you start with a broad, high-level perspective and progressively narrow down to more specific details. You make assumptions about the overall scenario and then break it down into smaller components.

When to use the Top-Down Approach:

Suitable when you have limited details and need a quick estimate. It's a useful approach when dealing with macro-level questions or scenarios.

For Example: Suppose you're tasked with determining the number of Gillette Shaving Foam users in Delhi. In this case, you would employ a top-down approach.

Bottom-Up Approach

In a bottom-up approach, you start with specific details and gradually build up to a comprehensive estimate. This involves breaking down a complex problem into smaller, more manageable parts and calculating each part individually.

When to use the Bottom – Up Approach:

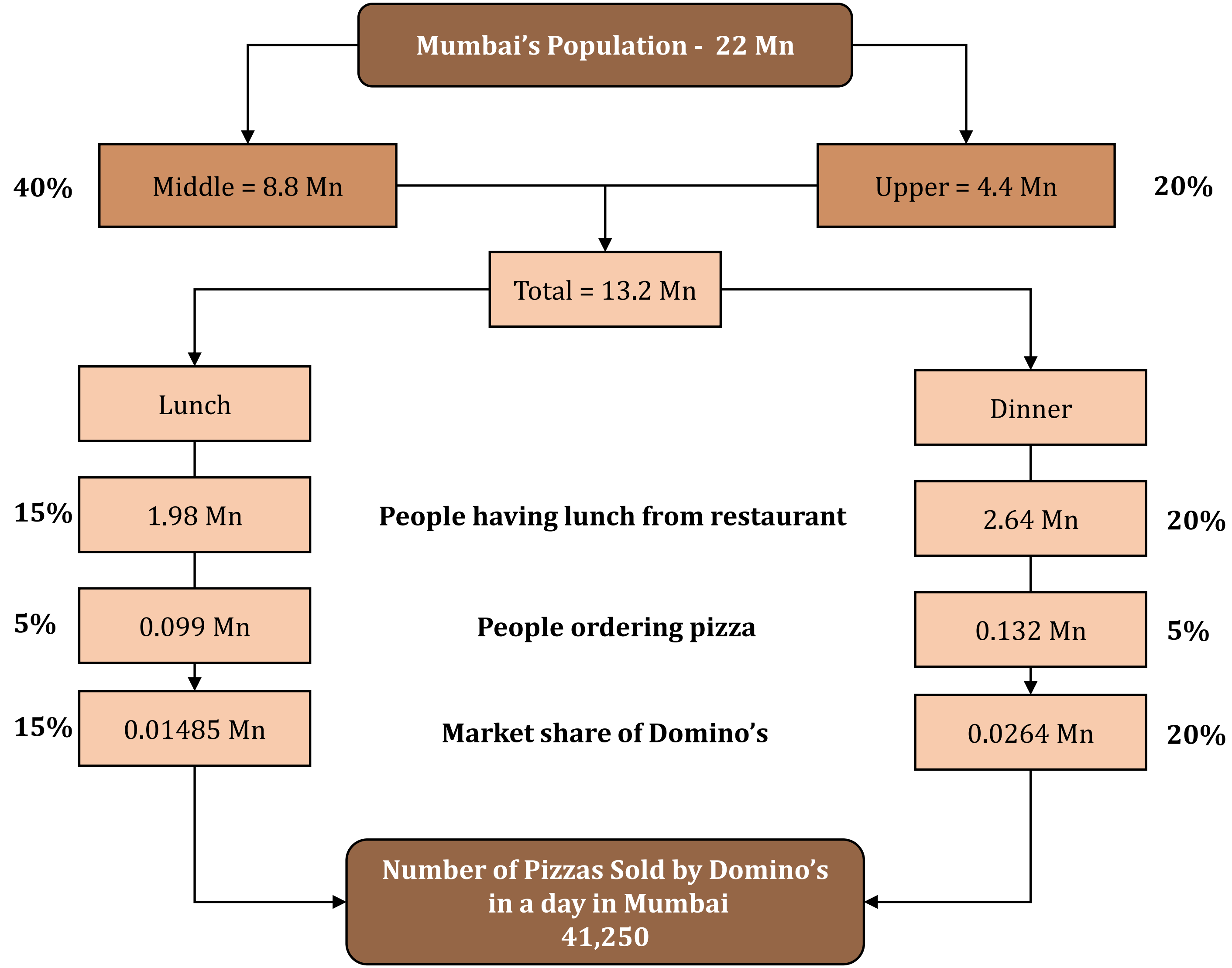
Ideal when you can break down the problem into smaller, more manageable components and have specific data for each component. This approach is often used for micro-level estimation.

For Example: You could estimate an individual's daily spending at a McDonald's outlet. By extrapolating this average to the entire population, you can determine the daily earnings for a McDonald's outlet. This example employs the bottom-up approach.

GUESSTIMATE 1 - Estimate the number of Pizzas sold by Domino's in a day in Mumbai

Facts / Assumptions

1. Population of Mumbai - 22 million (2024).
2. We are assuming the day is a weekday.
3. We are considering daytime orders as Lunch and evening time orders as Dinner.
4. We are assuming that middle to upper class people will be ordering from dominos.
5. People having lunch from restaurants:
   - Lunch - 15%
   - Dinner - 20%
6. People ordering pizza at lunch and dinner - 5%
7. Market Share of Dominos: average - 17.5%



GUESSTIMATE 2 - Estimate Litres of Tea & Coffee consumed daily in Visakhapatnam City

Facts / Assumptions

- Population of Visakhapatnam City (2024): 2 Million (Mn).

Assumption-01 (Percentage have been considered for all individuals who prefer just tea, coffee, both and none)

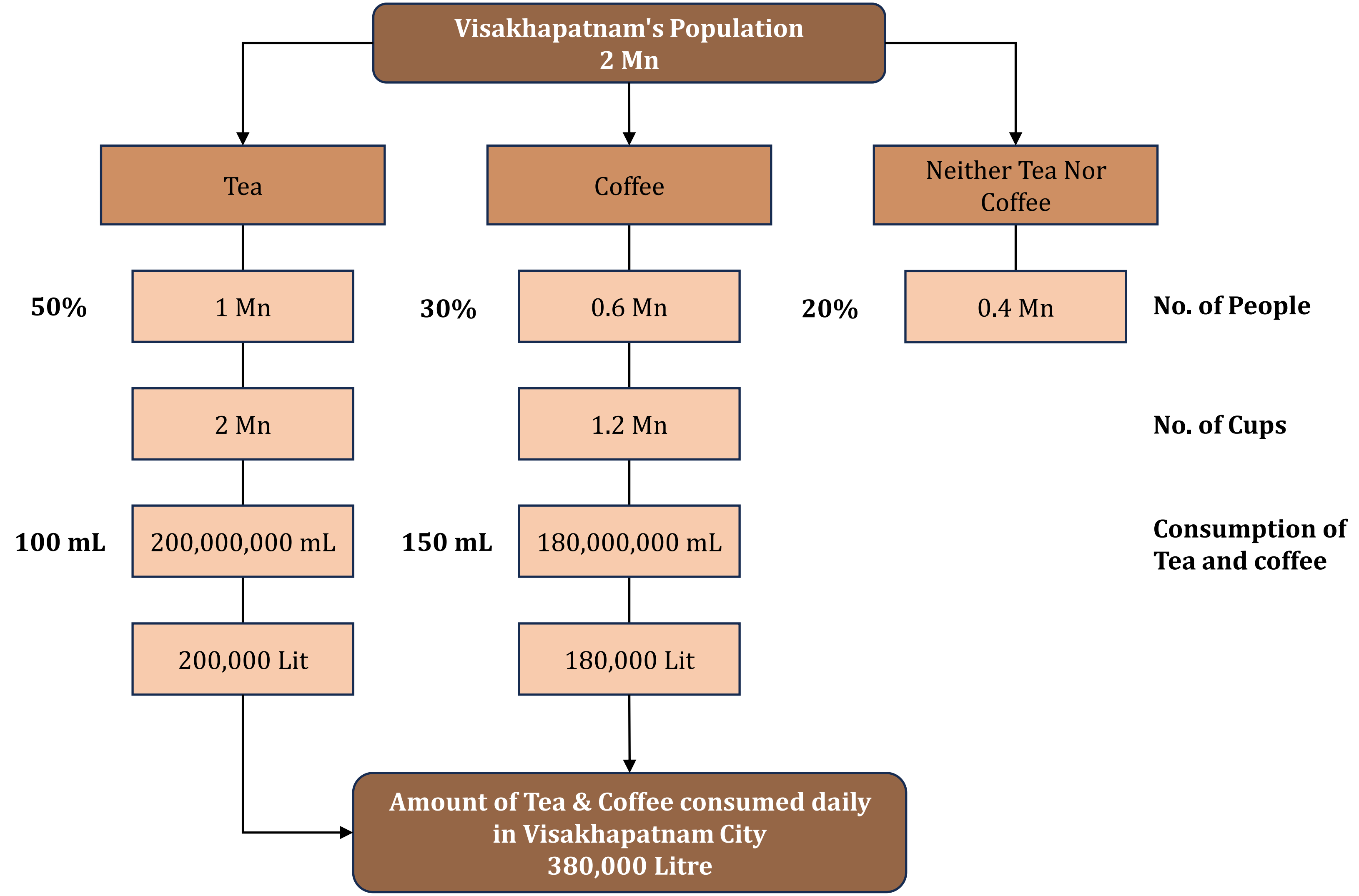
- Percentage of people drinking tea daily: 50%
- Percentage of people drinking coffee daily: 30%
- Neither Tea nor Coffee: 20%

Assumption-02

- Average number of cups of tea/coffee consumed per person daily: 2

Assumption-03

- Average size of a cup of tea: 100 mL
- Average size of a cup of coffee: 150 mL



GUESSTIMATE 3 – Estimate the total number of mangoes produced per acre of land in a year

Facts / Assumptions

1. 1 acre ~ 43,500 square feet
2. Mango trees are planted with a uniform spacing of 30 feet apart in a grid layout.
3. The plantation is evenly distributed across three age groups: Young trees (25%), Mature trees (60%) and Old trees (15%)
4. The estimate is based on a single year of mango production.
5. Assuming Mango trees produce fruit once a year in their fruiting season.
6. Assuming 10% yield loss due to factors like pests, diseases, or unfavorable weather conditions.

Number of Mango trees planted per acre = 43500/(30*30) ~50 trees/acre

Young trees	Mature trees	Old trees
(25%) = 12 trees	(60%) = 30 trees	(15%) =8 trees
Number of mangoes produced per tree = 200	Number of mangoes produced per tree = 400	Number of mangoes produced per tree = 300
Total mangoes produced by young trees = 12*200 = 2,400 mangoes	Total mangoes produced by mature trees = 30*400 = 12,000 mangoes	Total mangoes produced by old trees = 8*300 = 2,400 mangoes
10% yield loss = 240 mangoes	10% yield loss = 1,200 mangoes	10% yield loss = 240 mangoes

Total number of mangoes produced per acre of land = 15,120 mangoes/acre

GUESSTIMATE 4 - Estimate the total number of sedan cars owning households in Mumbai

Facts / Assumptions

- Only for private cars and excluded the slum areas of Mumbai (considering limited space).

Assumption-01 (Based on Income)

- Upper Class: 5%
- Upper Middle Class: 25%
- Middle Class: 40%
- Lower Class: 30%

Assumption-02

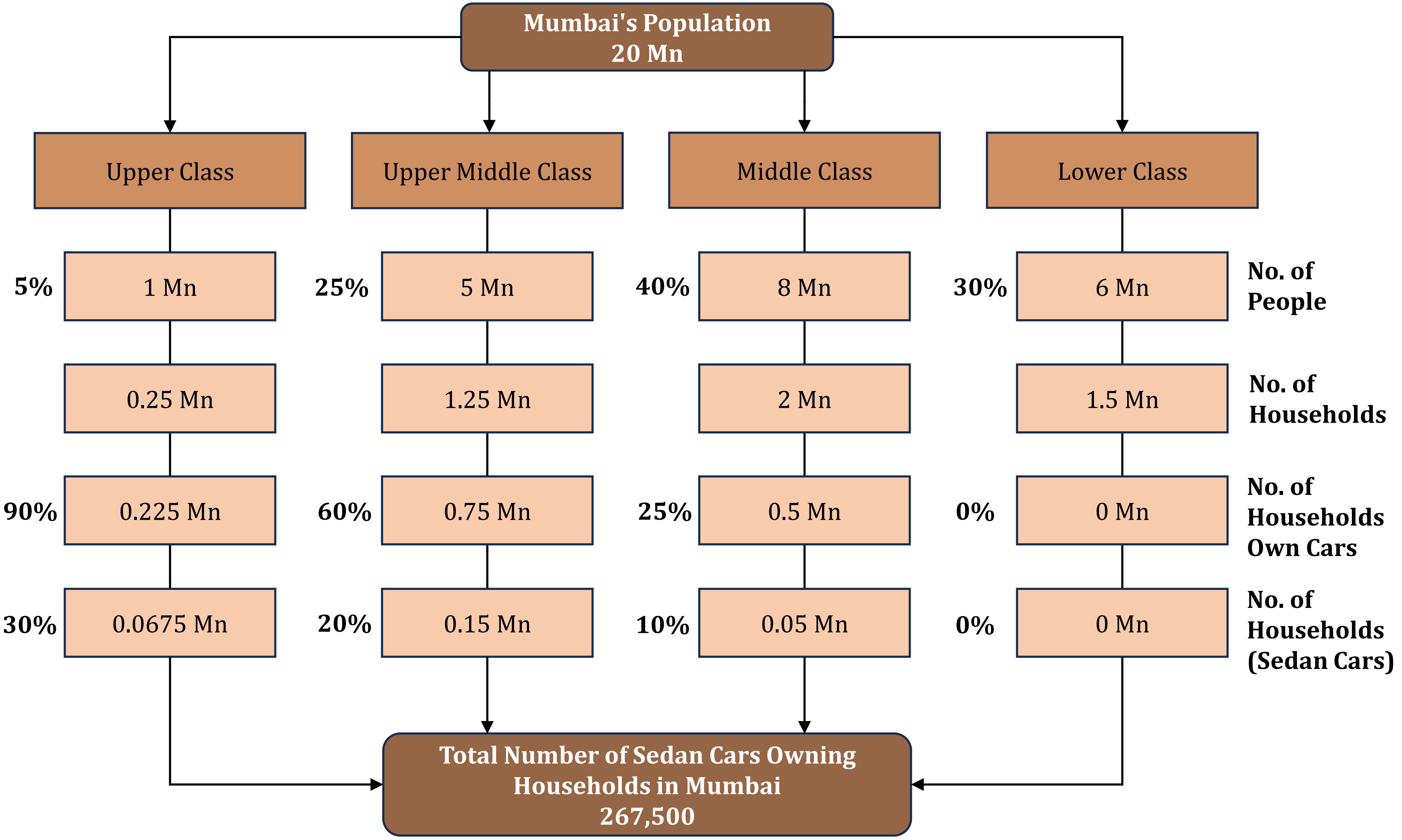
- Average Household size: 4 persons/family

Assumption-03 (Based on Car Ownership)

- Upper Class: 90% of households
- Upper Middle Class: 60% of households
- Middle Class: 25% of households
- Lower Class: 0% of households

Assumption-04 (Sedan Car Ownership)

- Upper Class: 30% of households
- Upper Middle Class: 20% of households
- Middle Class: 10% of households
- Lower Class: 0% of households



GUESSTIMATE 5 - Estimate the total number of Flights Taking Off from Delhi Airport in a Day

Facts / Assumptions

1. Commercial (Domestic and International) Passenger flights only, no Cargo/Military flights
2. All the days in a year are the same irrespective of weekends/ weekdays/festivals/weather.
3. It takes 2 minutes for each flight to clear the runway for takeoff.
4. The airport is operating at maximum capacity of 90% in Peak, 50% in Medium and 33.3% in Low Frequency.
5. Number of runways in Delhi Indira Gandhi International airport - 4, 2 runaways operate parallelly so considering 1 for landing, 1 for takeoff and 3rd, operates for both and 4th runaway has only departure flights (take off) hence, 2.5 runways for takeoff.

Operating hours of airport
24 hours (for 1 runway)

Peak Frequency
(8 hours)

During peak frequency, in an hour,
(60/2)*(9/10) = 27 flights

In 8 hours, during peak frequency, in a day,
27*8 = 216 flights

Medium Frequency
(8 hours)

During medium frequency, in an hour,
(60/2)*(1/2) = 15 flights

In 8 hours, during medium frequency, in a day,
15*8 = 120 flights

Low Frequency
(8 hours)

During low frequency, in an hour,
(60/2)*(1/3) = 10 flights

In 8 hours, during low frequency, in a day,
10*8 = 80 flights

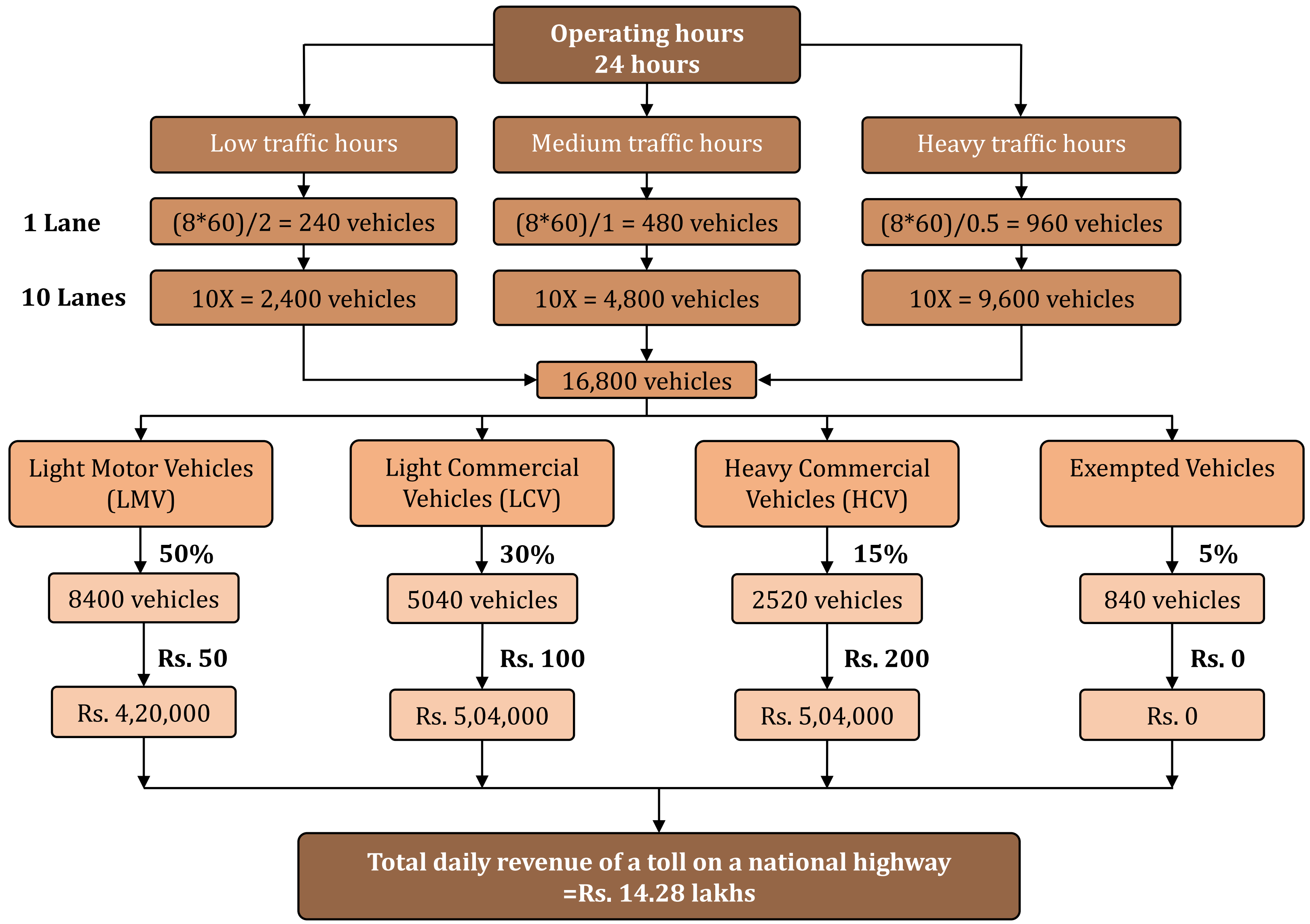
Total number of flights taking off in 24 hours from 1 runaway
216+120+80 = 416 flights

Total number of flights taking off in 24 hours from 2.5 runaway
416*2.5 = 1,040 flights

GUESSTIMATE 6 - Estimate the daily revenue of a Toll on a National Highway

Facts / Assumptions

1. Low traffic means a rate of 1 vehicle / 2 mins for 8 hours.
2. Medium traffic means a rate of 1 vehicle / 1 min for 8 hours.
3. Heavy traffic means a rate of 1 vehicle / 30 secs for 8 hours.
4. The toll has 10 lanes (5+5).
5. LMV, LCV, HCV & Exempted Vehicles (govt. vehicles & emergency services) consists of 50%, 30%, 15%, 5% of vehicles respectively.
6. Monthly passes and 2-way rides are not considered.
7. The estimations are for a weekday.



GUESSTIMATE 7 - Estimate the number of 4-Wheeler License holders in India

Facts / Assumptions

Assumption-01

- Urban Rural division of 3:7

Assumption-02

- Average Household size: 4 persons/family

Assumption-03 (Based on Income)

	Urban	Rural
Upper Class:	10%	10%
Middle Class:	30%	40%
Lower Class:	20%	50%

Assumption-04 (Car Ownership)

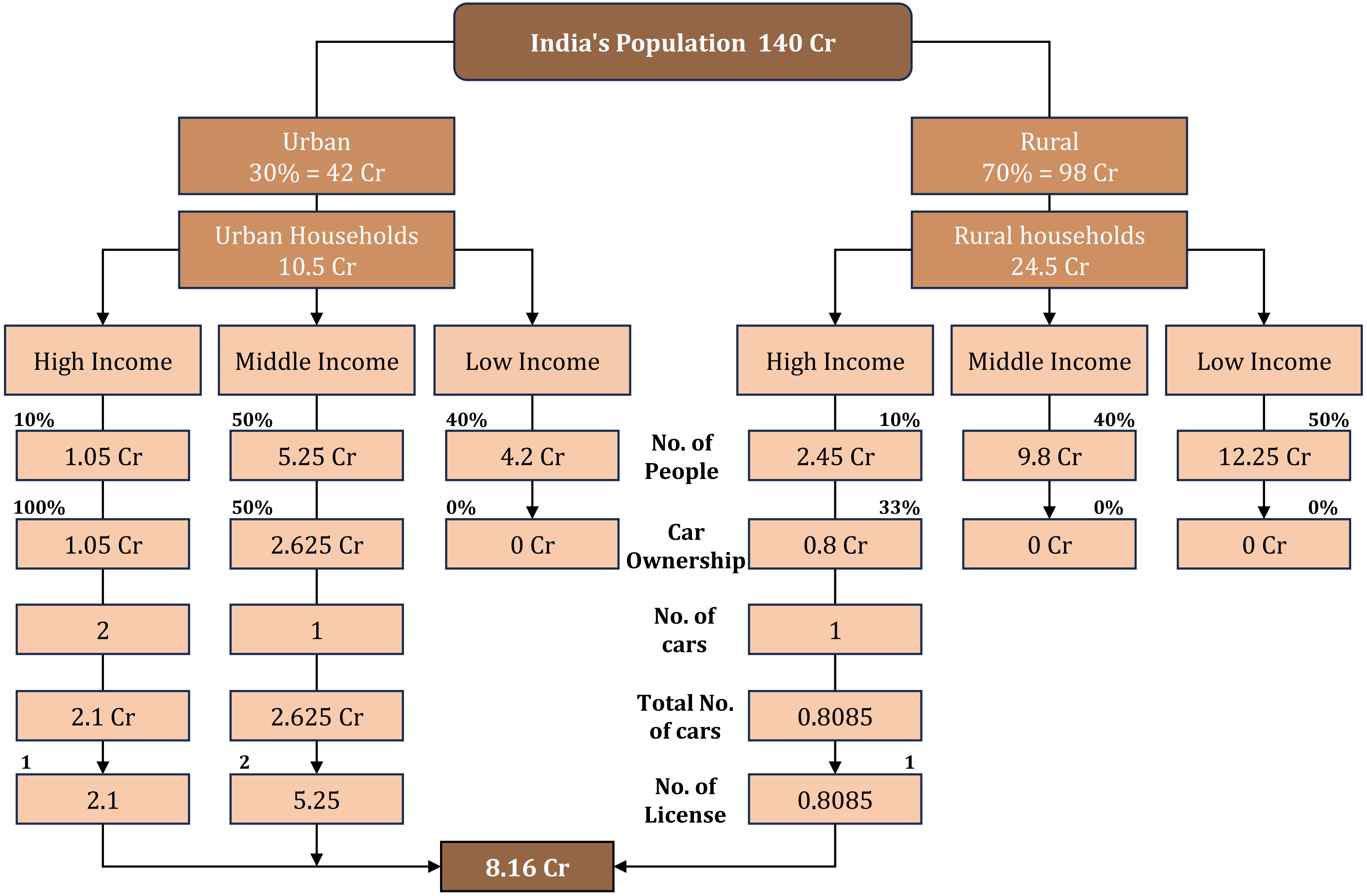
	Urban	Rural
Upper Class:	100%	33%
Middle Class:	50%	0%
Lower Class:	0%	0%

Assumption-05

- Total Number of cars = Households * % of people * car ownership % * No. of Cars

Assumption-05 (License holders per car in a household)

- Urban – High Income : 1, Middle Income : 2
- Rural – High Income : 1



GUESSTIMATE 8 – Estimate the total time spent on Instagram by Indian population in a day

Facts / Assumptions

Assumption-01

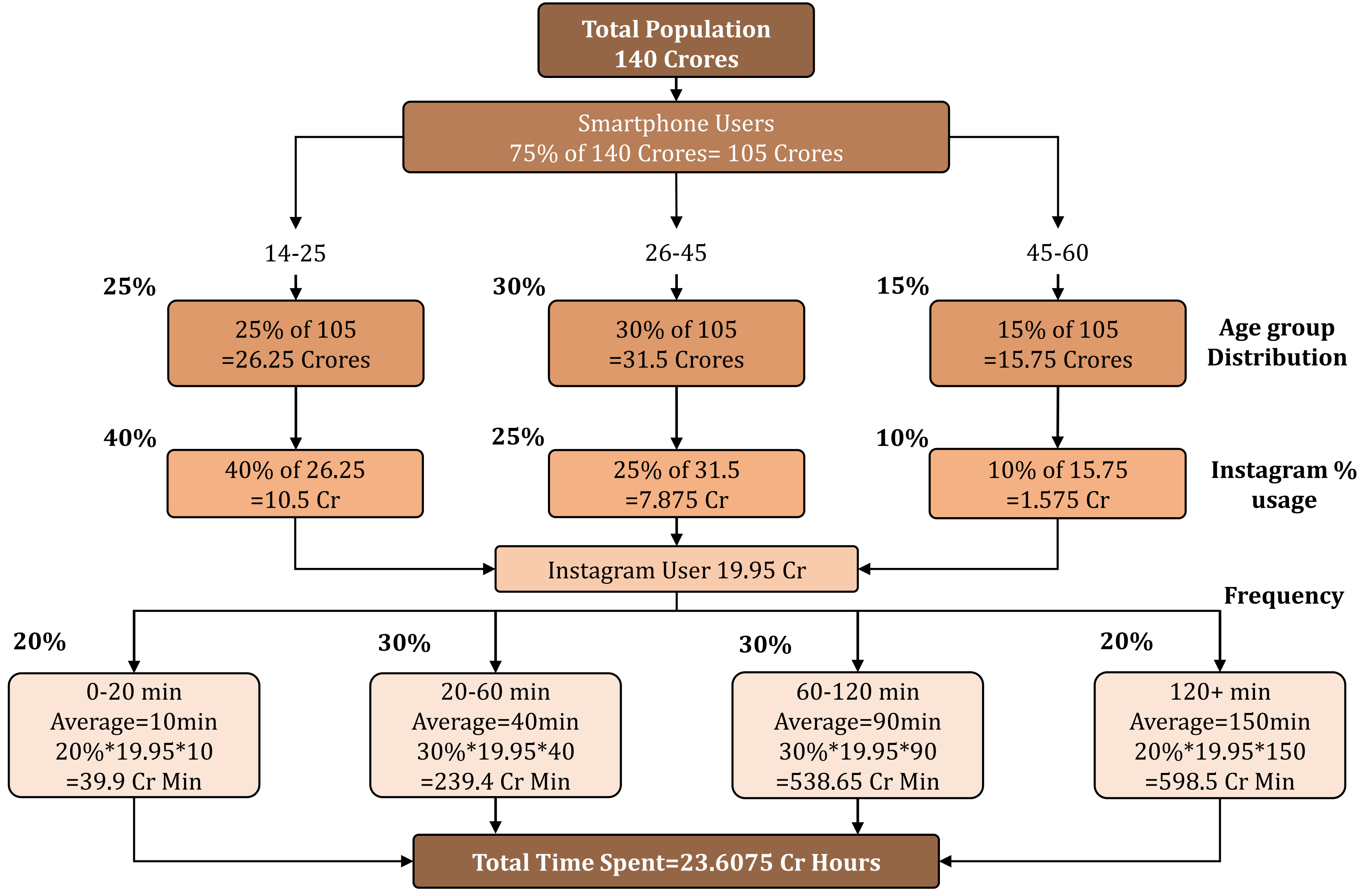
- Smartphone Penetration= 75%

Assumption-02

Age Group	Age Group Distribution	Instagram Usage %
14-25	25%	40%
26-44	30%	25%
45-60	15%	10%

Assumption-03 (Frequency)

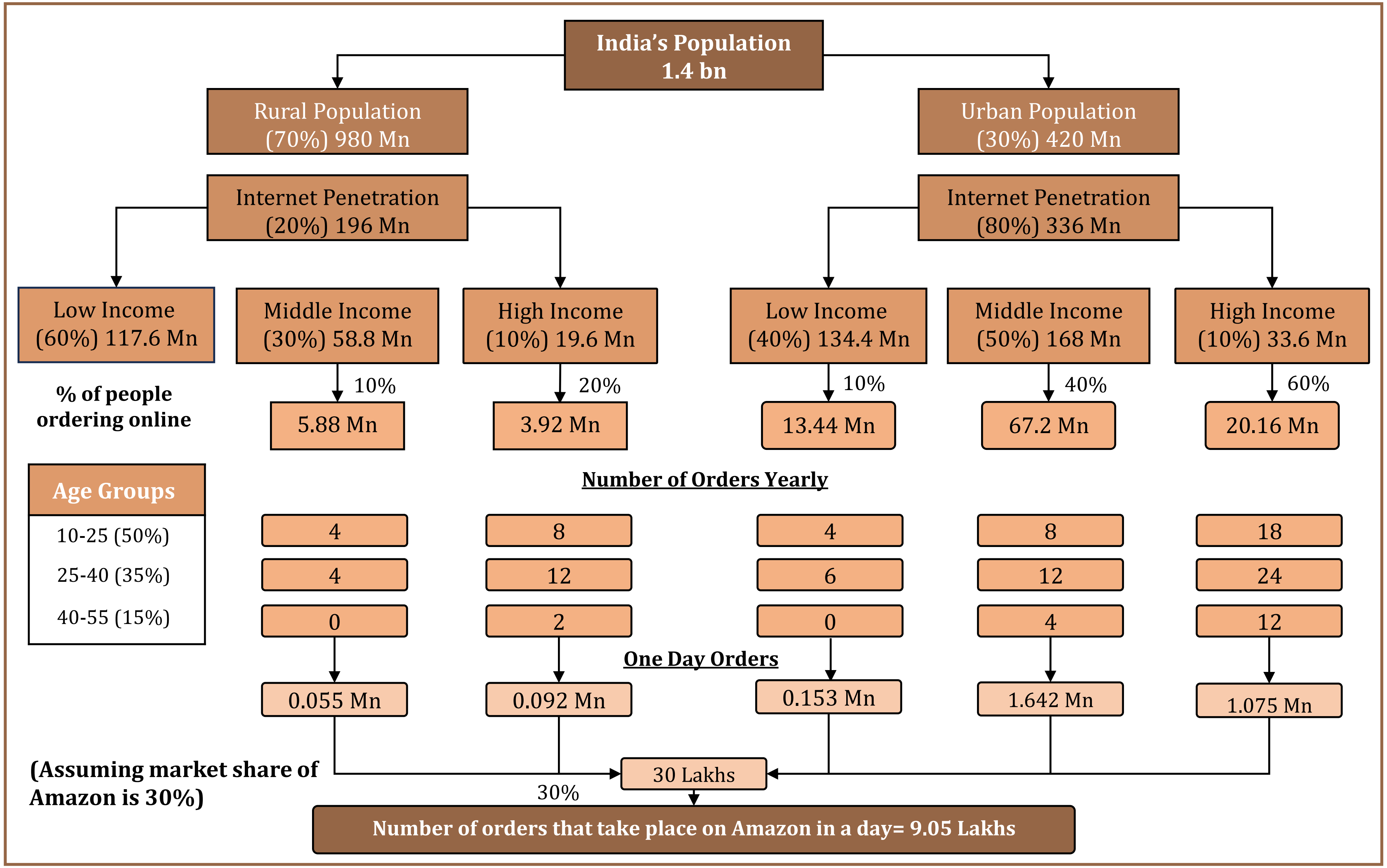
- 0-20 mins - 20%
- 20-60 mins – 30%
- 60-120 mins- 30%
- 120+ mins – 20%



GUESSTIMATE 9 – Estimate the number of orders that take place on Amazon in a day in India

Facts / Assumptions

1. The population of India is 1.4 billion.
2. Rural vs Urban populations is divided in the ration of 7:3.
3. Internet penetration in rural area is 20% and in urban area is 80%.
4. Percentage of people ordering online are considered while estimating the number of people from the respective income brackets who are ordering through such apps.
5. Rural low-income group's buying pattern is negligible.
6. Frequency of buying varies across age groups and income.
7. Yearly number of orders are considered according to the age brackets.
8. One-day orders = % people ordering online* Sum product of age group and orders yearly/360
9. Market share of Amazon is 30%.



GUESSTIMATE 10 - Estimate the total cost of Diwali gifts sold in Delhi

VYUHAM
IIM VISAKHAPATNAM
Ten Years of Excellence

Facts / Assumptions

Assumption-01 (Based on preference to celebrate the festival)

- 90% of Delhi population celebrate Diwali.

Assumption-02

- Average Household size: 4 persons/family

Assumption-03 (Based on income)

- Upper Class: 10%
- Upper Middle Class: 30%
- Middle Class: 40%
- Lower Class: 20%

Assumption-04 (People engaged in gifting)

- Upper Class: 100% of households
- Upper Middle Class: 85% of households
- Middle Class: 50% of households
- Lower Class: 30% of households

Assumption-05

- Average spending per household on different types of gift (clothes/apparels, sweets, decorations and others).

Delhi's Population
30 M

Population celebrating Diwali
(90% of population) = 27M

Household = 6.75 M

	Upper Class	Upper Middle Class	Middle Class	Lower Class
No. of People	10% — 0.675 M	30% — 2.025 M	40% — 2.7 M	20% — 1.35 M
People engaged in gifting	100% — 0.675 M	85% — 1.72 M	50% — 1.35 M	30% — 0.405 M
Apparels	Rs. 20,000	Rs. 12,000	Rs. 6,000	Rs. 2,000
Sweets	Rs. 4,000	Rs. 2,000	Rs. 1,000	Rs. 200
Decorations and other	Rs. 5,000	Rs. 3,000	Rs. 1,500	Rs. 300
Total amount per household	Rs. 29,000	Rs. 17,000	Rs. 8,500	Rs. 2,500
	Rs. 19.57 Bn	Rs. 29.26 Bn	Rs. 11.47 Bn	Rs. 1.012 Bn

Rs. 61.32 Bn

GUESSTIMATE 11 - Estimate the average monthly revenue of a McDonald's Store in a metro city

Facts / Assumptions

1. Avg. time taken to process an order = 4 mins.
2. No. of counters in a medium sized store =3
3. Online Orders are not considered.
4. Operating hrs from 10 AM - 10PM (12 hrs)

Weekdays

- Peak hours: 5 hours (5 PM -10 PM)
- Non-peak hours: 7 hours (Remaining time)

Weekends

- Peak hours: 7 hours (3 PM-10 PM)
- Non- peak hours: 5 hours (Remaining time)

5. Average order price

- Weekday -INR 200, Weekend- INR 300

6. Occupancy Percentage: Considering both dine-in and takeaway

Weekday

- Peak hours: 75% & Non-Peak hours:30%

Weekend

- Peak hours: 100% & Non-Peak hours: 50%

7. 22 weekdays and 8 weekends per month

Processing Time = 4 mins
Orders that can be processed per hour from a counter = 60/4= 15

Counter 1 | Counter 2 | Counter 3

Total orders that can be processed in 1 hour from 3 counters
=15 * 3 = 45

Operating hours 10 AM - 10 PM (12 hours)

Total Orders Processed

Weekday

- Peak Hours
  Orders processed in
  1 hr * No. of hours * Occupancy%
  = 45 * 5 * 0.75 = 168.75
- Non-Peak Hours
  Orders processed in
  1 hr * No. of hours * Occupancy%
  = 45 * 7 * 0.30 = 94.50

Average order price = INR 200
Revenue generated in a weekday
= (168.75 + 94.5) * 200= Rs. 52,650

Weekend

- Peak Hours
  Orders processed in
  1 hr * No. of hours * Occupancy%
  = 45 * 7 * 1 = 315
- Non-Peak Hours
  Orders processed in
  1 hr * No. of hours * Occupancy%
  = 45 * 5 * 0.50 = 112.50

Average order price = INR 300
Revenue generated in a weekend
= (315 + 112.5) * 300 = Rs. 1,28,250

Total revenue in a month (30 days)
=52,650 * 22 + 1,28,250 * 8 =
Rs. 21,84,300

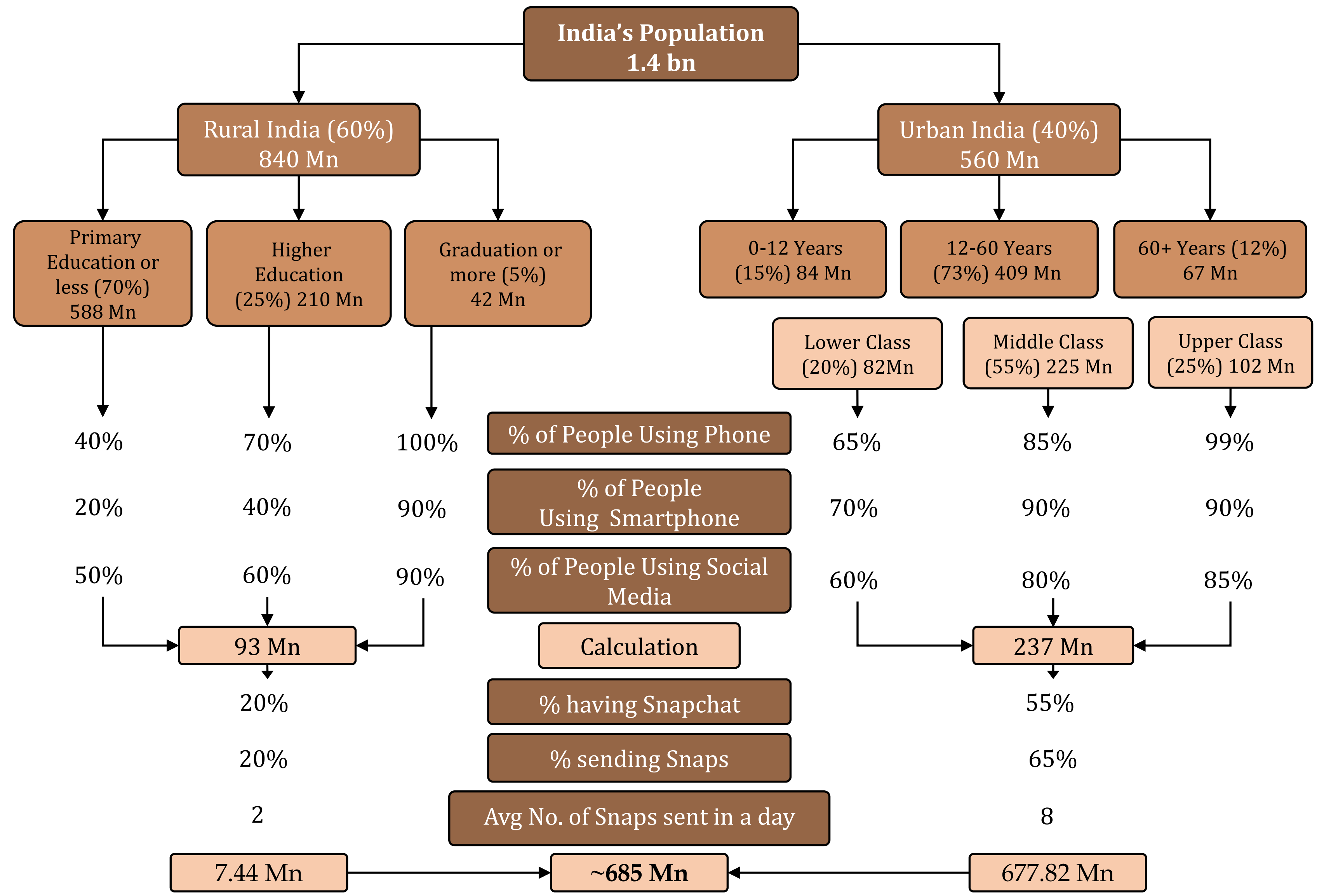
GUESSTIMATE 12 - Estimate the number of Snapchat snaps shared in a day in India

Approach / Framework

1. Consider the propensity of individuals to send snaps.
2. In case of Urban, the division is done on basis of age brackets whereas in case of Rural, the division is done based on education level.

Facts / Assumptions

1. Snaps are sent exclusively to individuals in India.
2. Only Snapchat snaps are considered, not any other snaps.
3. In case of Urban Population, the age bracket of 0-12 years is discounted as they are assumed not to have phones, while the age group of 60+ is discounted due to limited phone usage.
4. The number of people in each age bracket is distributed proportionately based on a life expectancy of 70 years.
5. For urban areas, the average number of snaps sent is assumed to be 8, while for rural areas, it is assumed to be 2.



GUESSTIMATE 13 - Estimate the number of TVs sold during Flipkart Big Billion Sale

Facts / Assumptions

1. Average Household size: 4 persons/family
2. Flipkart's market share is considered 45%.
3. All high and upper middle-class households have TVs.
4. No. of TVs per household for lower middle class is 1.2 because there are high chances that they have either 1 or 2 TVs.
5. Internet penetration and online purchases are collectively assumed at 50%, 80%, 70%, 50%, 5% for high income, upper middle income, lower income, upper middle income, lower middle income, low income and below poverty line households, respectively.

Population 1.4 Bn

Households 350 Mn

	High Income	Upper Middle Inc	Lower Middle Inc	Low Income	BPL
Share of households	5%	10%	30%	30%	25%
Households	~17.5 Mn	~35 Mn	~105 Mn	~105 Mn	~87.5 Mn
Share having TV	100%	100%	80%	50%	25%
Households having TV	~17.5 Mn	~35 Mn	~84 Mn	~52.5 Mn	~21 .88 Mn
No. of TVs per household	3	2	1.2	1	0.8
Total TV	17.5*3 ~52.5 Mn	35*2 ~70 Mn	84*1.2 ~100.8 Mn	52.5*1 ~52.5 Mn	21.88*0.8 ~17.50 Mn
Life of TV (years)	3	5	7	10	12
No. of TV required this year	52.5/3 ~17.5 Mn	70/5 ~14 Mn	100.8/7 ~14.4 Mn	52.5/10 ~5.25 Mn	17.50/12 ~1.46 Mn
New Purchases	100% ~17.5 Mn	100% ~14 Mn	90% ~12.96 Mn	70% ~3.675 Mn	20% ~0.29 Mn
Online purchase × Flipkart share	50%*45%	80%*45%	70%*45%	50%*45%	5%*45%
Number of TVs purchased	3.94 Mn	5.04 Mn	4.08 Mn	0.83 Mn	0.0065 Mn
Flipkart TV Sales	10%	20%	30%	40%	50%
Big Billion	~394000	~1008000	~1224000	~332000	~3250

Total TV Sales on Flipkart during Big Billion Days =2,961,250

GUESSTIMATE 14 - Estimate the number of 2-Wheeler EVs to be sold in the year 2025 in India

Facts / Assumptions

1. Average Household: 4 persons /family
2. The total number of 2-W EVs bought will be sum of EVs bought by first time buyers and New 2-W replaced with EVs.
3. Income Split for Urban:
   - Low Income: 40%,
   - Lower Middle Income: 30%,
   - Upper Middle Income: 30%,
   - High Income: 10%
4. In the rural area we are only considering the high-income household (2%) because of lack of awareness and infrastructure.
5. The EV adoption % for low and lower middle-income class is 0% as they would not prefer an EV as their 1st purchase.
6. Avg number of 2-W per household is taken in decimals as lesser number would own a 2-W in Low and Lower middle group.

First Time Buyers | Replacement Buyers

Population = 140 Cr

Households = 35 Cr

30% Urban 10.5 Cr | 70% Rural 24.5 Cr

	Urban – Low Income	Urban – Lower Middle Inc	Urban – Higher Middle Inc	Urban – High Income	Rural – High Income
Share	40%	30%	20%	10%	2%
Households	~4.2 Cr	~3.15 Cr	~2.1Cr	~1.05 Cr	~0.49 Cr
First Time Buyers %	20%	20%	15%	10%	15%
EV Adoption %	0%	0%	10%	10%	1%
First time buyer EVs	0	0	~3.15 lakhs	~1.05 lakhs	~0.073 lakhs
Avg No. of 2 W/ household (yrs)	0.3	0.5	1.2	1	1.5
No. of 2-Wheelers	~1.26 Cr	~1.57 Cr	~2.52 Cr	~1.05 Cr	~0.73 Cr
Life of a 2-Wheeler	15	10	8	5	8
Vehicles to be replaced	8.4 lakhs	15.75 lakhs	31.5 lakhs	21 lakhs	9.18 lakhs
% of New Purchases	20	40	60	90	70
New Purchases made	1.68 lakhs	6.3 lakhs	18.9 lakhs	18.9 lakhs	6.43 lakhs
% of EV 2 Wheelers	5	10	15	20	5
New 2-W EVs purchased	8400	63000	283500	378000	32156

Total number of EVs Purchased = Total EVs bought by first time buyers + Total New 2 - W replaced with EVs =11,92,356

GUESSTIMATE 15 – Estimate the Average Revenue for a Multiplex in Visakhapatnam

Facts / Assumptions

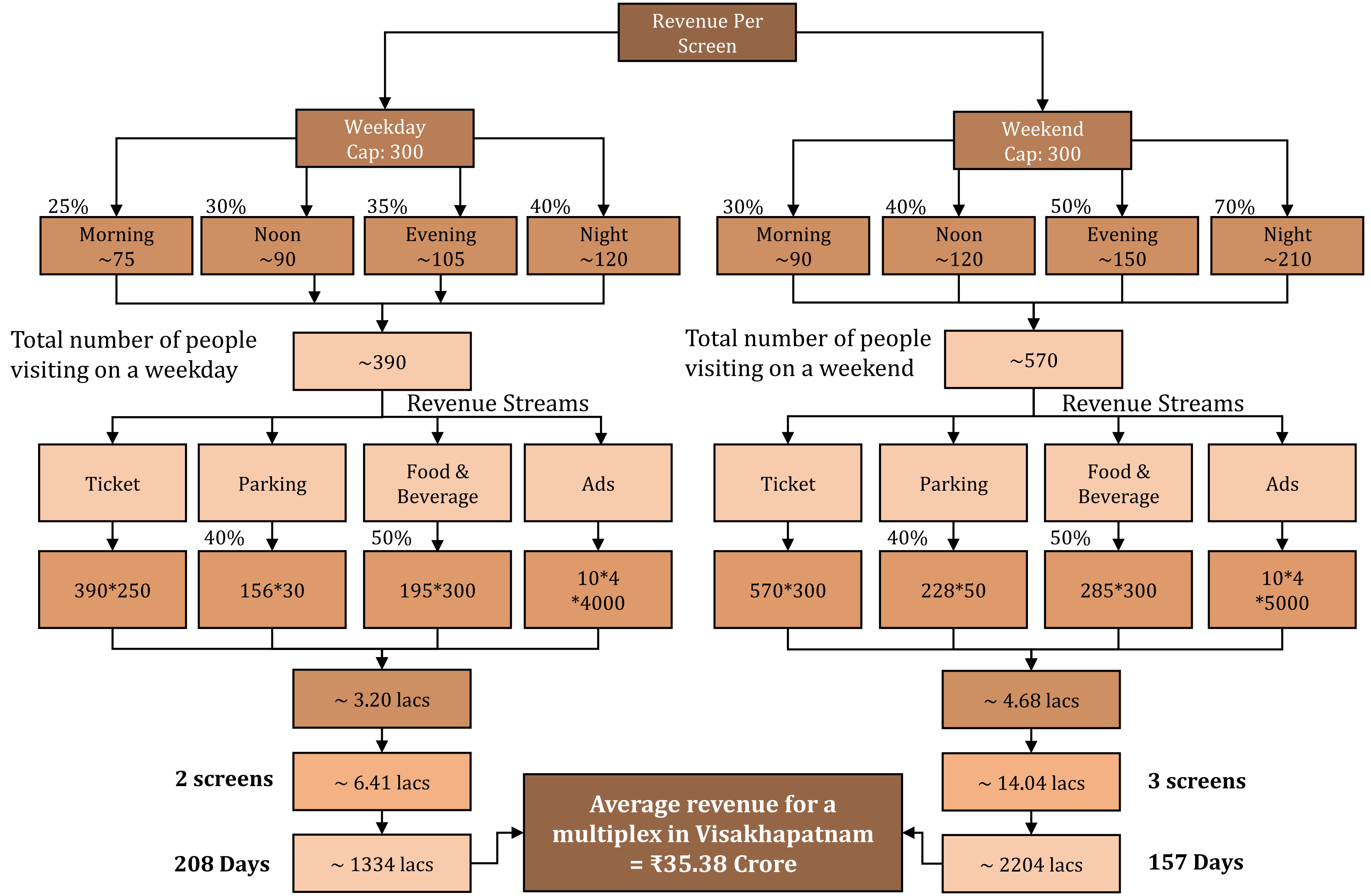
1. Capacity of multiplex: 300
2. Number of Screens: 2, 3
3. Avg. Price of Ticket, Parking and F&B:

Revenue Streams	Avg. Ticket Price	Parking	F&B
Weekday	250	30	300
Weekend	300	50	300

4. Frequency of people visiting Multiplex weekdays and weekends respectively:

Morning	25%	30%
Noon	30%	40%
Evening	35%	50%
Night	40%	70%

5. Frequency of people buying parking tickets and Meal respectively: 40% & 50%
6. Number of shows per day per screen: 4
7. Advertisement per show:10
8. Avg. Revenue per Advertisement on weekends and weekdays: ₹4000 & ₹5000
9. Number of weekdays: 208 (excluding Friday)
10. Number of weekend: 157 (including Friday)



GUESSTIMATE 16 - Estimate the total number of Swiggy food delivery orders in a day in India

Facts/ Assumptions

Assumption-1

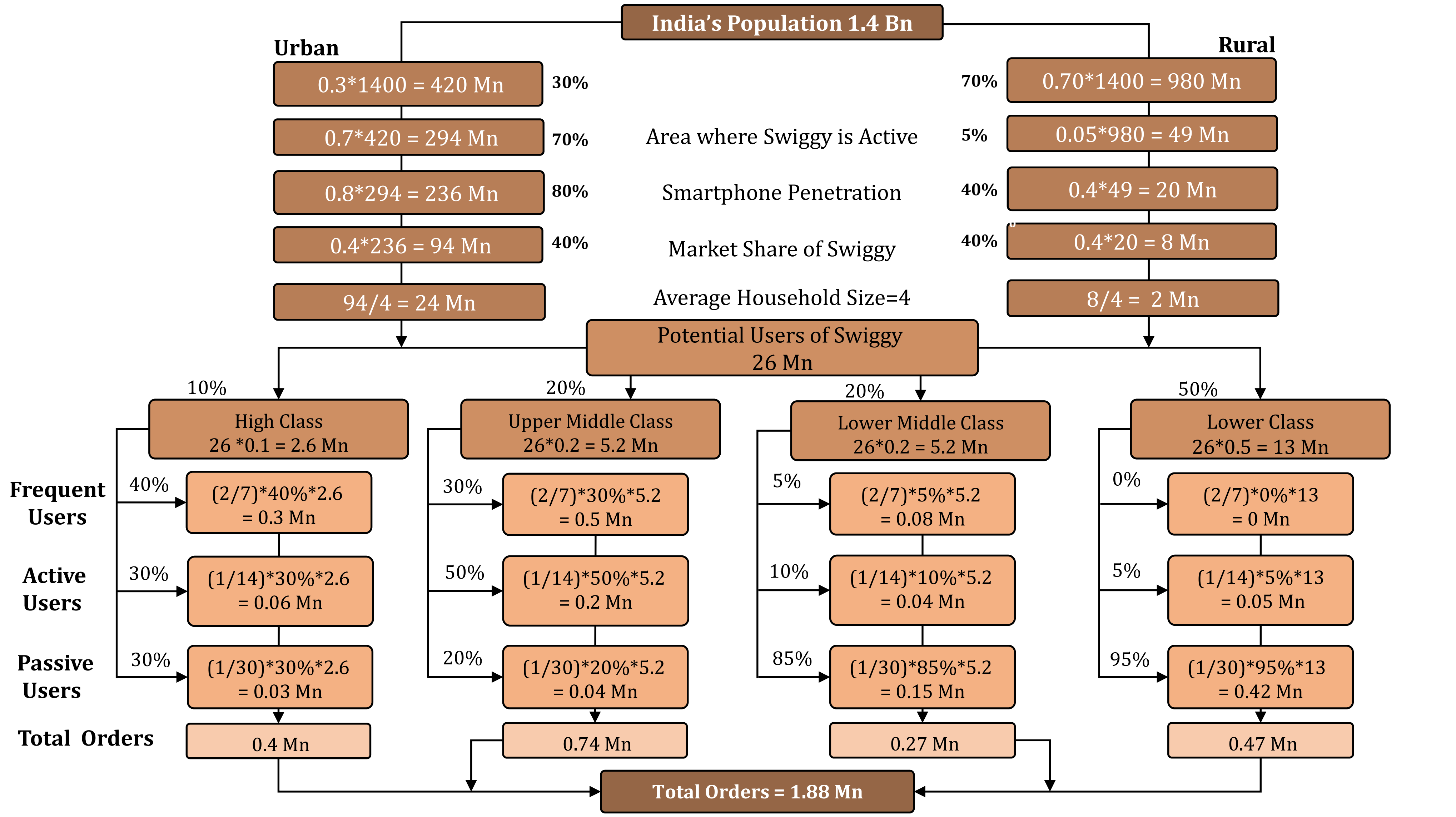
- Urban: Rural - 30:70
- Swiggy is active in 70% of Urban and 5% of Rural
- Smartphone penetration - 80% Urban, 40% Rural
- Considering orders placed by 1 person in a family
- Average Household size-4 persons/family

Assumption-2
Based on Usage

- Frequent users: Order 2 meals per week.
- Active users: Order 1 meal bi-weekly
- Passive users: order 1 meal per month

Assumption-3
Based on Income

- High Class- 10%
- Upper Middle Class-20%
- Lower middle Class- 20%
- Lower Class-50%



GUESSTIMATE 17 – Estimate the total number of Footwear bought online in a year in India

Facts / Assumptions

1. The population of India is 1.4 Billion.
2. Urban and Rural populations are divided in the ratio of 3:7.
3. Internet penetration in India is considered as 80% for urban population and 30% for rural population.
4. The percentage of the urban population engaged in online shopping is 70%, whereas it is 20% for the rural population.
5. Percentage of people ordering online are considered to estimate the number of people from the respective income brackets who are ordering through such apps.
6. Rural low-income group's buying pattern is negligible.
7. Frequency of buying varies across age groups and income.
8. Yearly number of orders are considered according to the age brackets.
9. Numbers of shoes purchased = average number of shoes ordered online * Number of people in each income group

India's Population
1.4 bn

Internet penetration = 80%

Urban Population
(30%*80%) 336 Mn

Urban Population engaged in online shopping (336 Mn*70%) 235.2 Mn

Low Income (40%) = 94.08 Mn

Middle Income (45%) = 105.84 Mn

High Income (15%) =35.28 Mn

Average number of footwear purchased

Age Groups	Low Income	Middle Income	High Income
0 to 15 (20%)	0	0.5	2
16 to 30 (30%)	1	2	3
31 to 45 (30%)	0.5	1	2
46+ (20%)	0	0.5	1

Number of footwear purchased online by urban population every year

Age Groups	Low Income	Middle Income	High Income
0 to 15 (20%)	0	10.58 Mn	14.11 Mn
16 to 30 (30%)	28.22 Mn	63.50 Mn	31.75 Mn
31 to 45 (30%)	14.11 Mn	31.75 Mn	21.17 Mn
46+ (20%)	0	10.58 Mn	7.056 Mn

Total footwear purchased online by Urban population = 232.84 Mn

Internet penetration = 30%

Rural Population
(70%*30%) 294 Mn

Rural Population engaged in online shopping
(294 Mn*20%) 58.8 Mn

Middle Income
(40%)
23.52 Mn

No. of footwear per individual = 1

No. of footwear purchased in a year
(1*23.52 Mn)
=23.52 Mn

High Income
(10%)
5.88 Mn

No. of footwear per individual = 2

No. of footwear purchased in a year
(2*5.88 Mn)
=11.76 Mn

Total footwear purchased online by rural population = 35.28 Mn

Total footwear purchased online in India = 268.12 Mn

INDUSTRY ANALYSIS

AUTOMOBILE INDUSTRY

The automobile industry is one of the most important and dynamic industries in the world. It is a key driver of economic growth and employment and it plays a vital role in global transportation and logistics.

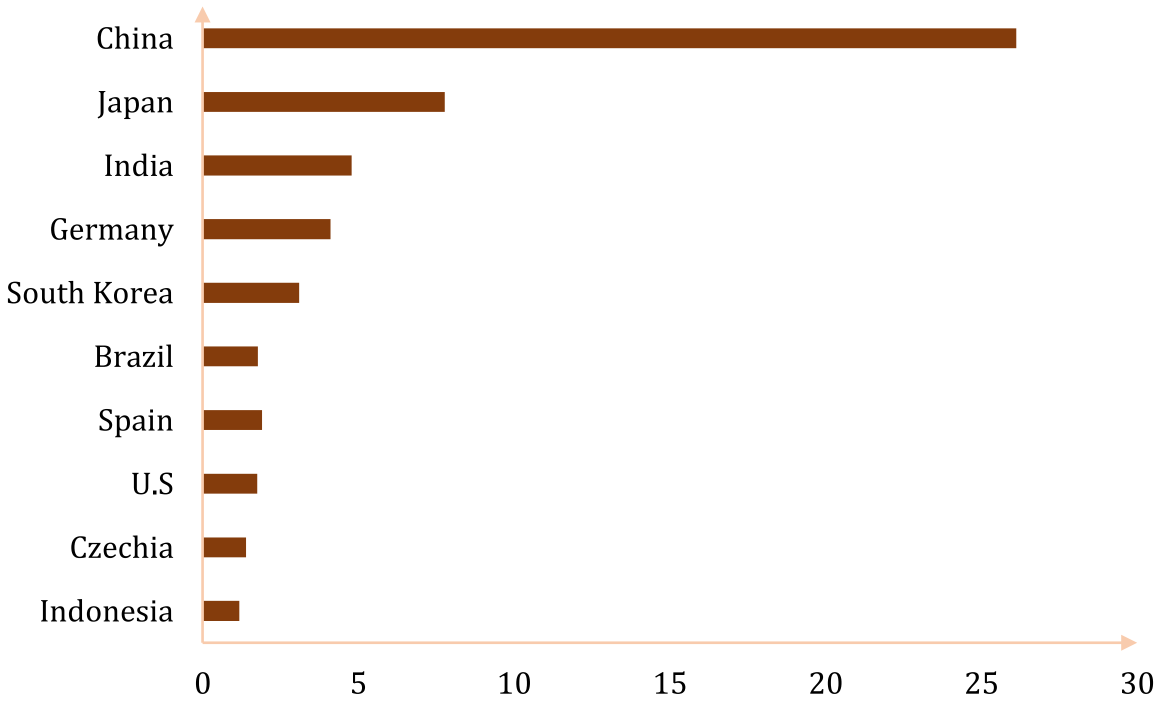
The Indian automobile industry is one of the fastest-growing in the world. It is the fourth-largest automobile producer in the world and it is expected to become the third-largest by 2026. The Indian automotive market is expected to grow at a CAGR of 8.1% over the next five years. The global automobile industry is expected to grow at a slower pace than the Indian market, at a CAGR of 3.8% over the same period.

INDUSTRY TRENDS

- **Policy Push:** The Indian government's ambitious target of 30% EV penetration by 2030 has ignited a rush of investments and policies like FAME-II subsidies. Data from SIAM shows EV sales jumped 334% from April-November 2023 compared to the same period in 2022, reaching over 1.2 lakh units.
- **Charging Infrastructure:** While still nascent, charging infrastructure is steadily expanding. As of November 2023, over 2,400 public charging stations have been installed across India, with a target of 10,000 by 2024.
- **Tech Integration:** Advanced features like touchscreen infotainment systems, voice-activated assistants, smartphone connectivity and telematics are becoming increasingly common, even in budget models.
- **Customer Preference :** Rising demand for SUVs and Micro-SUVs, with an increasing focus on safety features and higher crash-test ratings.
- **Safety Focus:** Advanced driver-assistance systems (ADAS) like lane departure warning, blind-spot monitoring and automatic emergency braking are gaining traction, with brands like Mahindra & Mahindra incorporating them in several models.
- **Alternative Materials:** Lightweight materials like aluminium and carbon fibre are being explored to improve fuel efficiency and reduce emissions. MG Motor's Gloster SUV uses high-strength steel that enhances fuel efficiency by 8%.
- **Sustainability:** This is leading to the development of new technologies and materials that can reduce the environmental impact of vehicles.

MARKET TRENDS

Passenger car production in 2023 (in millions)



AUTOMOBILE INDUSTRY (CONT.)

KEY PERFORMANCE INDICATORS

- **Sales and Revenue KPIs**: These include sales volume, revenue, Average transaction price which indicate the profitability of sales.
- **Financial Performance KPIs:** Profit margins including gross, operating and net profit margins, Return on Investment (ROI)measuring the return on investments made in research, development and production.
- **Market Share:** The percentage of total vehicle sales in a specific market or segment that a company holds.
- **Production KPIs:** Parameters such as production volume, production efficiency etc. measure the effectiveness of the manufacturing process in terms of cost, time and resources.
- **Quality and Defects KPIs:** Defect rate, customer complaints refer to the vehicle quality and reliability.
- **Safety KPIs:** Accident rate and vehicle recall rates of the company indicate the safety issues with the vehicles.
- **Research and Development (R&D) KPIs:** R&D expenditures associated with developing new technologies and products and the success rate of new vehicle models launched.
- **Environmental Sustainability KPIs:** Carbon emissions indicating the company's carbon footprint and fuel efficiency of the vehicles.
- **Customer Satisfaction KPIs:** Customer Satisfaction Score (CSAT) measures customer satisfaction through surveys and feedback. Net Promoter Score (NPS) measures customer loyalty and willingness to recommend the brand.

PORTER'S 5 FORCES

Threats of New Entrants

LOW TO MODERATE

- High capital requirements, existing brand loyalty, stringent government regulations, it is difficult for new entrants to enter the market
- However, it is not unusual for established international brands to try and enter new markets, increasing competition for local players

Threats of Substitutes

MODERATE

- Public transport systems and ridesharing services can serve as substitutes for owning personal vehicles

Competitive Rivalry

HIGH

Competition is high among existing players, each trying to offer a value proposition. Companies invest heavily in R&D to innovate and differentiate themselves.

Buyer Power

MODERATE

- Buyers have a significant number of options to choose from
- There is also an extensive amount of information available on the internet, which makes them informed and powerful in negotiations

Supplier Power

HIGH

- The presence of limited number of suppliers for critical components like engines, electricals & electronics and tires
- The time and cost associated with switching suppliers give them high bargaining power

AUTOMOBILE INDUSTRY (CONT.)

INDUSTRY METRICS

Industry Size	Indian automobile industry is worth more than $ 222 Bn. It accounts for 7.1% of India's GDP and is set to become the 3rd largest in the world by 2030.	**Net Revenue Margin**	Varies from 10.2% (Maruti Suzuki), 7.5% (Hyundai), 6.2% (Mahindra& Mahindra), 4.8% (Kia Motors), 3.3% (Volkswagen), 4.2% (Toyota), 3.1% (MG Motor India)
Prominent Players	Hero MotoCorp, Bajaj Auto, TVS Motors, Royal Enfield, Yamaha Motor India (Two-Wheeler), Maruti Suzuki, Hyundai Motor India, Tata Motors, Toyota, Volkswagen India (Four-Wheeler)	**Industry Terminology**	OEMs – Original Equipment Manufacturers, EV – Electric Vehicle, PHEV – Plug-in Hybrid Electric Vehicle

VALUE CHAIN

Research & Development	Design and Styling	Manufacturing and Assembly	Logistics and Supply Chain Management	Marketing and Sales	After-Sales Service
• Designing and engineering new vehicles, including concept development, prototyping and testing • Innovations in fuel efficiency, safety and connectivity features	• Once the conceptual design is complete, designers create the exterior and interior aesthetics • It is important as it affects consumer preferences and branding	• The actual production of vehicles, where all the components and parts are put together in handcrafted or automated production lines or a mix of both	• Transportation and distribution of parts and vehicles from suppliers to assembly plants and from assembly plants to dealerships	• This stage focuses on advertising, promotion and distribution of vehicles to dealerships. • Dealerships play a key role in selling vehicles to consumers	• Providing maintenance, repairs and replacement parts for vehicles already sold • Building customer loyalty through excellent service is essential

EXTERNAL ENVIRONMENT ANALYSIS

Political: The Indian government supports the automobile industry through R&D initiatives and strict regulations on safety and emissions, ensuring compliance and fostering a competitive yet responsible market.

Economic: Rising income levels, urbanization and government incentives drive automobile demand, while increasing fuel prices and inflation pose challenges for manufacturers.

Social: India's large population and increasing preference for two-wheelers and personal vehicles boost domestic demand, reflecting changing consumer lifestyles and preferences. Adoption of Bharat NCAP (New Car Assessment Program) for improved vehicle safety standards.

Technological: Advances in self-driving technology, improved safety features and Implementation of Industry 4.0 technologies in production lines (robotics, AI and automation) are reshaping the automotive industry, pushing manufacturers to innovate and adapt to evolving consumer and regulatory demands.

Legal: The Indian government's relaxed FDI policies and export tax incentives attract global automobile manufacturers, while copyright and patent issues pose challenges in maintaining design originality and brand integrity.

Environmental: India's commitment to achieve Net Zero by 2070, influencing EV and renewable energy adoption in the auto sector.

GROWTH DRIVERS

Economic Conditions: Favorable economic conditions boost vehicle sales, while economic slowdowns reduce demand and disrupt capacity planning, significantly impacting industry profitability.

Consumer Demand and Interests: Shifting consumer preferences toward personalized designs, enhanced safety and fuel-efficient vehicles are redefining production strategies and market offerings in the automobile industry.

Globalization: The rise of global competition and strategic partnerships has led automobile manufacturers to expand production in emerging markets, with top-tier companies dominating while others consolidate to remain competitive.

Technological Innovations: Advances in safety, fuel efficiency and in-car technology, such as GPS and entertainment systems, are driving consumer demand, while electric, hybrid and fuel cell innovations shape the future of the automotive industry.

Government & Regulations: Government-imposed environmental regulations on fuel economy and emissions control drive innovation and increase manufacturing costs as automakers adapt to diverse standards across global markets.

AVIATION INDUSTRY

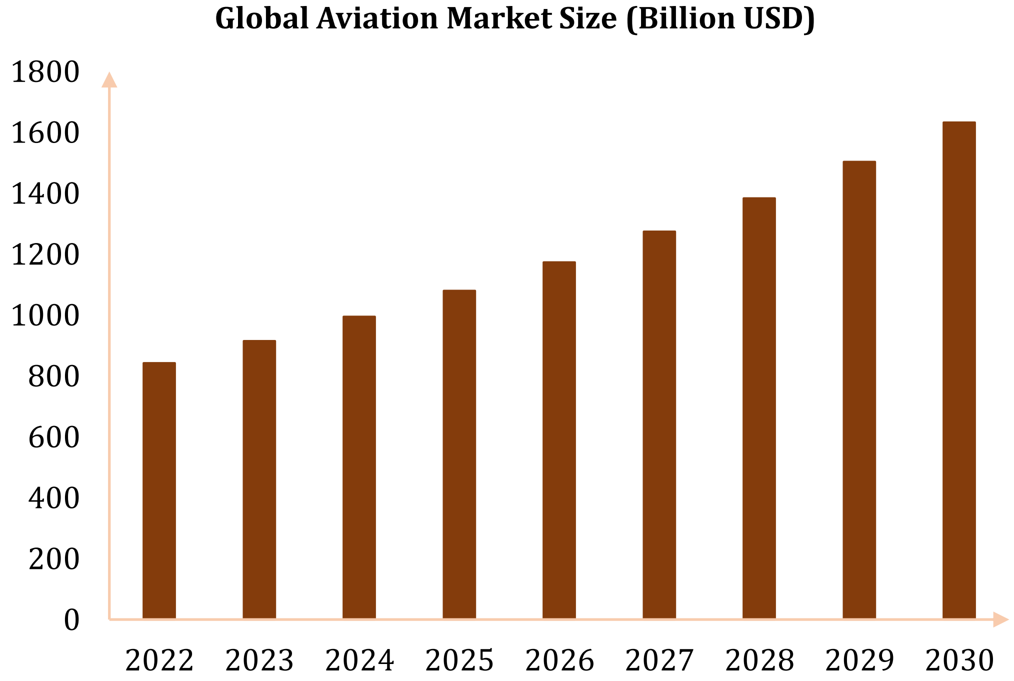
The aviation industry encompasses all aspects of air activities such as aircraft manufacturing, research companies, airlines operator (passenger and cargo), MRO operators, airport authorities, regulatory agencies and military aviation. The Indian civil and military aviation sectors have seen rapid growth recently, the domestic market for commercial aviation is set to rank third globally in 2024. In the year 2024, volume of global air traffic, which is expected to cater to as many as 4.96 billion passengers.

The aviation industry exhibits medium concentration, with a balance of dominant airlines and competitors, influencing competitive dynamics, ticket pricing and innovation in services and operations.

INDUSTRY TRENDS

- **Robust Recovery and Growth:** Global air traffic expected to approach 4.96 billion passengers in 2024, Domestic air travel continues to lead the recovery, with India's domestic air travel surpassing pre-pandemic levels and continuing to grow in 2024.
- **AI and Automation:** From optimizing flight paths to streamlining maintenance, AI is revolutionizing operations and enhancing efficiency.
- **Sustainable Skies:** Airlines are embracing greener alternatives like biofuels and electric aircraft to reduce their carbon footprint.
- **Consolidation Spree:** Mergers and acquisitions are reshaping the landscape. The recent Air India-Vistara deal is a prime example and more alliances are on the horizon. This could lead to stronger airlines but also raise concerns about competition.
- **Regional Reach:** The Regional Connectivity Scheme (RCS) is connecting Tier 2 and 3 cities, boosting air travel accessibility and opening doors for smaller airlines.
- **Low-Cost Dominance:** Budget airlines like AirAsia, Ryanair, Norwegian Air Shuttle, IndiGo, Scoot, AirBaltic are still the driving force, catering to price-sensitive travelers.
- **Urban Air Mobility (UAM):** Drones and flying taxis might soon become a reality, revolutionizing short-distance travel within cities.
- **Space Tourism:** Global ventures like Virgin Galactic, SpaceX and Blue Origin are paving the path towards making space tourism a reality.
- **Rise of Tier-2 and Tier-3 Cities:** Air travel is expanding beyond metro cities, with increasing connectivity to tier-2 and tier-3 cities.

MARKET TRENDS



Size of the global civil aviation market size from 2022 to 2030 (Forecast), with a CAGR of 8.62% *(in billion U.S. dollars)*

KEY PERFORMANCE INDICATORS

- **Available Seat Kilometres (ASK):** It measures an airline's capacity, determined by multiplying the number of available seats by the distance covered during flights.
- **Cost per Available Seat Kilometer (CASK):** It is an efficiency metric derived by dividing operating expenses by the total Available Seat Kilometers (ASK), indicating the cost incurred for each seat kilometer flown.
- **Revenue per Available Seat Kilometer (RASK):** It is computed by dividing an airline's total revenue by its overall available seat kilometers, providing a measure of the revenue generated for each seat kilometer flown.
- **CASM-Ex Fuel** is derived by dividing operating expenses by ASM and subsequently subtracting the fuel cost.
- **CASK-Ex Fuel** is determined by dividing operating expenses by ASK and then deducting the cost of fuel.
- **Passenger Yield (in kilometers):** It signifies the average fare paid per kilometer per passenger. It is computed by dividing passenger revenue by revenue passenger kilometers (RPKs).
- **Environmental Impact Metrics:** It measures carbon emissions per passenger or per kilometer flown. It indicates the airline's commitment to sustainability and environmental responsibility.
- **Customer Satisfaction Index**: From the surveys or feedback scores from passengers regarding their overall experience. It reflects the airline or airport's commitment to customer service.
- **Aircraft Turnaround Time**: The time it takes to unload passengers, load new passengers and prepare the aircraft for its next flight. It affects the scheduling efficiency and overall fleet utilization.

PORTER'S 5 FORCES

THREATS OF NEW ENTRANTS

LOW

- Entering the industry is challenging due to the significant capital investment, stringent regulatory demands and the requirement for substantial infrastructure

THREATS OF SUBSTITUTES

MODERATE

- Long-distance travel, especially international, has few alternatives. For domestic travel, rail and road can be economical for shorter distances, but switching modes for longer distances remains costly and inconvenient

COMPETITIVE RIVALRY

HIGH

The industry is marked by intense competition among airlines, resulting in both price wars and differentiation in services.

BUYER POWER

MODERATE

- Customers have multiple options, prompting airlines to offer competitive prices and loyalty programs to attract them. While buyers show some price sensitivity, their overall bargaining power remains moderate

SUPPLIER POWER

HIGH

- Airlines face susceptibility to variations in fuel prices, impacting their operational expenses
- Furthermore, a limited number of major manufacturers control the market, granting them significant leverage over airlines

AVIATION INDUSTRY (CONT.)

INDUSTRY METRICS

Industry Size	Global market is valued at $1.007 trillion (2025)
Net Profit Margin	3.6% (Average) is expected in FY2025
Prominent Players	Qatar Airways, Emirates, Delta Air Lines, United Airlines
Industry Terminology	**ATC :** Air Traffic Control, **ANS :** Air Navigation Services, **SAF:** Sustainable Aviation Fuel

Fleet Size	38.7 million flights is expected to be available in FY2024
Revenue (Passenger)	$705 billion revenue is expected in 2025
Revenue (Cargo)	$157 billion revenue is expected in 2025
Revenue (Ancillary)	$145 billion revenue is expected in 2025
Passenger Growth	8% is expected in 2025 (RPK, YoY)

AVIATION ECOSYSTEM

Manufacturers	Airlines	Airports	MRO
• Acquiring Aircraft Manufacturers: Companies designing and building aircraft, such as Boeing (737, 787), Airbus (A320, A350) and Embraer (E-Jets) • Suppliers: Key suppliers like GE Aviation (engines), Rolls-Royce (engines), Pratt & Whitney (Turbofan Engines) and Honeywell (avionics)	• Passenger Airlines: Major carriers like American Airlines, Delta, Emirates, Singapore Airlines • Cargo Airlines: Companies like FedEx Express, DHL Express • Lease & Buyback Model: Airlines often lease aircraft from AerCap, Air Lease Corporation; buyback agreements with manufacturers help airlines reduce financial strain	• Airports serve as hubs for passenger and cargo handling • Airports generate income through landing fees, retail concessions, parking fees and passenger services. • Ground Operations: Includes baggage handling, catering and passenger check-in, usually performed by service providers like Swissport, Menzies Aviation	• MRO services ensure aircraft safety and airworthiness throughout their lifecycle. (Line Maintenance and Heavy Maintenance) • MRO companies include Lufthansa Technik, GE Aviation, SIA Engineering Company • MROs depend on Original Equipment Manufacturers (OEMs) for parts and technical support

AVIATION INDUSTRY (CONT.)

EXTERNAL ENVIRONMENT ANALYSIS

Political: Geopolitical tensions, such as the Russia-Ukraine conflict and South China Sea disputes, disrupt flight routes. Policies like ICAO's CORSIA regulate emissions, while fuel price volatility and the EU's Emissions Trading Scheme increase costs.

Economic: Fuel cost volatility (30-40% of expenses) from geopolitics. Rising income boosts demand, while recessions cut travel. Exchange rate shifts impact costs and high rates limit growth.

Social: It include higher disposable income boosting air travel demand and craze of unique experiences driving preferences for business-class travel, luxury services and loyalty programs, shaping airline strategies, pricing, service offerings and customer experience.

Technological: Technological factors in aviation include fuel-efficient planes like Boeing 737 MAX, Airbus A321XLR and the rise of SAFs. Innovations in hydrogen, hybrid-electric aircraft and AI-driven operational efficiency are also key trends.

Environmental: ICAO’s 2050 carbon-neutral goal drives SAFs, carbon credits and fuel-efficient aircraft. Climate change leads to extreme weather, disrupting operations, while manufacturers focus on recycling composite materials.

Legal: Global aviation faces challenges with safety regulations (FAA, EASA), airline merger scrutiny (e.g., American Airlines-US Airways) and environmental compliance (ICAO's CORSIA).

GROWTH DRIVERS

Technological Advancements: Boeing 787 and Airbus A350’s fuel efficiency reduces operational cost, leading to better profit margins and enhanced environmental performance.

Emerging Market Growth: The Asia-Pacific region is set to lead growth, with China's aviation industry projected to become the largest by 2035, contributing 24% of global passenger traffic.

Digital Transformation: Airlines investing in AI, biometrics and digital services like web check-in for passenger convenience are enhancing customer experiences and operational efficiency.

Sustainability Trends: ICAO's CORSIA program, aiming to cut aviation emissions by 2.5 billion tonnes by 2035, encourages green tech investment, driving industry growth.

Regional Connectivity: Increased air traffic between regional hubs like Southeast Asia and Middle East is boosting demand for short-haul flights, supported by carriers like Emirates, AirAsia.

Low-Cost Carriers (LCCs): LCCs like IndiGo, SpiceJet and Akasa Air hold over 75% of India's domestic market. Growth is driven by affordable fares, fleet expansion, rising demand and decreased turnaround time, boosting efficiency and flight frequency.

The BFSI (Banking, Financial Services and Insurance) sector refers to a diverse array of companies that offer an extensive range of financial services and products to individuals, businesses and government. It encompasses traditional financial institutions such as commercial banks, savings and loan associations, credit unions, investment banks, insurance companies and various other providers of financial services. The BFSI sector is characterized by its intricacy and stringent regulation, with strict rules and guidelines in place to oversee its operations, aimed at safeguarding the stability and security of the financial system. It plays a crucial role in capital allocation, risk management and economic stability, making it a key driver of global growth and innovation.

INDUSTRY TRENDS

- **Fintech Boom:** Fintech startups are disrupting traditional financial services with innovative solutions like digital payments, peer-to-peer lending and robo-advisory. UPI transactions crossed a record $200 trillion in December2024, highlighting the rapid adoption of digital payments. (Source: NPCI)
- **Mobile Banking Growth:** Mobile banking is becoming the preferred channel for financial transactions. According to RBI data, active mobile banking users exceeded 170 million in March 2023, a 58% increase from the previous year.
- **Customer Centricity:** Banks and insurers are leveraging AI and big data analytics to personalize offerings, predict customer needs and provide targeted financial products and services. A 2023 Accenture report revealed that 73% of Indian consumers prefer personalized financial products.
- **Risk Management and Fraud Detection:** AI-powered algorithms are used to detect fraudulent transactions, predict loan defaults and optimize risk management strategies. AI in fraud detection saved Indian banks $5.2 billion in 2022. (Source: Juniper Research)
- **Digital Rupee Launch:** The RBI's introduction of the Central Bank Digital Currency (CBDC) in 2023 aims to further boost financial inclusion and facilitate secure, instant digital transactions.
- **ESG Focus:** The BFSI sector is increasingly incorporating ESG criteria into their lending and investment decisions, financing green projects and prioritizing responsible investments.
- **Blockchain:** Particularly in cross-border payments, trade finance and clearing/settlement processes, the BFSI sector is exploring blockchain for secure, transparent and faster transaction processing.

MARKET TRENDS

KEY PERFORMANCE INDICATORS

- **Earning Asset Yield** is a key solvency ratio that assesses asset performance by comparing interest income to earning assets.
- **Return on Average Assets (ROAA)** is a metric primarily utilized by banks and financial institutions to evaluate the profitability of their assets, serving as a key indicator of financial performance.
- **Return on Average Equity** is a financial ratio that assesses performance by considering the average outstanding shareholders' equity.
- **Net interest margin (NIM)** is the calculation of the gap between interest received and interest paid, with adjustments made for the total interest-generating assets under the bank's control.

COST DRIVERS

- **Personnel costs:** This includes salaries, benefits and other costs associated with employees.
- **Operating expenses:** This includes rent, utilities and other costs associated with running a business.
- **Technology costs:** BFSI institutions must invest in technology systems to support their lending, deposit and other activities.
- **Risk costs:** BFSI institutions face a variety of risks, such as credit risk, market risk and operational risk.

PORTER'S 5 FORCES

THREATS OF NEW ENTRANTS

LOW

- Due to regulatory and licensing obligations that necessitate substantial investments in both physical and digital infrastructure. Market is primarily controlled by a limited number of PSBs

THREATS OF SUBSTITUTES

MODERATE

- Associated with Non-Banking Financial Companies (NBFCs), mutual funds, online banking and other providers of financial services

COMPETITIVE RIVALRY

HIGH

Competition exists from well-established competitors; customers avail services from multiple providers.

BUYER POWER

HIGH

- It can grow with increasing incomes and improved creditworthiness and financial inclusion schemes for rural citizens

SUPPLIER POWER

MODERATE TO HIGH

- Regulatory bodies wield substantial influence, exerting high control over the industry's operations
- Conversely, technology providers face low bargaining power due to abundant alternatives and BFSI firms' capability to develop in-house solutions

BANKING FINANCIAL SERVICES AND INSURANCE (CONT.)

REVENUE DRIVERS

Net Interest Income	The difference between the interest income that a bank earns on its loans and investments and the interest expense that it pays on its deposits.
Non-Interest Income	Includes income from fees and commissions, such as ATM fees, credit card fees and investment management fees.
Investment Banking & Asset Management	Includes income from underwriting securities, providing advisory services and managing assets for clients.
Insurance Premiums	Income that insurance companies generate from selling insurance policies. Insurance premiums are a major revenue driver for insurance companies.

INDUSTRY METRICS

Industry Size	Indian banking system includes 12 public, 21 private and 44 foreign banks, along with numerous cooperative and rural banks. Deposits of all scheduled banks increased by a significant INR 1.98 lakh crore, growing at a rate of 10.2%.
Prominent Players	State Bank of India, HDFC Bank, Bajaj Finance, Life Insurance Corporation of India, SBI Mutual Fund
Industry Terminology	**Asset-backed Security:** A financial instrument that is backed by a pool of assets, such as mortgages, auto loans, or credit card receivables. **CASA Ratio:** Calculated by dividing the total current account and savings account deposits by the total deposits of the bank. **Capital Adequacy Ratio (CAR):** A measure of a bank's capital in relation to its risk-weighted assets, used to ensure that banks have enough capital to support their risk. **Net Interest Margin (NIM):** A profitability metric that measures how well a company is making money from its core lending and borrowing activities.

VALUE CHAIN

Customer Acquisition and Onboarding	Transaction Processing and Service Delivery	Risk Management and Compliance	Marketing and Sales	Service
• Marketing and brand management • Lead generation and CRM • KYC and AML compliance checks	• Account setup and maintenance • Loan disbursements • Payment systems and fund transfers • Investment portfolio management	• Credit risk and market risk analysis • Regulatory compliance and reporting • Fraud detection	• Customer acquisition and retention strategies • Product and service promotion	• Customer relationship management • Complaint resolution and support

EXTERNAL ENVIRONMENT ANALYSIS

Political: Highly regulated industry, with policies & central bank actions shaping the market. The Basel III norms help strengthen bank capital requirements and impact how banks manage their capital and liquidity.

Economic: Global economic trends, interest rates, inflation, unemployment, currency shifts and consumer confidence impact financial services demand. India offers a 30% tax deduction on digital payments R&D, with the market projected to reach $20 trillion by 2030.

Social: Rapid urbanization in emerging markets drives demand for housing loans, insurance and investment services. Financial inclusion initiatives, resulted in opening of 530+ million bank accounts by August 2024, showcasing the growing reach of banking services in rural areas.

Technological: Fintech disruption, AI, automation, cybersecurity and blockchain are reshaping the BFSI landscape with innovative solutions. India's Digital India initiative has fostered FinTech innovation, leading to the adoption of platforms like UPI.

Legal: Compliance with complex regulations, data privacy and security laws, financial reporting and litigation risks is a constant challenge by the BFSI sector.

Environmental: BFSI sector is seeing an increased focus on sustainability, climate change risk and green finance. Financial institutions are incorporating environmental assessments into their lending and investment decisions.

GOVERNMENT INITIATIVES

Pradhan Mantri Jan Dhan Yojana (PMJDY): Aiming financial inclusion by providing banking facilities to every household. This scheme helped increase penetration of banking services to the rural India and open millions of zero-balance bank accounts.

Unified Payments Interface (UPI), developed by the National Payments Corporation of India (NPCI), helped revolutionized digital payments. It allowed instant, real-time money transfer through mobile platforms, leading to exponential growth in cashless transactions.

Aadhaar-Enabled Payment Systems (AEPS), leveraged Aadhaar for banking transactions to improve financial inclusion and simplified bank transactions for rural and unbanked segments.

Financial Literacy Programs, led by RBI and other financial institutions, help educate the public about various financial products, digital banking and responsible credit behaviour.

Startup India and MUDRA Loans aims to support entrepreneurship and micro-enterprises by providing collateral-free loans.

INDIAN BUDGET 2025

- **FDI reforms:** The Foreign Direct Investment (FDI) limit for insurance companies will increase from 74 percent to 100 percent, conditional on full premium investment within India.
- **High-level committee for regulatory reforms** will review non-financial sector regulations, licenses and compliance measures.
- **Investment friendliness index** of states to foster competitive cooperative federalism.
- **Financial Stability and Development Council** to evaluate financial regulations and enhance responsiveness.

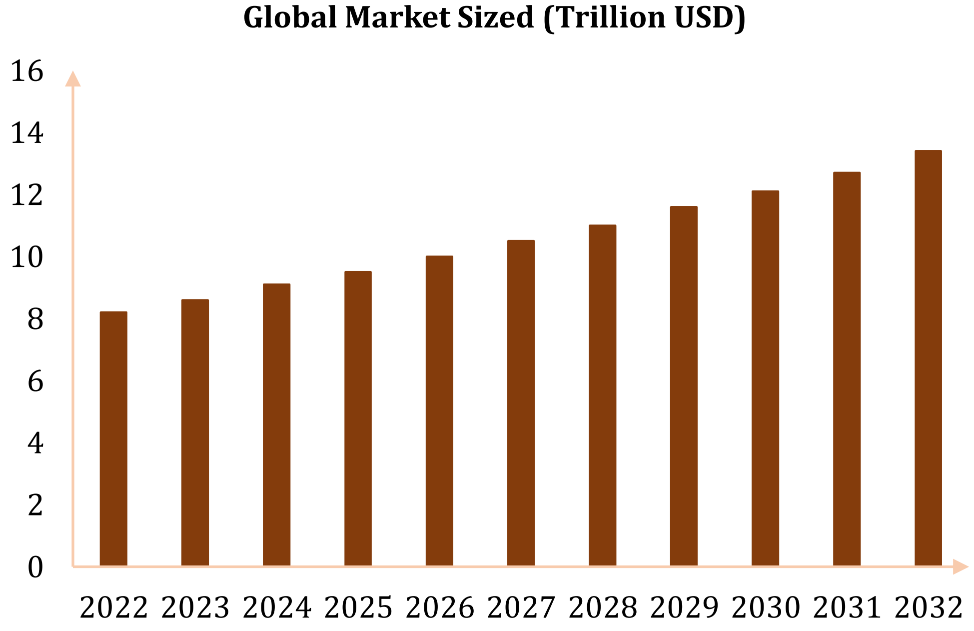
One of the major sectors of the economy that deals with the creation, conceptualization, building and supervision of various structures.. It encompasses a wide range of activities and a varied spectrum of professionals, from architects and engineers who design projects to contractors and labourers who build them.

Construction and real estate have always been upbeat prospects with the Indian real estate sector being projected to increase from USD 700 billion to USD 1 trillion by 2030 and USD 5.8 trillion by 2047. Furthermore, it is the second-highest provider of jobs in India, currently employing 7.1 crore individuals with the figure expected to surpass 10 crore by the decade's end. Notably, of the current workforce (2023), a significant 90.3% are unskilled labourers and the remaining 9.7% comprising skilled workers.

INDUSTRY TRENDS

- **BIM (Building Information Modeling)**:The BIM market size is projected to reach from $8 Bn in 2024 to $14.8 Bn by 2029. It is expected to grow at a CAGR of 13.1% from 2024 to 2029. (Source: Grand View Research). BIM improves project planning, collaboration and cost estimation, reducing project overruns by up to 30% (Source: McGraw-Hill Construction).
- **Drones**: Construction drone usage is booming, with a projected market value of $ 6.2 billion by 2030.
- **Robotics**: The Construction Robots Market size is estimated at USD 383.11 million in 2024 and is expected to reach USD 787.48 million by 2029. Robots automate repetitive tasks, enhance worker safety and improve productivity by 20-40% (Source: McKinsey & Company).
- **Circular economy principles**: Construction waste is being tackled through circular economy practices, with a projected market value of USD 271.68 billion by 2028. This involves reusing and recycling materials, minimizing waste generation.
- **Internet of Things (IoT)**: Sensors and connected devices enable real-time data collection, optimizing building operations and maintenance.
- **Focus on Smart Cities and Infrastructure:** Government initiatives like the Smart Cities Mission and National Infrastructure Pipeline (NIP) are driving investments in urban infrastructure development, renewable energy projects, and smart city infrastructure.
- **Prefabrication and Modular Construc**tion: Prefabricated and modular construction methods are gaining popularity due to faster construction times, reduced waste, and improved quality control. The prefabricated construction market is expected to grow at a CAGR of 6.67% from 2024 to 2029, reaching a projected market volume of US$268.02 billion by 2029. (ResearchandMarkets.com)

MARKET TREND



Size of the global construction market from 2022 to 2023, with forecasts from 2024 to 2032*(in trillion U.S. dollars)*

KEY PERFORMANCE INDICATORS

- **Revenue and Profitability Metrics**: Revenue Growth assesses the company's financial health, Gross Profit Margin highlights the efficiency of production and pricing and Net Profit Margin reveals overall profitability after expenses.
- **Project Performance Metrics**: Cost Variance (CV) aids in financial planning and budget adherence, while Schedule Variance (SV) evaluates project time management.
- **Safety Metrics**: LTIFR & TRIR are metrics used to assess workplace safety standards.
- **Productivity Metrics**: Labor Productivity gauges & Equipment Utilization evaluates the effectiveness of equipment usage & workforce efficiency.
- **Project Backlog & Bidding**: Backlog Value offers a glimpse into prospective work and revenue, whereas Bid-to-Win Ratio indicates the company's bidding competitiveness.
- **Financial Health Metrics**: Materials Inventory Turnover assesses the effectiveness of inventory management strategies.
- **Project Profitability**: ROI evaluates the return value from project investments.
- **Environmental Sustainability Metrics**: LEED Certification & carbon emissions are used to measure commitment towards green building.
- **Blockchain Integration**: It tracks the implementation & effectiveness of blockchain technology for improving transparency, accountability and security in construction project transactions and documentation.
- **Regulatory Compliance & Permitting Efficiency**: Measures the efficiency of obtaining necessary permits & compliance with authorities.

PORTER'S 5 FORCES

THREATS OF NEW ENTRANTS

LOW

- Significant skilled labour, regulatory compliance and license acquisition pose notable challenges
- High entry barriers, such as economies of scale, brand loyalty, and strong supplier-client relationships, complicating trust-building

THREATS OF SUBSTITUTES

LOW

- Innovations such as modular construction or 3D printing pose challenges to conventional methods
- Moreover, clients may choose renovation and maintenance instead of new projects, though the current adoption of such changes is minimal

COMPETITIVE RIVALRY

HIGH

Intense competition, akin services and project-specific bidding characterize the industry. Key determinants include pricing, quality and proficiency in project management

BUYER POWER

MODERATE

- Diverse buyers, such as developers and agencies, reduce individual bargaining power
- Yet, those armed with project details or seeking standardized designs can negotiate effectively. The industry relies on robust client relationships to mitigate overall buyer power

SUPPLIER POWER

HIGH

- Construction material suppliers hold moderate influence with available alternatives
- Skilled labor shortages empower workers, while limited alternatives for essential inputs and high switching costs increase supplier leverage

KEY DRIVERS

- Infrastructure Investment
- Population Growth & Urbanization.
- Economic Growth
- Government policies & Regulations
- Technological Advancements
- Environmental Considerations

INDUSTRY METRICS

Industry Size	Indian Construction Market was valued at $640.92 Billion in 2024 and is projected to grow with a CAGR of 6.87% through 2030. The expected market size in 2029 is $963.45 Billions.
Prominent Players	Larsen & Toubro Limited, Reliance Infrastructure Limited, Punj Lloyd Ltd, Shapoorji Pallonji Group, GMR Group, Gammon India Limited, Hindustan Construction Company Limited, TATA Group
Net Revenue Margin	Construction is a notoriously low-margin business, the average gross profit margin hovers around 20%, the average net profit margin for construction is usually between 2% and 10%.
Industry Terminology	**BIM** – Building Information Modelling **BOQ** – Bill Of Quantities

VALUE CHAIN

Research and Development	Raw Materials	Product Manufacturing	Design and Engineering	Construction	Quality Assurance and Control	Operations and Maintenance	Demolition and Recycling
• Viability assessments, evaluation of social and environmental effects, market analysis for proposed project	• The procurement process entails sourcing, acquiring and rigorously assessing the quality of all raw materials for a project, this ensures reliability and durability	• Involves manufacturers producing intermediate project materials. Acquiring construction materials, equipment, & necessary resources for the project	• Involves the building owner, architects and engineers and focuses on developing the design and a proposed timeline for completion of the project	• This phase will include the architects, engineers, contractors and the labor force. Actualization of the proposed project	• Quality and safety checks at different stages. Ensuring adherence to standards and codes. Health and safety monitoring along with regulatory compliance	• Comprises work performed by periodical maintenance companies and associated services. Also includes the owner and anyone who occupies the buildings	• Post-construction includes deconstruction, waste management, recycling and site restoration. This approach prioritizes envir onmental preservation

EXTERNAL ENVIRONMENT ANALYSIS

Political: In India PMAY and Bharatmala Pariyojana driving construction growth, while globally government infrastructure investments (China's Belt and Road Initiative) and regulatory reforms like the EU's Green Deal are shaping industry dynamics.

Economic: The industry is driven by infrastructure investment, interest rates, inflation, labor costs and material prices, while economic stability and government policies shape long-term growth.

Social: Rapid urbanization in India, with more people moving to cities and preferring nuclear families (with urban population reaching 600 million by 2031) is driving demand for affordable housing and sustainable development in construction.

Technological: BIM, 3D printing, modular construction, AR for design, AI-driven project management and drones for surveying are advancing the construction industry.

Environmental: Factors like extreme weather events, sustainability regulations like LEED, resource shortages, carbon emissions driving sustainable practices and waste management efforts for recycling and reducing landfill impact.

Legal: The Real Estate (Regulation and Development) Act (RERA), 2016, mandates project registration and transparency, while the Code on Wages-2019 and Occupational Safety, Health and Working Conditions Code, 2020 regulate labor standards and safety.

GROWTH DRIVERS

Government Investments: Initiatives like CBR Initiative (USD 4 trillion) and Global Infrastructure Facility (GIF) (USD 3.5 trillion annually) are boosting infrastructure projects worldwide.

Private Sector Investments: The global construction market is expected to reach USD 12.7 trillion by 2027, with investments in residential, commercial and smart infrastructure.

Urbanization: With 2.5 billion people expected to urbanize by 2050, demand for housing, transportation and smart city infrastructure is growing, particularly in Asia and Africa.

FDI: FDI in construction hit USD 90 billion in 2023, focused on developing infrastructure and real estate projects, with significant investments flowing into Asia, Africa and Latin America.

Global Adoption: Countries like Brazil, Mexico and South Africa are leveraging PPPs to fund urban infrastructure and improve public service delivery without overburdening public finances.

Public-Private Partnerships (PPP): Increasing use of private funding in infrastructure projects, with India's NIP investing USD 1.4 trillion by 2025 through PPPs.

E-COMMERCE INDUSTRY

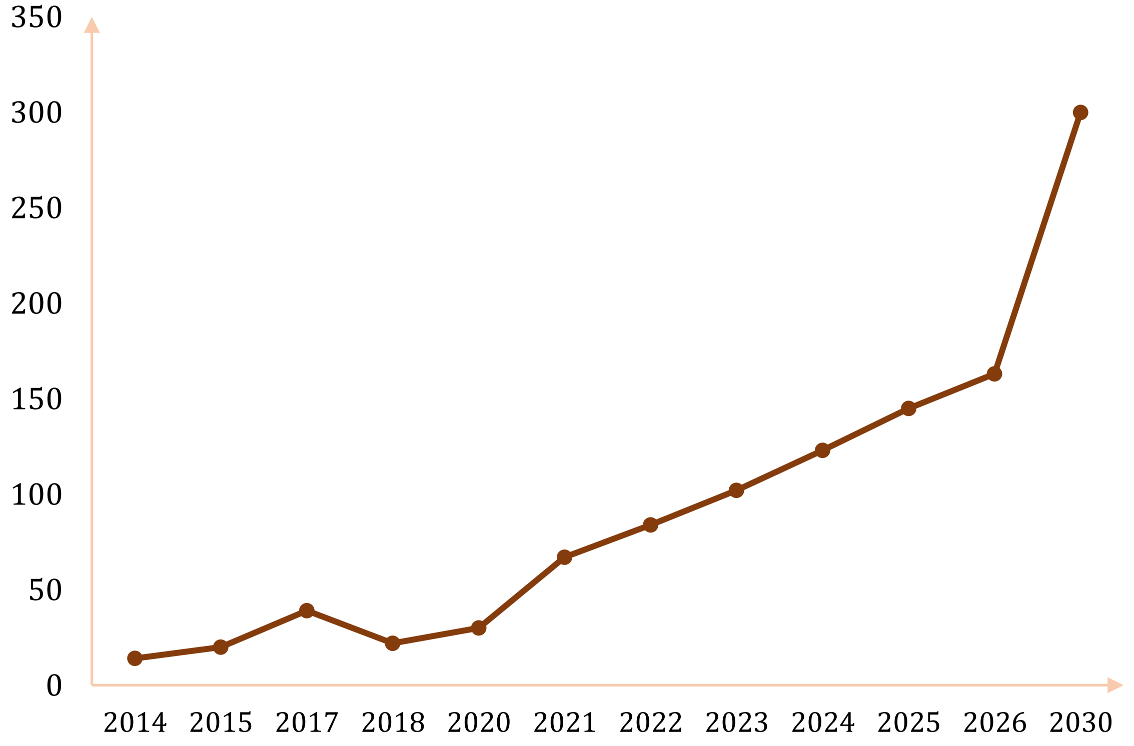
In recent years, e-commerce has become an integral part of the global retail landscape, transforming the way we buy and sell goods due to the internet's emergence. The Indian e-commerce industry is on a robust growth trajectory, with a market worth over $60 billion in Gross Merchandise Value in 2024 and is estimated to be worth over 300 billion U.S. dollars by 2030. India's e-commerce growth is fuelled by the rapid rise in internet users, with an expected 425 million users by 2027, accounting for about 30% of the country's population. Electronics and apparel dominate the ecommerce market, accounting for nearly 70% of the transaction value. Emerging categories in e-commerce include ed-tech, hyperlocal services and food-tech.

INDUSTRY TRENDS

- **AI-powered recommendations:** Machine learning algorithms personalize product recommendations, increasing conversion rates by 30% or more.
- **Dynamic pricing and promotions:** AI tailors pricing and discounts to individual customers, boosting revenue and customer satisfaction. (Source: Accenture)
- **Shoppable posts and live streaming:** Social media platforms like Instagram and TikTok are becoming major e-commerce channels, driven by shoppable posts and live streaming sales (mostly seen in China). (Source: Insider Intelligence)
- **Influencer marketing:** Collaborations with social media influencers drive brand awareness and sales, with the influencer marketing market reaching $13.8 billion by 2025. (Source: Influencer Marketing Hub)
- **Recurring revenue and customer loyalty:** Subscription models provide recurring revenue streams and foster customer loyalty, with a 65% retention rate compared to 35% for traditional models. (Source: Recurly)
- **Seamless integration:** Customers expect a seamless experience across online and offline channels, with 73% wanting consistent pricing and promotions. (Source: Omnichannel Retailing)
- **Digital enhancements in physical stores:** AR/VR technologies bring online experiences into physical stores, creating interactive and engaging shopping journeys. (Source: Deloitte)
- **Second-hand and upcycled goods gaining traction:** Resale platforms and upcycled products are gaining popularity, catering to both sustainability and budget-conscious consumers.

MARKET TRENDS

E-commerce market size India 2014-2030E (Billion US dollars)



E-COMMERCE INDUSTRY (CONT.)

KEY PERFORMANCE INDICATORS

- **Sales Revenue** : Total revenue generated through online sales, including product sales, subscriptions and any other revenue streams.
- **Conversion Rate:** The percentage of website visitors who make a purchase. It's calculated by dividing the number of conversions (purchases) by the total number of visitors and multiplying by 100.
- **Average Order Value (AOV):** The average amount spent by customers in a single transaction. It's calculated by dividing the total revenue by the number of orders.
- **Customer Acquisition Cost (CAC):** The cost associated with acquiring a new customer. It includes marketing, advertising and sales expenses. It is calculated by dividing the total cost of acquisition by the number of new customers acquired.
- **Customer Lifetime Value (CLV):** The estimated total revenue from a customer throughout their entire relationship with the company. It helps determine how much to invest in customer retention and acquisition efforts.
- **Inventory Turnover Rate:** The number of times inventory is sold and replaced in a specific period. It helps manage inventory efficiency and reduce carrying costs.
- **Return Rate:** The percentage of products that are returned by customers. A high return rate may indicate product quality issues or poor product descriptions.
- **Website Traffic & User Engagement:** Metrics like website visits, page views and time spent on the site can indicate the effectiveness of marketing efforts and user experience.
- **Shipping & Fulfillment Metrics:** On-time delivery rate, shipping cost per order and order fulfillment accuracy are important for maintaining customer satisfaction.

PORTER'S 5 FORCES

Threats of New Entrants

LOW TO MODERATE

- The industry requires significant initial investments in technology, logistics and marketing
- Established players have economies of scale and customer trust, making it challenging for new entrants to compete effectively

Threats of Substitutes

MODERATE

- Though, e-commerce is an integral part of modern consumer behavior, many consumers still prefer offline shopping
- While traditional retail is a substitute but is not a direct threat, as it serves different customer needs. There are few substitutes that offer the same convenience and variety

Competitive Rivalry

HIGH

Numerous established players and a constant influx of new entrants. Competition is intense, leading to price wars, innovations in services and aggressive marketing campaigns.

Buyer Power

HIGH

- Buyers can easily compare prices, products and services across different platforms
- E-commerce companies must offer competitive prices, provide excellent customer service and maintain high product quality to retain customers

Supplier Power

LOW TO MODERATE

- E-commerce platforms rely on suppliers for products, logistics and technology
- Suppliers have some bargaining power due to the importance of their services, but e-commerce companies often have multiple suppliers to reduce dependency

E-COMMERCE INDUSTRY (CONT.)

INDUSTRY METRICS

Industry Size (India)	**India:** 123 billion U.S. dollars **Global:** 4.12 trillion U.S. dollars
Prominent Players	Amazon India, Nykaa, Myntra, Ajio, Flipkart, eBay, Snapdeal, Jio Mart, BigBasket, Meesho, FirstCry, IndiaMART, BookMyShow
Average Net Profit Margin	Nykaa (0.7%-FY2023-24), eBay (19.7% - FY2024), Flipkart (-6.68% - FY2022), IndiaMart (31.79%- FY2024), Amazon (9.65% - FY24)
Cost drivers	• **Technology and Platform Costs:** Building and maintaining user-friendly and scalable platforms involve significant investments. Platforms like AWS or Google Cloud charge are often expensive for server space, data processing and bandwidth usage. • **Marketing and Customer Acquisition:** Loyalty programs, personalized offers and email marketing are essential to retain customers and reduce churn rates. • **Payment Gateway Fees:** E-commerce platforms pay a fee for every transaction, typically 1-3% of the transaction value.

Industry Terminology	1. **B2C (Business-to-Consumer):** Transactions between businesses and individual consumers. 2. **B2B (Business-to-Business):** Transactions between businesses, involving wholesale or bulk purchases. 3. **SEO (Search Engine Optimization):** Strategies to improve a website's visibility on search engines. 4. **Cross-Selling:** Offering additional products or services to a customer during a transaction. 5. **Upselling:** Encouraging customers to purchase a higher-end product or upgrade.

VALUE CHAIN

Inbound Logistics	Operations	Outbound Logistics	Marketing & Sales	Service
• It includes activities like raw material procurement, inventory management and supplier relationships	• This stage encompasses tasks such as product manufacturing, warehousing, packaging and the development of an online platform for placing orders	• This stage handles the delivery of products to customers and encompasses activities related to order fulfillment, shipping, transportation and the crucial last-mile delivery	• This stage includes online advertising, search engine optimization (SEO), social media marketing and email marketing	The post-sale phase includes customer support, returns and exchange processing and ensuring customer satisfaction

EXTERNAL ENVIRONMENT ANALYSIS

- **Political:** Navigating regulatory environments, complying with data protection laws and taxation significantly affect e-commerce companies.
- **Economic:** Economic factors like global trends, interest rates and consumer confidence influence the buyers' decisions and e-commerce growth. For instance, during the COVID-19 pandemic, global e-commerce sales surged to $4.9 trillion in 2021, showcasing the sector's resilience.
- **Social:** Shifting consumer preferences toward convenience, personalization and sustainability have led to increased demand for eco-friendly products, sustainable and responsible business practices
- **Technological:** AI, AR/VR and cybersecurity are transforming the users' shopping experience. Additionally, Mobile commerce (m-commerce) is on the rise, with 73% of e-commerce sales in 2023 happening via mobile devices.
- **Environmental:** Sustainability practices, waste reduction and climate resilience are becoming key practices to be adopted by the e-commerce sector. With consumers preferring sustainable brands, practices such as eco-friendly packaging, energy-efficient logistics and reducing the carbon footprint of deliveries are becoming increasingly relevant.
- **Legal:** Intellectual property, consumer protection, antitrust issues and data privacy and cybersecurity laws pose significant challenges to the e-commerce sector, as non-compliance can lead to significant fines and damage to a company's reputation.

GROWTH DRIVERS

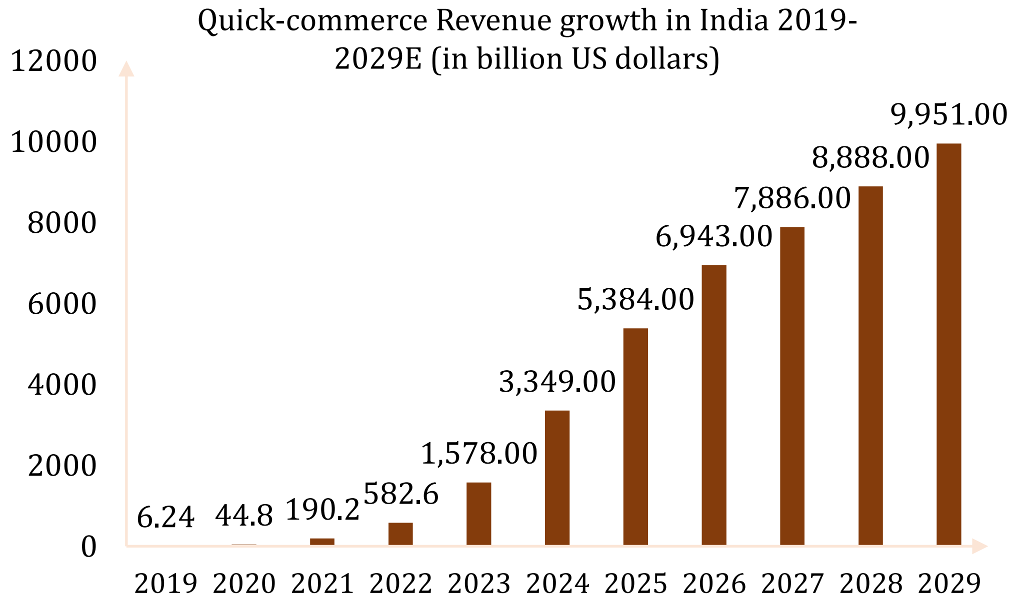
- **Growth of Digital Payment Systems:** Secure, fast and easy-to-use payment systems boost customer confidence. Flexible payment options increase purchase affordability.
- **Digital Penetration and Connectivity:** Increasing internet penetration, with over 5.3 billion internet users globally in 2023, enables more people to shop online. Growing smartphone adoption drives mobile-based transactions.
- **Post-Pandemic Consumer Behaviour:** The COVID-19 pandemic accelerated the adoption of online shopping for millions of consumers.

QUICK COMMERCE

The Quick Commerce market focuses on online grocery delivery services that provide customers with last-mile delivery or operate ghost stores where product selection is limited but delivery time is faster. In this, the platform handles the delivery process and rapidly delivers goods, typically within 10 to 60 minutes, leveraging technology, hyperlocal supply chains and smaller delivery radii.

Key Players	**India:** Zepto, Dunzo, Blinkit, Swiggy Instamart and Big Basket **World:** Gorillas, Getir, GoPuff, DoorDash, Uber, Instacart and Postmates

INDUSTRY TRENDS



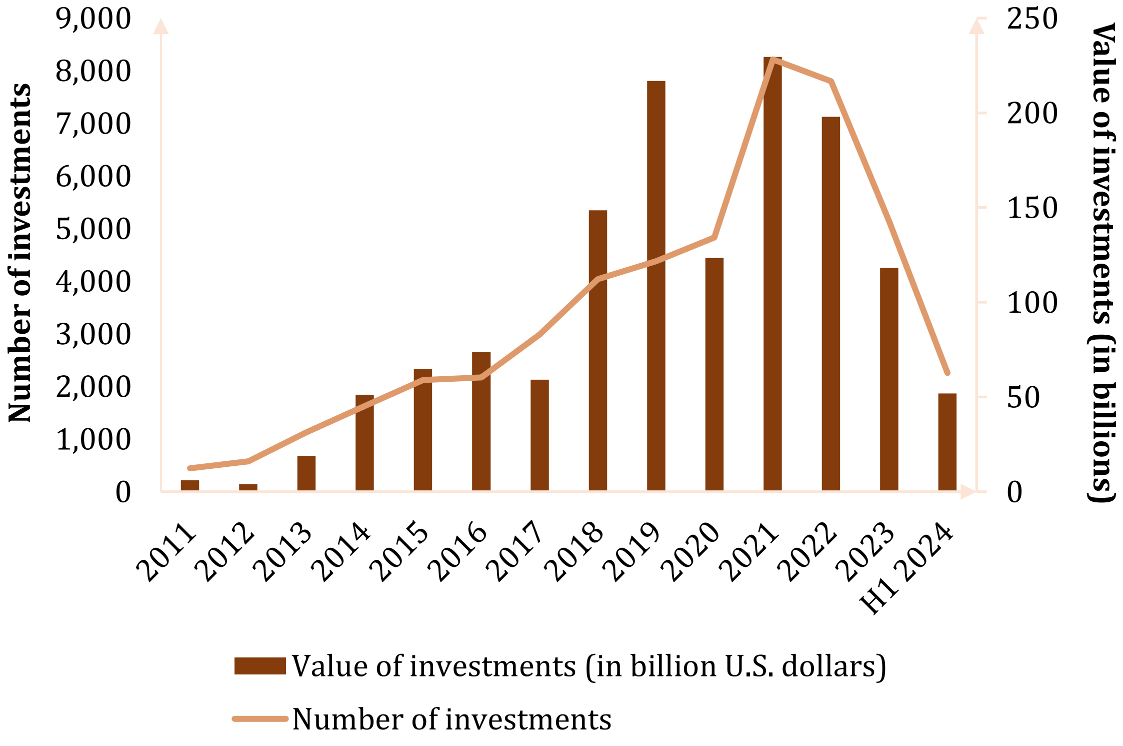
FinTech, derived from "financial technology," represents a new wave of businesses and technologies designed to simplify and enhance financial services for individuals, businesses and institutions. The **FinTech industry** is a transformative sector that integrates cutting-edge technologies with financial services to improve efficiency, accessibility and user experience. It disrupts traditional financial systems by offering innovative solutions in areas such as payments, lending, wealth management, insurance and regulatory compliance. The core areas in this industry include Digital Payments, Digital Lending, WealthTech, InsurTech, Blockchain and Cryptocurrency and Regulatory Technology.

INDUSTRY TRENDS

- **Buy Now, Pay Later (BNPL):** Popular in retail and e-commerce, BNPL services allow consumers to make purchases and pay in instalments, often interest-free.
- **Artificial Intelligence (AI) and Machine Learning:** AI powers fraud detection, personalized financial services and advanced credit risk modelling. Additionally, Chatbots and virtual assistants enhance customer service and reduce operational costs.
- **Digital Payments Expansion:** Real-time payment solutions like Unified Payments Interface (UPI) in India have led the growth of mobile wallets, contactless payments and QR-code-based systems.
- **Financial Inclusion and Microfinance:** FinTech platforms focus on bringing banking and credit services to underserved populations. Especially in developing economies, Fintech has help in growth of micro-lending and rural banking services.
- **Cybersecurity and RegTech Advancements:** As digital financial services grow, so does the need for robust cybersecurity solutions. Regulatory technology (RegTech) tools have helped firms comply with regulations and mitigate risks efficiently.
- **Open Banking:** Enables third-party providers to access banking data through APIs, creating a more interconnected financial ecosystem. It encourages innovation in financial products and personalized services.
- **Green and Sustainable FinTech:** Some platforms promote green investments. sustainable finance solutions and focuses on environmental, social and ESG initiatives.
- **Trade finance:** The use of technology to perform trade-related functions. It aims to improve customer service. Fintech companies use software and technology to provide financial services, which can improve trade finance by reducing costs and increasing access.

MARKET TRENDS

Value of investments in Fintech worldwide from 2010 to 1st half of 2024 (in billions USD)



FINTECH INDUSTRY (CONT.)

KEY PERFORMANCE INDICATORS

- **Revenue Growth Rate:** Indicates how quickly the company's revenue is increasing over time. A steady or accelerating growth rate signifies strong market demand and customer acquisition.
- **Profit Margin:** Reflects the efficiency of the business in generating profits relative to revenue. Higher profit margins indicate cost-effectiveness in delivering financial services.
- **Average Transaction Value (ATV) and Customer Lifetime Value (CLV):** Measures the ATV and total revenue a company expects from a customer throughout their relationship. A high CLV indicates strong customer loyalty and the potential for upselling additional products.
- **Cost per Acquisition (CPA):** Tracks how much a company spends on marketing and sales to acquire one customer. Lower CPA is desirable, as it shows cost-effective growth.
- **Monthly Active Users (MAU) and Daily Active Users (DAU):** Tracks the number of unique users engaging with the platform monthly or daily. A high MAU-to-DAU ratio indicates consistent user engagement.
- **Market Share:** Tracks the company's position relative to competitors in the industry. Higher market share reflects successful branding and customer acquisition.
- **Payment Success Rate:** Reflects the percentage of successfully completed transactions out of the total transactions. A higher payment success rate ensures a seamless user experience.
- **Transaction Volume:** Refers to total number or monetary value of transactions processed over a specific period. It racks platform adoption and market penetration and helps monitor shifts in customer behaviour.

PORTER'S 5 FORCES

Threats of New Entrants

MODERATE

- With lower barriers, innovative technologies and digital first strategies, new entrants have a greater opportunity to enter the industry. However, the regulatory barriers and compliance requirements pose a significant challenge for new entrants

Threats of Substitutes

MODERATE TO HIGH

- Banks, insurers and other traditional players are increasingly adopting digital strategies, offering similar services that compete with FinTech. Many people remain loyal to traditional institutions due to trust and perceived stability

Competitive Rivalry

HIGH

Crowded space with startups, traditional financial institutions launching digital offerings and big tech players entering the market (e.g., Google Pay, Apple Pay).

High customer churn is common due to low loyalty and frequent switching.

Buyer Power

HIGH

- FinTech customers, expect seamless user experiences, low costs and personalized services. This puts pressure on FinTech companies to innovate and keep prices competitive. Additionally, low Switching Costs make it easy for customers to switch services, increasing buyer power

Supplier Power

HIGH

- Many FinTech firms rely heavily on technology providers, creating potential dependency. However, the wide availability of such technologies moderate's supplier power.
The cost of switching between technology providers is relatively low for FinTech firms, reducing supplier leverage

FINTECH INDUSTRY (CONT.)

INDUSTRY METRICS

Industry Revenue	**India:** $145.09 Billion **Global:** $1.035 Trillion	**Industry Terminology**	**Buy Now, Pay Later (BNPL):** Short-term financing allowing consumers to make purchases and pay in instalments (e.g., Afterpay, Klarna) **P2P Lending (Peer-to-Peer):** Platforms where individuals lend money directly to borrowers without intermediaries (e.g., Lending Club) **Tokenization:** Converting real-world assets (e.g., real estate, art) into digital tokens on a blockchain **Microfinance:** Small loans provided to underserved or unbanked individuals, often in developing regions **KYC (Know Your Customer):** A process for verifying the identity of customers to prevent fraud **AML (Anti-Money Laundering):** Regulations to detect and prevent money laundering activities
Prominent Players in Payments	**India:** Paytm, PhonePe, Google Pay (GPay), Razorpay, **Global:** PayPal, ApplePay, Stripe		
Prominent Players in Wealth Management & Investments	**India:** Zerodha, Groww, Upstox **Global:** Robinhood, Betterment, Wealthfront		
Prominent Players in Insurtech	**India:** Policy Bazaar, Acko **Global:** Lemonade, Oscar Health		

VALUE CHAIN

Technology Development	Regulatory Compliance and Risk Management	Operations and Infrastructure	Marketing and Customer Acquisition	Distribution and Delivery	Customer Retention and Engagement
• Developing mobile apps, web platforms and APIs • Leveraging machine learning and predictive models • Cyber security and regulatory compliance	• Local and global financial regulations, including KYC, AML and GDPR • Implementing fraud detection systems and operational risk controls	• Using cloud computing for scalability, reliability and cost efficiency • Processing digital payments, cross-border transactions and mobile wallets • Secure and transparent payment processing using blockchain	• Targeted marketing campaigns and partnerships • Utilizing SEO, social media and digital ads to attract users • Collaborating with banks and other organizations to expand reach	• Direct-to-Consumer (D2C) • Offering services through partnerships with financial institutions, e-commerce platforms, or third-party providers	• Tailored financial solutions based on customer data and preferences • Incentivizing continued use with rewards and cashback • Providing technical assistance and resolving customer queries promptly

FINTECH INDUSTRY (CONT.)

EXTERNAL ENVIRONMENT ANALYSIS

Political: Operates under strict regulatory scrutiny to ensure compliance with the Reserve Bank of India's anti-money laundering laws, KYC protocols and data protection regulations. Changes in monetary policies by the RBI, directly impact lending platforms and digital banking profitability.

Economic: Growing economies create demand for FinTech services like digital payments, lending and wealth management. Additionally, rising disposable incomes in emerging markets drive adoption of investment apps and digital wallets.

Social: It brings financial services to underserved populations, in emerging markets, increase in demand for convenience, real-time services, mobile-first solutions have increased FinTech adoption.

Technological: Smartphone adoption drives mobile banking and digital payment platforms. AI, blockchain and ML enable smart fraud detection, personalized financial products and decentralized finance platforms.

Environmental: Growing demand for environmentally conscious solutions have led to introduction of green bonds and carbon credit trading platforms, making fintech platforms increasingly offer ESG focused investment opportunities.

Legal: Strict regulations such as GDPR (EU), CCPA (California) and other regional privacy regulations, ensure fairness and transparency in digital lending, insurance and wealth management services.

GROWTH DRIVERS

Smartphone Penetration: The rise of mobile users globally enables the widespread adoption of mobile-based financial services. Global internet penetration has reached over **67% in 2024**, making digital financial services more accessible.

Convenience and Personalization: Consumers demand instant, 24/7 access to financial services, personalized product offerings and seamless digital experiences.

Contactless and Mobile Payments: Consumers increasingly prefer digital wallets like Google Pay, PayPal and Alipay. Flexible payment solutions attract consumers, especially younger demographics.

Investment Growth: FinTech remains a top sector for venture capital, attracting billions of dollars annually. In 2022, global FinTech funding exceeded $50 billion in the Fintech industry.

COVID-19 Impact: The pandemic accelerated the shift to digital financial services, with many first-time users adopting FinTech platforms.

Unified Payments Interface (UPI), developed by the National Payments Corporation of India (NPCI), helped revolutionized digital payments. It allowed instant, real-time money transfer through mobile platforms, leading to exponential growth in cashless transactions.

Globalization and Cross-Border Opportunities: Increased demand for international payment platforms and remittance services. PayPal and Wise dominate the cross-border payment space.

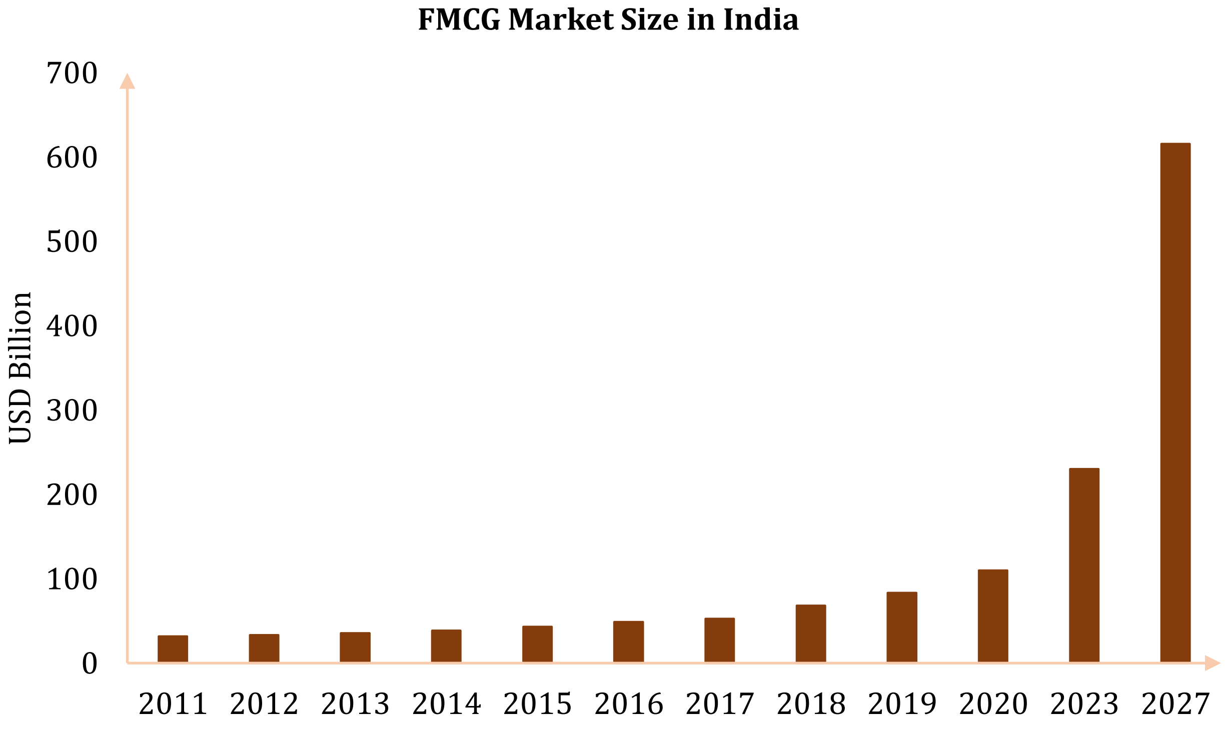
FMCG INDUSTRY

The Fast-Moving Consumer Goods (FMCG) industry, also recognized as Consumer-Packaged Goods (CPG), encompasses a broad array of products that individuals encounter and utilize daily. These goods have a fast turnover, characterized by quick sales and relatively low prices. Consumer goods include a diverse range of products designed for everyday personal use, spanning categories like food, healthcare items, beverages, cosmetics, cleaning products, personal care and tobacco. Half of this sector is comprised of household and personal care products. Due to the swift movement of these consumer goods, the industry is not only expansive but also highly competitive. Major global corporations, including Tyson Foods, ITC Limited, Unilever, Procter & Gamble, Nestlé and PepsiCo, actively compete for their respective market shares.

INDUSTRY TRENDS

- **Sustainability-** Consumer climate awareness is pushing FMCG firms to embrace eco-friendly options like sustainable packaging and cruelty-free ingredients across product categories.
- **Digitalization -** FMCG brands prioritize digital transformation to engage with customers across various online as well as offline channels, harness data insights and foster customer loyalty.
- **Big Data & Analytics-** FMCG companies harness big data to innovate and stay competitive, gaining insights into customer behavior from online shopping. Analytics delves into preferences, enabling personalized experiences and improved communication with customers in the FMCG sector.
- **Artificial Intelligence -** AI, including Machine Learning and Natural Language Processing, is rising in the FMCG sector, offering 24/7 voice assistance, personalized recommendations and enhancing customer satisfaction and retention.
- **Blockchain –** Competition in FMCG drives blockchain adoption for supply chain insights and consumer transparency by allowing them to track the source of their purchases and thus gain a competitive edge.
- **Rising Rural Consumption**: With increasing disposable income, rural sector of India is a major growing area for FMCGs (Source: Invest India FMCG Sector Report 2024) with specially designed products for the sector.

MARKET TREND



FMCG Market size in India from 2011 to 2023 and forecast until 2027 (Billion Dollars)

KEY PERFORMANCE INDICATORS

- **Churn Rate:** Churn Rate quantifies the number of customers a business loses within a given time-period.
- **Customer Acquisition Cost:** It refers to the total expenses incurred by a business to acquire a new customer within a specific period.
- **Gross Margin:** The difference between the cost of goods sold (COGS) and total revenue, expressed as a percentage.
- **SKU Rationalization:** It is the process of assessing and optimizing a company's product or service offerings to improve efficiency and profitability.
- **Market Share:** Tracks the percentage of the total market captured. A rising market share indicates strong brand performance and customer preference.
- **Brand Loyalty:** Tracks the repeat purchase rate and customer preference for your brand over competitors.
- **Inventory Turnover Rate:** Measures how quickly inventory is sold and replaced. A high turnover rate indicates efficient inventory management and reduces holding costs.
- **Customer Complaints and Returns:** Monitoring the number and nature of customer complaints and product returns.
- **Supply Chain Costs:** Cutting supply chain costs can significantly boost profits without the necessity of increasing sales.
- **Customer Retention:** Customer retention reflects brand loyalty, ensures revenue stability and maximizes long-term customer value.

PORTER'S 5 FORCES

Threats of New Entrants

MODERATE

- High capital needs for setting up manufacturing and distribution networks act as formidable barriers
- However, the evolving landscape with increasing online retail penetration and rising popularity of private labels could create openings for nimble, innovative entrants

Threats of Substitutes

LOW

- Private labels, regional organic brands and homemade alternatives can substitute established brands. Consumers switch based on price, quality, or preferences.
- However, strong brand loyalty and habitual FMCG consumption reduce this threat, sustaining demand for established brands

Competitive Rivalry

HIGH

- Established giants, regional players and private labels are all vying for a piece of the pie.
- Intense competition is fueled by constant product innovations, advertising campaigns and pricing strategies.

Buyer Power

MODERATE

- Indian FMCG consumers have multiple choices for similar products.
- While brand loyalty reduces price sensitivity, alternative distribution channels enable brand switching, increasing pressure on FMCG companies to maintain competitiveness and retain customers

Supplier Power

LOW

- Multiple suppliers for raw materials and packaging limit supplier influence.
- Large companies leverage market presence and long-term relationships to negotiate better prices, especially during input cost inflation, maintaining control over fragmented commodity supply chains and reducing supplier power

FMCG INDUSTRY (CONT.)

INDUSTRY METRICS

Industry Size (India)	230.14 billion U.S. dollars in December 2023	**Average Net Profit Margin (India)**	Tata Consumer (8%), Marico (15.56%), Hindustan Unilever (HUL) (16.61%), Dabur (14.6%), Godrej Consumer Products (-3.97.%), Nestle India (16.12%) FY24
Prominent Players	Hindustan Unilever, Amul, ITC, Nestlè, P&G, Marico, Godrej Consumer Products, Tata Consumer, Dabur, Patanjali Ayurved, Britannia	**Industry Terminology**	**FMCG:** Fast Moving Consumer Goods, **SKU:** Stock Keeping Unit, **POS:** Point of Sale, Branding, Primary and Secondary packaging

VALUE CHAIN

Innovation	Sourcing	Manufacturing	Logistics	Marketing	Sales
Consumer insights guide R&D and marketing teams in developing or enhancing products, packaging and branding to align with consumer preferences and trends	After concept development, sourcing teams procure materials based on consumer-driven product specifications, considering what consumers value and demand	Raw materials are transformed into finished products in factories, adhering to consumer preferences, quality standards and market demands	Finished products are efficiently transported through the logistics network to distribution points, optimizing based on consumer demand patterns	Consumer insights inform the creation of advertising, promotions and content tailored to resonate with the target audience's preferences and needs	Sales teams use consumer insights to select distribution channels and retail outlets that cater to consumer preferences, ensuring accessibility

FMCG INDUSTRY (CONT.)

FOOD AND BEVERAGES

The food and beverage industry includes restaurants, cafeterias, cafe, fast-food joints, pubs, delis, food manufacturing operations, catering businesses, food transportation services and more. Work in this industry can range from packaging to preparing, transporting and serving food or beverages.

Industry Size	US$ 332 billion in FY 2023 (Incl. Alcoholic Beverages)
Average Net Profit Margin	Ranges from 12% in food processing area to 20% in QSR (Quick Service Restaurants)
Growth Rate	11.5 % CAGR

PERSONAL AND HOME CARE

The personal and home care industry includes products and services for hygiene, grooming and cleaning. This covers skincare, haircare, cosmetics, oral care, toiletries, cleaning agents. Work in this sector involves product development, manufacturing, packaging, distribution, retail and services.

Industry Size	US$ 28 billion in FY 2024
Average Net Profit Margin	Ranges from 15 % to as high as 23% for premium brands
Growth Rate	5.6 % CAGR

KEY DRIVERS

Revenue	Cost	Market Growth	Challenges
• Consumer Preferences • Seasonality • Pricing Strategies • Brand Loyalty • Product Innovation	• Raw materials • Logistics and Transportation • Packaging • Supply Chain • Energy Cost • Raw Materials	• Urbanization • Health Trends • Rising Income Levels • Digital Channels • Quick Commerce • Sustainability trends	• Regulatory Compliance • Consumer Awareness • Sustainability • Supply Chain disruptions

EXTERNAL ENVIRONMENT ANALYSIS

Political: The Indian government's 2025-26 budget has measures to stimulate the economy, such as cutting personal income tax rates to boost middle-class spending and encouraging private investment, improve consumer spending, to positively impact the sector.

Economic: India's FMCG sector faced challenges in 2024 due to rising input costs and food inflation, leading to price hikes and shrinkflation. However, a recovery is expected in 2025, driven by easing inflation, government spending and rural growth.

Social: There's a growing consumer preference for premium products and health-conscious options. The rise of quick commerce and the increasing influence of Gen Z and millennials, who are expected to contribute to 76% of consumption by 2030.

Technological: The adoption of AI, IoT and robotics in FMCG manufacturing has led to improved efficiency and reduced operational costs. Eg: HUL's smart factories use IoT sensors for real-time quality control, reducing wastage by 10-15%.

Environmental: New plastic waste management rules mandate recycling and reuse of plastic packaging. India's smart packaging market is projected to reach $46.25 billion by 2028 (CAGR of 5.5%).

Legal: Strict regulation like **e**ffective from July 1, 2022, FSSAI regulations require FMCG companies to provide clear and prominent labeling of packaged foods, including detailed ingredient lists, nutritional information.

GROWTH DRIVERS

Rising Disposable Income: India's per capita income grew by 15% in 2023, reaching ₹1.72 lakhs. Higher disposable income leads to increased spending on premium and health-conscious products.

Rural Market Penetration: Government schemes like PM Awas Yojana and BharatNet are boosting rural incomes. Rural spending grew by 6% in Sep. quarter, surpassing urban growth.

E-Commerce & D2C: Online FMCG sales are expected to reach $50 billion by 2027, driven by rapid internet adoption. D2C brands like Mamaearth & Sugar Cosmetics are capitalizing on the rising demand.

Digital Transformation: FMCG firms are leveraging AI-driven analytics for supply chain efficiency and demand forecasting. Smart warehouses using IoT have reduced logistics costs by 15-20%.

Quick Commerce: Quick commerce market was valued at $2.8 billion in 2023 and is projected to reach $5.5 billion by 2025. Blinkit reported a 117% YoY increase in revenue in 3rd quarter of 2024.

Government Policies: 100% FDI allowed in food processing and single-brand retail under automatic routes. PLI Scheme for food processing offers ₹10,900 crore incentives, driving investment.

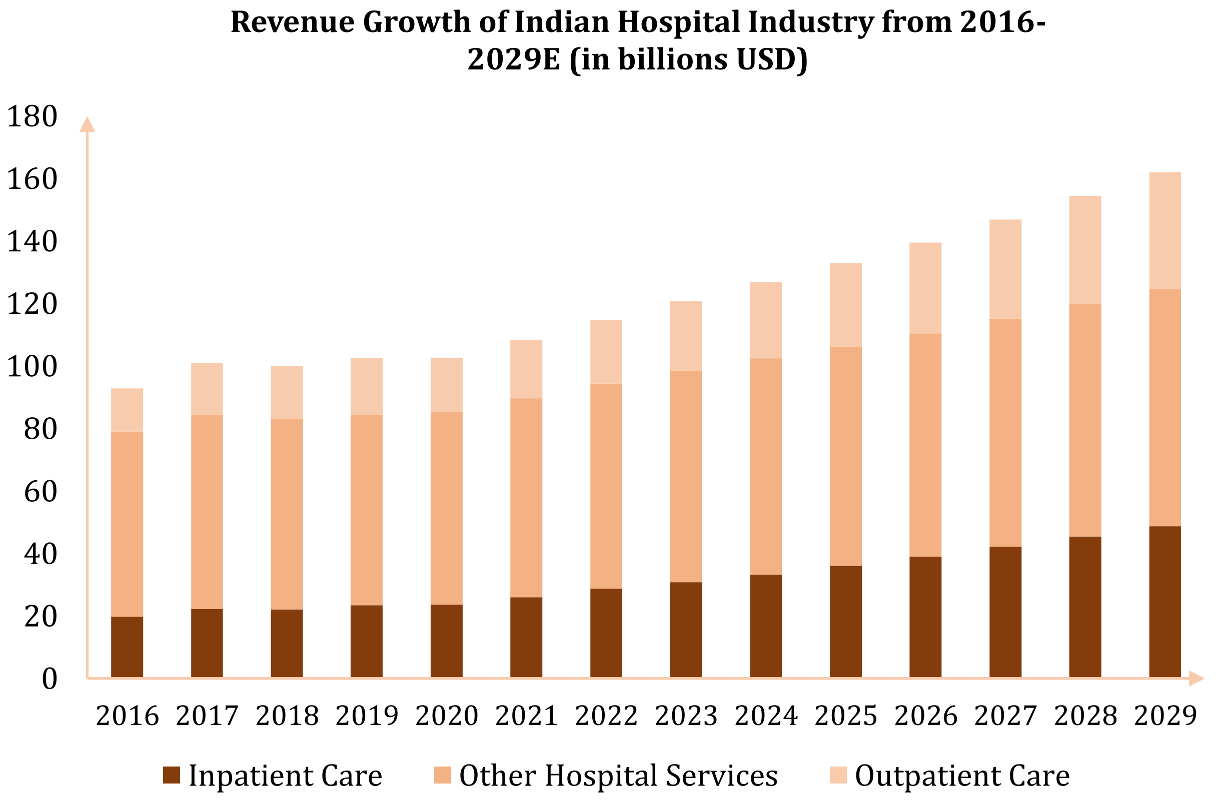
HEALTHCARE INDUSTRY

The healthcare sector consists of businesses that provide medical services, manufacture medical equipment or drugs, provide medical insurance, or facilitate healthcare provision to patients. It includes hospitals, clinics, pharmaceutical companies, medical device manufacturers, biotechnology firms and providers of healthcare-related services. The sector focuses on disease prevention, diagnosis, treatment and the management of patient health, both physical and mental. It involves the development and marketing of products and services aimed at promoting and restoring well-being. It is also heavily influenced by government policies, regulations, technological advancements and societal needs, making it one of the most complex and essential industries globally.

INDUSTRY TRENDS

- **Technological advancements:** Digital health solutions are disrupting the healthcare services with innovative and convenient solutions such as telehealth and remote monitoring, AI in diagnostics and imaging for early detection of diseases and predictive analytics to improve patient outcomes. As of 2023, The global medical technology industry was worth over $567 billion annually.
- **Demographic shifts:** With a rapidly aging population across the world, more complex healthcare needs and chronic conditions puts significant pressure on healthcare systems. Growing urban populations and migration patterns are shifting healthcare delivery needs and creates a demand for adaptable and scalable healthcare systems.
- **Evolving patient needs:** Patients expect personalized care, on-demand services and transparency in pricing and treatment options. There is a growing emphasis on preventive care, mental wellness and holistic treatment approaches.
- **Mental Health and Well-Being:** With increased focus on mental health, patients now demand better access to health services and also expect to play a more active role in their treatment decisions, challenging traditional doctor-patient dynamics.
- **Personalised medicine and genomics:** Modern technologies like genomics and AI allow healthcare providers to take a more personalised approach, tailored to the individual level.
- **Medical tourism:** India has become a popular destination for medical tourists due to its high-quality healthcare facilities and affordable prices. This has led to an increase in the number of private hospitals and clinics that cater specifically to medical tourists.

MARKET TRENDS



KEY PERFORMANCE INDICATORS

- **Operating Cash Flow:** Operating Cash Flow measures the amount of money that is generated from normal operations at the hospital or clinic.
- **Average Receivable (AR) Turnover:** This performance metric is used by management to determine how efficiently the care facility is collecting its receivables from patients and insurance companies. A high AR turnover indicates that payments are being collected in a timely manner, while a low turnover indicates collection issues.
- **Net Profit Margin:** The net profit margin reflects the financial health and profitability of the healthcare facility. This metric measures the percentage of revenue that a healthcare facility retains as profit after accounting for all expenses, including overhead costs, salaries and supplies.
- **Bed Occupancy Rate:** The bed occupancy rate is an operational metric which quantifies the proportion of hospital beds in use at any one time.
- **Average Hospital Stay:** This healthcare KPI tracks the average length of time patients stay in the hospital.
- **Average Patient Wait Time:** Average patient wait time tracks the average amount of time a patient must wait between checking in and seeing a provider. This is an important metric when it comes to staffing, scheduling and providing insight into patient satisfaction.

PORTER'S 5 FORCES

Threats of New Entrants

LOW

- Due to regulatory barriers and compliance requirement with laws such as HIPAA (in the U.S.). The intricate nature of healthcare services and high Capital requires substantial capital investment

Threats of Substitutes

HIGH

- Telemedicine and AI generated prescriptions and treatment plans can be substitutes for traditional healthcare. The digital health monitoring devices also allow patients to manage some aspects of their healthcare independently. However, acute health care, surgery and advanced treatments cannot be easily replaced.

Competitive Rivalry

HIGH

- Numerous players (hospitals, clinics, pharmaceutical companies, insurance providers) competing in various niches, leading to price competition innovation and R&D for elective procedures and pharmaceuticals.

Buyer Power

MODERATE

- Often non-negotiable, especially in emergencies or for critical illnesses. However, with more awareness, patients have greater leverage in choosing providers or questioning treatment plans

Supplier Power

HIGH

- Large pharmaceutical companies and medical devices manufacturers hold significant power. Healthcare professionals being in short supply, gives them significant leverage over healthcare organizations

HEALTHCARE INDUSTRY (CONT.)

INDUSTRY METRICS

Industry Size	**India:** $370 Billion **Global:** $10 Trillion	**Average Profit Margin (India)**	22-23% Operating Profit
Prominent Players	**India:** Apollo Hospitals, Max Healthcare, Thyrocare Technologies, Fortis Healthcare **Globally:** UnitedHealthcare Group, CVS Health, Mckesson Cencora and Cardinal Health	**Industry Terminology**	**Accountable Care Organization (ACO):** A group of healthcare providers who voluntarily come together to provide coordinated high-quality care to Medicare patients with the aim of reducing unnecessary costs and improving patient outcomes. **Telemedicine:** The use of digital communication technologies, like video calls, to provide medical services remotely. **Electronic Health Record (EHR):** A digital version of a patient's medical history maintained over time by healthcare providers. **Length of Stay (LOS):** The average amount of time a patient spends in the hospital from admission to discharge.

VALUE CHAIN

Inbound Logistics	Operations	Outbound Logistics	Patient Engagement and Care Management	Services
• Inbound logistics includes the activities and processes involved in purchasing, receiving, storing and managing raw materials from suppliers to create products	• Includes management of the process where the patient registers, gets diagnosed, hospital admission and medication	• Involves the distribution and delivery of healthcare products and services to end-users, such as hospitals, clinics and patients	• Involves educating patients on treatment options, preventive care and wellness. Offers Personalized care plans and follow-up services	• Services determine the competitive advantage for healthcare companies. People prefer healthcare services with modern equipment, techniques and devices

EXTERNAL ENVIRONMENT ANALYSIS

Political: Government policies significantly impact healthcare delivery, insurance and funding affecting healthcare infrastructure; in unstable regions, access to healthcare services can be limited. The Affordable Care Act of the US helped healthcare access to 31+ Mn Americans as of 2023.

Economic: Economic disparities impact access to healthcare, with lower-income populations often facing barriers to necessary treatments. Global healthcare spending is projected to reach $10 trillion by 2026 (Deloitte).

Social: An aging population is increasing demand for healthcare services, like in eldercare and chronic disease management. An increase in demand of preventative disease management services due to lifestyle changes.

Technological: Telemedicine, AI and robotic surgery are transforming healthcare. Further, digital health records and remote monitoring have improved efficiency and access.

Environmental: Climate change has contributed to various health issues like respiratory illnesses and vector-borne diseases, increasing healthcare demand.

Legal: Strict regulations around patient safety, drug approvals and medical devices require healthcare providers to maintain high compliance standards. Data privacy laws, such as HIPAA and GDPR, govern the protection of sensitive patient information, with non-compliance leading to heavy penalties.

KEY DRIVERS

Cost Drivers	Shortage of skilled workforce, medical equipment and technology, research and development (R&D), regulatory compliance and malpractice insurance.
Revenue Drivers	Aging population, patient volume and utilization, telemedicine and digital health services.
Market Growth	Aging population, chronic illnesses, preventive care and digital health expansion and medical tourism
Government Incentives	The government is offering various incentives, including early production royalty concessions, to stimulate investment in exploration and production.

GOVERNMENT INITIATIVES

India	India's Union Budget 2024-25 emphasizes transforming the healthcare sector through increased digital infrastructure and a revised health expenditure of Rs. 89,287 crores (US$ 10.70 billion), aiming to enhance accessibility and innovation in healthcare services. The Indian government is planning to introduce a credit incentive programme worth Rs. 50,000 crore (US$ 6.8 billion) to boost the country's healthcare infrastructure.

IT & ITES INDUSTRY

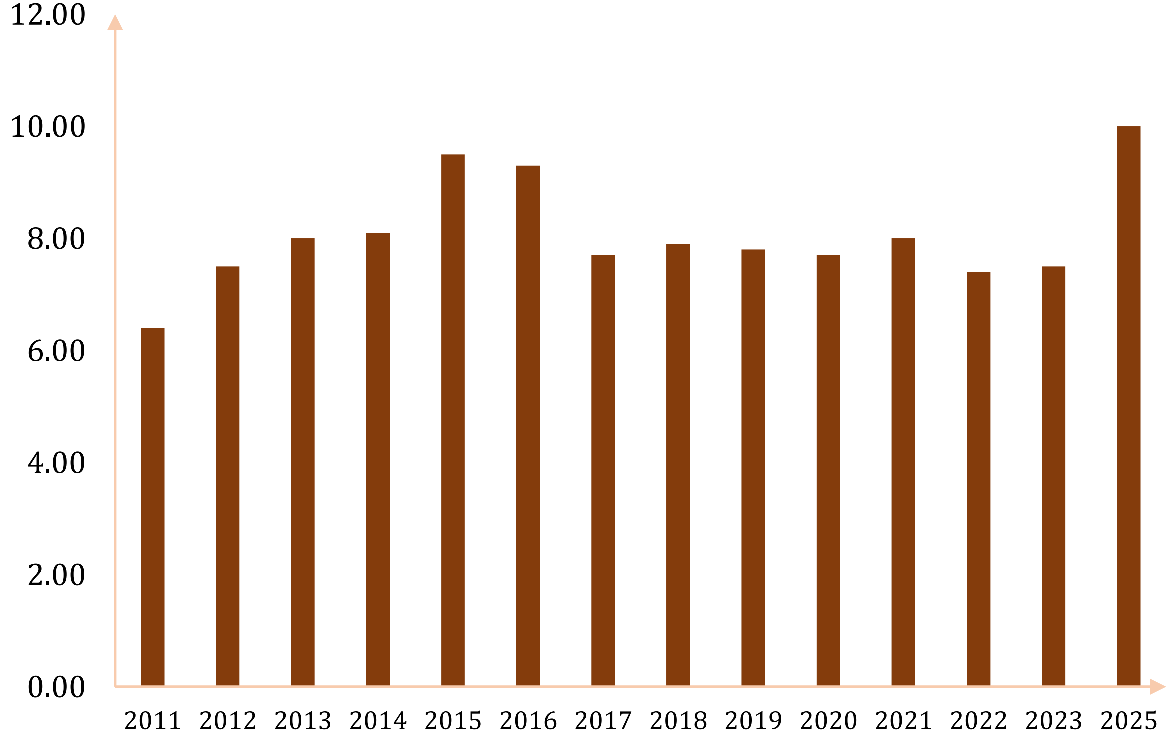
The information technology (IT) and technology-enabled services (ITES) industry has been a key driving force for India's economic growth. IT and ITES sector's contribution to the national GDP has increased from 1.2 per cent in 1997-98 to an estimated 7.5 per cent in 2022 and is expected to contribute 10% to India's GDP by 2025. IT has evolved as a major contributor to India's GDP and plays a vital role in driving the growth of the economy in terms of employment, export promotion and revenue generation. Indian IT & ITES companies have set up over 1,000 global delivery centres in over 200 cities around the world.

INDUSTRY TRENDS

- **Focus on Emerging Technologies:** Adoption of emerging technologies like artificial intelligence (AI), blockchain, cloud computing and robotic process automation (RPA) is transforming the industry and creating new opportunities. The AI market in India expected to reach US$13.7 billion by 2025. (Source: Mordor Intelligence)
- **Shift towards Automation and Digital Transformation:** Companies are increasingly automating routine tasks and embracing digital transformation to improve efficiency, productivity and customer experience. (Source: Gartner, Deloitte)
- **Growing Demand for Cybersecurity Expertise:** As cyber threats evolve, the demand for cybersecurity professionals and services is booming. Cybersecurity market in India expected to reach US$7.6 billion by 2025. (Source: Mordor Intelligence)
- **Focus on Tier-2 and Tier-3 Cities:** IT/ITES companies are expanding beyond metro cities, setting up operations in tier-2 and tier-3 cities to access talent and cater to regional demand. (Source: NASSCOM, Invest India)
- **Hybrid and Flexible Work Models:** The post-pandemic world has seen a rise in hybrid and flexible work models, impacting talent recruitment, retention and workplace practices. As many as 44 percent of Indian organisations have adopted hybrid model.
- **Edge computing:** Processes data close to its source, reducing latency for real-time applications like autonomous vehicles, industrial IoT and remote data.

MARKET TRENDS

Share of Information technology in the GDP of India from financial year 2009 to 2023 with estimate of 2025



KEY PERFORMANCE INDICATORS

- **Financial KPIs:** An IT and ITES company in India can be assessed financially by examining its earnings per share, profitability through margin analyses, return on investments (ROE and ROA) and top-line growth. The company's financial situation and capacity for continued expansion are depicted by this complex strategy.
- **Operational KPIs:** Assessing an IT and ITES company in India involves evaluating employee welfare, customer satisfaction and productivity, aiming to balance external and internal elements for long-term expansion.
- **Customer-centric KPIs**: Customer acquisition cost (CAC) measures the cost of acquiring a new customer, customer lifetime value (CLV) measures the estimated revenue a customer brings to the business and ARPU measures the average revenue per user.
- **Innovation KPIs**: The business's R&D expenditure, patent application volume, time to market and success rate are key indicators of its commitment to intellectual property protection, innovation and public acceptance of new products or services.
- **BPO**: Average Handling Time (AHT), First Call Resolution Rate (FCR), Customer Satisfaction Score (CSAT).
- **Software Development**: Defect Rate, Code Coverage, Project Delivery on Time and Within Budget.
- **Cloud Services**: Server Uptime, Data Loss Prevention (DLP) Effectiveness, Service Level Agreements (SLA) Adherence.
- **Adoption of Cloud Computing**: Track the percentage of clients migrated to cloud platforms to gauge progress towards digital transformation and scalability.

PORTER'S 5 FORCES

Threats of New Entrants

HIGH

- The Indian IT sector faces a high threat from new entrants due to low setup costs and infrastructure requirements, with emerging offshoring locations and low customer loyalty contributing to a competitive market

Threats of Substitutes

MODERATE

- While some services may have direct substitutes, the specialized nature of IT solutions and services often limits the availability of true alternatives. However, advancements in technology and emerging service models could introduce new substitutes over time

Competitive Rivalry

HIGH

Indian IT companies face stiff competition from domestic and foreign outsourcing companies, including China, Taiwan, the Philippines, Eastern Europe and Latin America, due to their rapid growth and effectiveness in the IT industry

Buyer Power

HIGH

- Buyers, which include businesses and organizations seeking IT services, often have a high bargaining power. This is because there are multiple service providers and buyers can differentiate between them based on factors such as cost, quality and specialization

Supplier Power

LOW

- Indian hardware providers and suppliers have low bargaining power due to their fragmented services and lack of differentiation

IT & ITES INDUSTRY (CONT.)

INDUSTRY METRICS

Industry Size	US$ 245 billion in FY 2023
Average Net Profit Margin	16.9% in 2022-23 from 19.9%in 2021-22
Prominent Players	Infosys, Cognizant, Accenture, Tata Consultancy Services, Wipro
Industry Terminology	SAAS (Software as a service), PAAS (Platform as a service), IAAS (Infrastructure as service), SLA (Service level agreement), IOT (Internet of things), Agile, Sprint, Scrum, DevOps

KEY DRIVERS

Economic Factors	Cost Segment	Talent and Skills	Challenges
Globalization	Salaries	Competitive position	Sustainability
Cost competitiveness	Software cost	Continuous learning and upskilling	Upgrading Cost
Government initiatives	Hardware cost	Adoption of Technology	Cyber Security

VALUE CHAIN

Inbound Logistics (Sourcing & Procurement)	Operations (Core IT Activities & Development)	Outbound Logistics (Delivery & Deployment)	Marketing and Sales	Service (Post-Sales Support & Maintenance)
• Acquisition of hardware components • Procurement of software tools & licenses • Hiring skilled professionals	• Software Development – Coding, testing etc • Cloud Infrastructure Management • Cybersecurity & Compliance	• Cloud-based Deployment – SaaS, IaaS, PaaS • Software Licensing & Distribution • Enterprise IT Implementation	• Enterprise Sales & B2B • Freemium, Subscription Models • Digital Marketing – SEO, targeted ads	• Technical Support • Software Updates & Patches • Training and customer success

IT & ITES INDUSTRY (CONT.)

EXTERNAL ENVIRONMENT ANALYSIS

Political: Government policies, data privacy laws (GDPR, CCPA, PDPB), cybersecurity regulations and international trade policies impact operations, with AI governance and digital taxation emerging as key concerns.

Economic: Growth depends on GDP, exchange rates, IT infrastructure investment, outsourcing trends and inflation affecting costs, while rising wages and VC funding influence market dynamics.

Social: Increasing digital adoption, remote work trends, demand for tech skills and data security awareness shape industry needs, alongside shifting user expectations for data transparency. Initiatives like TechSaksham aim to skill 62,000 underprivileged women in tech.

Technological: Rapid advancements in AI, cloud computing, big data and automation drive innovation and competition, with quantum computing and edge computing gaining traction.

Legal: Compliance with data protection laws (GDPR, CCPA), intellectual property rights and software licensing regulations is crucial, with stricter enforcement and penalties on the rise.

Environmental: Focus on green computing, energy-efficient data centres, e-waste management and sustainable IT solutions is growing, as ESG mandates push companies toward carbon neutrality.

TOP TECHNOLOGIES

Artificial Intelligence (AI) and Machine Learning (ML) - AI enables computers to perform human-like tasks. Applications include demand prediction and consumer behavior analysis. Machine Learning (ML) is used in speech recognition, traffic prediction, self-driving cars and fraud detection.

Robotic Process Automation (RPA) - RPA is a software technology that creates robots to mimic human actions in digital systems. These robots can read screens, type, navigate systems and extract data. RPA streamlines workflows, boosting company profitability, agility and employee satisfaction.

Quantum Computing - Quantum computing leverages quantum mechanics to solve complex problems beyond the reach of today's supercomputers. Recently, Quantum computing aided COVID-19 efforts by analyzing virus proteins and optimizing vaccine research, contributing to rapid development of solutions.

Virtual Reality (VR) and Augmented Reality (AR) - VR immerses users in new environments, while AR enhances existing ones. Both have vast potential in training, education, entertainment and marketing. Tech giants are advancing the Metaverse, blending VR and AR to create a unified digital world.

Blockchain - Blockchain, or Distributed Ledger Technology (DLT), records digital asset transactions in an unalterable, transparent way using decentralization and cryptography. It powers cryptocurrencies, NFTs and Central Bank Digital Currencies (CBDCs).

LOGISTICS AND SUPPLY CHAIN INDUSTRY

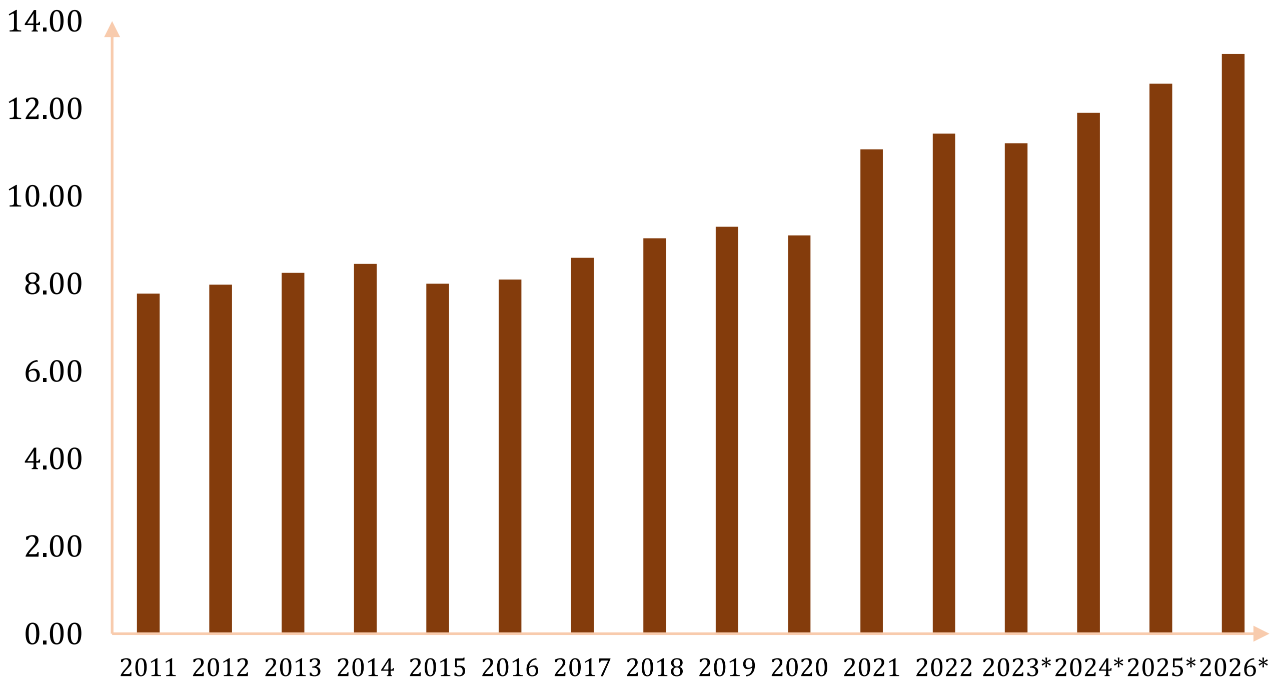
The logistics and supply chain industry is the backbone of global commerce and a dynamic component of the economy, around the planning, implementation and control of the efficient flow and storage of goods, services and information from point of origin to point of consumption. At the present time, logistics companies implement cargo transportation services by land, air and water while adapting to the changing nature of economic patterns and digitization. The functions of a supply chain include product development, marketing, operations, distribution, finance and customer service. Logistics & Supply Chain Market Size was valued at US 9,629.3 billion dollars in 2023 and is projected to reach US 11,137.2 billion dollars by 2030.

INDUSTRY TRENDS

- **Rising Advent of E-commerce:** The increasing demand for just-in-time delivery pressures suppliers to provide faster and more efficient service. This shift impacts supply chain management by enabling shipping companies to exchange documents electronically during the fulfillment process.
- **Generative AI:** Generative AI enhances procurement and regulatory compliance, streamlines manufacturing workflows and facilitates virtual logistics communication. GenAI models with data such as historical weather patterns, traffic maps and fuel prices can identify routes for optimal travel and highlight potential upcoming disruptions as well as alternate routes if needed.
- **Electric Vehicles:** Future-ready transport networks are adopting automation and autonomous vehicles. Driven by emissions reduction and battery advancements, electric trucks, buses and delivery vehicles are becoming more common. EVs also offer significant cost savings with lower per-mile energy expenses compared to gasoline or diesel vehicles.
- **Smart Logistics and Transport:** Smart logistics uses AI, IoT and data analytics to optimize routes and enhance efficiency. Industry 4.0 technologies enable real-time tracking of goods, improving order accuracy and reducing disruptions for a more efficient global supply chain.
- **Industry 5.0:** Industry 5.0 will enhance supply chain management through human-machine collaboration, mass customization and decentralized production. It focuses on sustainability, real-time data sharing, cybersecurity and risk management, alongside talent development for advanced technologies.

MARKET TRENDS

Logistics industry costs worldwide from 2011 to 2022, with forecasts until 2026 (in trillion U.S. dollars)



LOGISTICS AND SUPPLY CHAIN INDUSTRY (CONT.)

KEY PERFORMANCE INDICATORS

- **Order Fill Rate:** The percentage of orders fulfilled on time and in full; high rates indicate operational success, while low rates suggest inefficiency or inadequate inventory.
- **Inventory Turnover:** The number of times inventory is sold and replaced in a period; a higher ratio reflects better resource management and capital efficiency.
- **Supply Chain Agility:** The ability to quickly respond to changes in demand, supply and other factors.
- **Capacity Utilization:** A key metric for measuring production efficiency, it assesses the proportion of available labor hours or machine capacity used over a specified period. Higher utilization indicates better business performance.
- **Lead Time:** The time taken to receive a product after placing an order.
- **Supplier Delivery Performance:** This metric tracks how well suppliers meet delivery commitments and quality standards. High performance indicates strong supplier relationships and adherence to service level agreements (SLAs), enhancing customer satisfaction over time.
- **Forecast Accuracy and Bias:** Accuracy measures the alignment of forecasts with actual results, while bias indicates consistency in over or underestimating demand.
- **Production Attainment:** This KPI compares actual production to planned output, showing whether production goals are met or exceeded.

PORTER'S 5 FORCES

Threats of New Entrants

MEDIUM

- Companies need substantial investment in infrastructure, technology and logistics to establish a global supply chain
- Established companies have strong relationships with suppliers and customers that new entrants must work to develop

Threats of Substitutes

LOW

- The logistic is fast growing one and offers variety of services at different prices.
- Logistics range from warehousing, supply chain to transportation
- The only substitutes offered are for transportation, but they have extra cost added with them

Competitive Rivalry

HIGH

- Companies compete on price and service quality due to low differentiation, making it difficult to increase market share
- The industry enjoys high profit margins and strong growth, reducing the likelihood of exits

Buyer Power

HIGH

- The bargaining power of buyers in the global supply chain is relatively high, as they have access to a wide range of suppliers and can easily compare prices and quality

Supplier Power

LOW

- The suppliers who provide for company are the automobile industry which offers from light weight vehicles, forklift to trucks and cranes
- Since these are found in abundance in the market, they are chosen on their differentiated prices

LOGISTICS AND SUPPLY CHAIN INDUSTRY (CONT.)

INDUSTRY METRICS

Industry Size	**Global -** $ 11 trillion **India -** $ 274 billion
Prominent Players	GXO Logistics, Bluedart, DHL, FEDEX, Mahindra Logistics
Industry Terminology	3PL – Third Party Logistics SKU – Stock keeping Unit JIT – Just in time SLA – Service level agreement

KEY DRIVERS

Supply Chain Drivers	Production	Inventory	Location	Transportation	Information
Responsiveness	Excess Capacity, Many small plants	High inventory level, wide range of items	Many locations close to customer	Frequent shipment, fast & flexible modes	Collect & share timely, accurate information
Efficiency	Little Capacity, Few central plants	Low inventory levels, fewer range of items	Few central locations	Few shipments, slower & cheap modes	Cost of information drops, other rise

VALUE CHAIN

Inbound Logistics	Operations	Outbound Logistics	Marketing and sales	Distribution
This involves the procurement and movement of raw materials and components into the organization. Key activities include: • Supplier selection and management • Procurement, Transportation • Inventory management • Quality control	This is where the product is created or transformed. Key activities include: • Warehousing and distribution • Assembly • Packaging • Quality control	This involves the storage and distribution of finished goods to customers. Key activities include: • Order processing • Order fulfilment • Transportation • Customer service	This is where the product is promoted and sold to customers. Key activities include: • Sales of transportation services to shippers • Sales strategy • Pricing strategy	This involves providing after-sales support to customers. Key activities include: • Customer support • Warranty services • Tracking • Tracing

LOGISTICS AND SUPPLY CHAIN INDUSTRY (CONT.)

EXTERNAL ENVIRONMENT ANALYSIS

Political: India's Free Trade Agreements (FTAs) with ASEAN and other nations promote seamless cross-border logistics. National Logistics Policy (2022) aims to reduce logistics costs in India from 13-14% of GDP to global benchmarks (8%).

Economic: Inflation reduces demand for goods, limiting logistics operations and hurting the industry. Similarly, rising interest rates lead to lower consumption and reduced demand, impacting logistics.

Social: Consumer behavior and demographic trends greatly impact the logistics industry. If consumers demand faster deliveries, logistics companies must speed up processes. High population levels increase demand for goods, driving logistics activity.

Technological: Technology has transformed logistics: automation boosts efficiency, robotic systems cut costs and data analytics improve decision-making, inventory tracking & route optimization.

Legal: Transport, labor and contract laws significantly impact logistics. Strict transport laws may drive companies out due to operational hassles. Effective labor laws attract more workers to the industry.

Environmental: Climate change disrupts logistics supply chains, while carbon emissions, deforestation for warehouses and refrigerant use harm the environment, damaging the industry's reputation. Alignment with India's commitment to Net Zero by 2070, promoting sustainable logistics practices.

GROWTH DRIVERS

Consumer demand : Omnichannel retail blends online and physical sales, requiring faster supply chains and local store fulfillment. Amazon's Whole Foods shows this in action.

Technology : Technological advancements like autonomous vehicles and blockchain are transforming logistics. Driverless vehicles, starting in warehouses, will boost efficiency and may soon enhance last-mile delivery.

Global market : Global trade growth relies on demand and infrastructure. Asia dominates with initiatives like One Belt, One Road, while Africa and Latin America expand transport networks to boost connectivity.

Ocean and air market : Ocean and air freight markets are stabilizing after overcapacity issues. Consolidations are boosting ocean rates, while air freight grows with rising demand and e-commerce.

Sustainability : Many are focused on sustainability through efficient logistics. Consumers, especially millennials, seek transparency and ethics from brands, influencing their purchasing decisions.

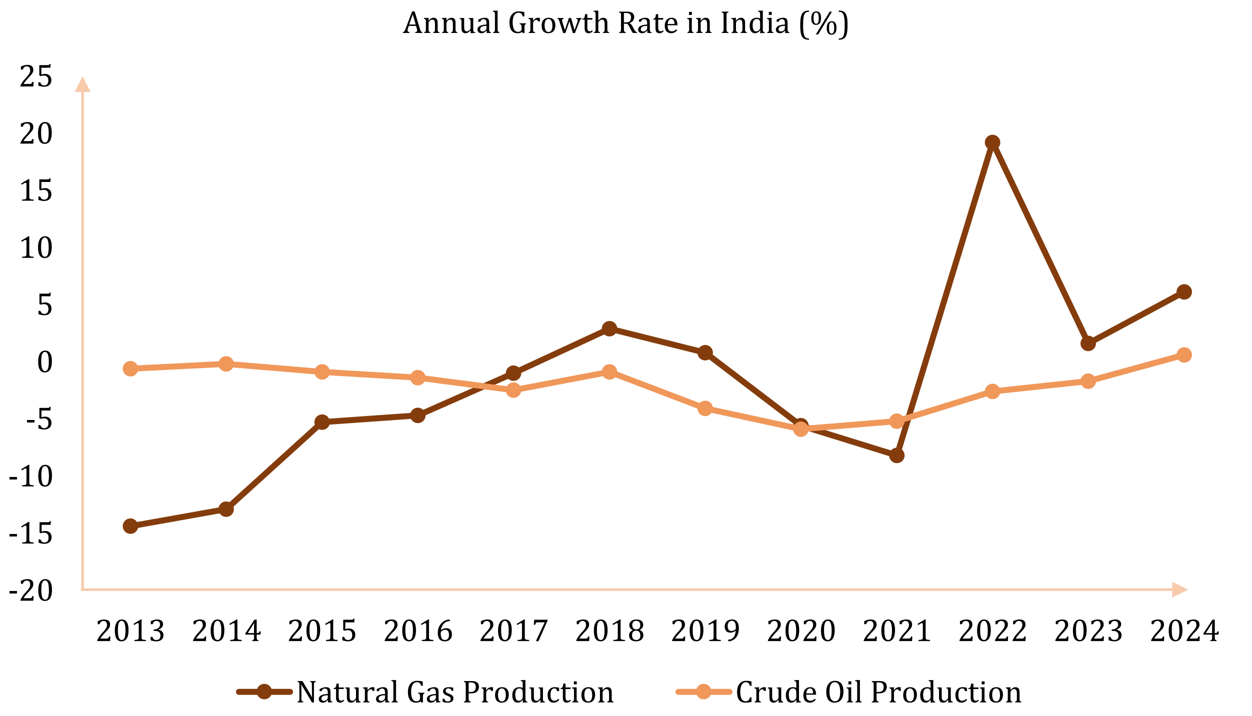
OIL AND GAS INDUSTRY

The Oil & Gas industry plays a pivotal role in India's energy and economic landscape. India ranks as the third-largest consumer of energy and oil and the fourth-largest LNG importer globally. As of 2024, India is a refining hub for crude oil, being the second-largest refiner in Asia, operating 23 refineries with a total capacity of 256.8 MMTPA, which is set to increase to 450 MMTPA by 2030. Natural gas production is expected to grow by 6.1% in FY 2024, up from 1.6% in FY 2023, as India enhances its focus on cleaner energy sources. Crude oil production grew by 0.6% in FY 2024, marking the first rise in a decade, signaling positive trends in domestic production. Globally, the oil production capacity is expected to reach 113.8 million barrels per day by 2030, while the overall Oil & Gas market is forecast to hit $7.63 trillion in 2024.

INDUSTRY TRENDS

- **Rising Demand:** India is set to experience a significant increase in oil demand, projected to reach around 5.57 million barrels per day in 2024, marking a growth of approximately 4.19% from 2023.
- **Renewable Fuels:** The Renewable Diesel Market Size was estimated at 3.61 (USD Billion) in 2024. In 2024, SAF production volumes reached 1 million tons (1.3 billion liters), double the 0.5 million tons (600 million liters) produced in 2023. SAF accounted for 0.3% of global jet fuel production and 11% of global renewable fuel.
- **Refining Capacity Expansion:** Over the past decade, India has boosted its refining capacity from 215.1 MMTPA to 256.8 MMTPA, with expectations to reach 309.5 MMTPA by 2028, underscoring its role in the global refining landscape.
- **Natural Gas Growth:** Natural gas consumption in India is projected to rise significantly, with an expected increase of 25 BCM and an average annual growth rate of 9% until 2024.
- **Enhanced Infrastructure:** As of June 2024, India's crude pipeline network has expanded to 10,941 km, boasting a capacity of 153.1 MMTPA. Plans for further expansion include adding more product pipelines and export terminals to attract foreign investment.
- **Technological Advancements:** The industry is undergoing a transformation, increasingly adopting cleaner technologies and energy-efficient practices in response to domestic needs and global environmental pressures.

GROWTH RATE



Annual Growth Rate (%) of Natural Gas production and Crude Oil production in India from 2013 to 2024

OIL AND GAS INDUSTRY (CONT.)

KEY PERFORMANCE INDICATORS

- **Barrels Per Day (BPD):** This metric indicates the total daily production capacity of crude oil, reflecting the country's ability to meet energy demands and supply to the market.
- **Gross Refining Margin (GRM):** GRM measures the profitability of refining operations by calculating the profit per barrel of crude oil processed.
- **Refining Capacity Utilization:** This KPI represents the percentage of total refinery capacity that is actively used for production, indicating how efficiently a refinery is operating.
- **Lease Operating Expenses (LOE):** LOE accounts for the costs associated with the ongoing operation of oil and gas properties, including labour and maintenance expenses.
- **Reserve Replacement Ratio (RRR):** RRR measures how effectively a company replaces its produced reserves with new discoveries, reflecting the sustainability of resource extraction.
- **Exploration and Production (E&P) Output:** E&P output indicates the total production from exploration and production activities, serving as a vital measure of a company's resource extraction capabilities.
- **Greenhouse Gas Emissions per Unit of Production:** This KPI quantifies the total greenhouse gas emissions produced for each unit of oil or gas extracted, providing a clear measure of environmental impact associated with production activities.
- **Drilling Success Rate:** This metric calculates the ratio of successful drilling outcomes to the total number of drilling attempts, offering insights into the effectiveness and efficiency of exploration efforts.

PORTER'S 5 FORCES

Threats of New Entrants

LOW

- New entrants must allocate substantial funds for exploration and setup
- Obtaining licenses and environmental clearances can take up to 12 months
- Existing players have established distribution networks and customer ties, complicating entry

Threats of Substitutes

MODERATE TO HIGH

- The push for renewable energy sources, such as solar and wind, poses a significant threat to traditional oil and gas
- Increasing adoption of electric vehicles, supported by government schemes, is shifting consumer preferences away from fossil fuels

Competitive Rivalry

HIGH

- Major players like ONGC, Reliance Industries and Bharat Petroleum compete aggressively for market share
- Companies are expanding across the value chain to enhance their competitive positions and adapt to market changes

Buyer Power

MODERATE

- Large industrial buyers, such as Tata Steel, can negotiate better pricing due to their high-volume purchases
- Consumers can switch brands easily, but small price differences and high switching costs across petroleum products limit their leverage

Supplier Power

HIGH

- India's dependence on oil imports from OPEC countries like Saudi Arabia increases its exposure to OPEC's pricing and supply decisions
- Long-term contracts and reliance on foreign technology weaken Indian firms' leverage with global suppliers

OIL AND GAS INDUSTRY (CONT.)

INDUSTRY METRICS

Industry Size (India)	The India Oil and Gas Market size is expected to reach 38.12 billion cubic meter in 2024 and grow at a CAGR of 5.20% to reach 49.12 billion cubic meters by 2029	**Average Net Profit Margin (India)**	IOCL (5.56%), ONGC (9.66%), Reliance Industries (11.6%), Hindustan Petroleum (3.69%), BPCL (6%).
Prominent Players	India: IOCL, ONGC, Reliance Industries, Hindustan Petroleum, Bharat Petroleum Corporation Limited Global: ExxonMobil, Chevron, Shell, TotalEnergies, BP, Reliance	**Industry Terminology**	MPI: Market Price Index, LNG: Liquified Natural Gas, NGL: Natural Gas Liquids, E&P: Exploration and Production, EOR: Enhanced Oil Recovery

VALUE CHAIN

Exploration	Transportation	Refining	Storage	Distribution
• Focuses on locating and extracting oil and gas reserves through seismic surveys, drilling and fracking. Key technologies include advanced offshore rigs and directional drilling for improved efficiency	• Involves pipelines, tankers and rail to move crude oil and natural gas from production sites to refineries. Emphasis on minimizing transportation costs and mitigating environmental risks, like pipeline spills	• Crude oil is processed into products like gasoline, diesel and petrochemicals. High-complexity refineries boost output and meet regional fuel standards	• Involves short- and long-term storage of crude oil, natural gas and refined products. Strategic reserves and inventory management balance supply-demand fluctuations	• Delivers refined products through retail, bulk and industrial channels, focusing on optimizing logistics and expanding consumer outreach for profitability

EXTERNAL ENVIRONMENT ANALYSIS

Political: Political factors in the oil and gas industry include India's HELP and NELP policies and subsidies. Globally, OPEC's production decisions and COP26-driven carbon reduction policies influence production, pricing and the shift to cleaner energy.

Economic: Global crude oil prices (WTI, Brent) fluctuate due to demand-supply changes, OPEC decisions and economic conditions. There is an increase in investment in alternative energy threatening long-term profitability. Increased cost of Exploration & Production due to Deepwater drilling, fracking and shale oil extraction.

Social: Urbanization drives higher demand for oil and gas. Initiatives aim to improve energy access in rural areas like Pradhan Mantri Ujjwala Yojana, providing subsidized LPG connections as well.

Technological: Improvements in 3D seismic imaging & drilling technologies. Use of IoT big data for increasing operational efficiency by enabling real-time monitoring and predictive maintenance.

Environmental: Governed by the Environment (Protection) Act, 1986 and the Air (Prevention and Control of Pollution) Act, 1981. Focus on emissions reduction and renewable energy integration.

Legal: Regulated by the Petroleum and Natural Gas Regulatory Board Act, 2006 and the Oilfields (Regulation and Development) Act, 1948. Right to Fair Compensation and Transparency in Land Acquisition Act, 2013 ensures fair land acquisition.

GROWTH DRIVERS

Investment in Infrastructure: The government aims to expand the natural gas pipeline network from 23,391 km to 34,500 km by 2025, enhancing connectivity and access.

Favorable Policies: Policies such as the National Data Repository, Marketing and Pricing Freedom for natural gas will facilitate investment and exploration activities.

Unified Tariff Structure: Implementation of a unified tariff for natural gas pipelines aims to improve market accessibility for consumers, promoting the development of gas markets.

Government Incentives: The government is offering various incentives, including early production royalty concessions, to stimulate investment in exploration and production.

Environmental Regulations: Recent policy changes have simplified regulations around seismic surveys and environmental clearances for exploration, making it easier to operate.

Renewable Energy Integration: The push towards energy transition, with significant investments in biofuels and other renewable sources, supports the net-zero objectives.

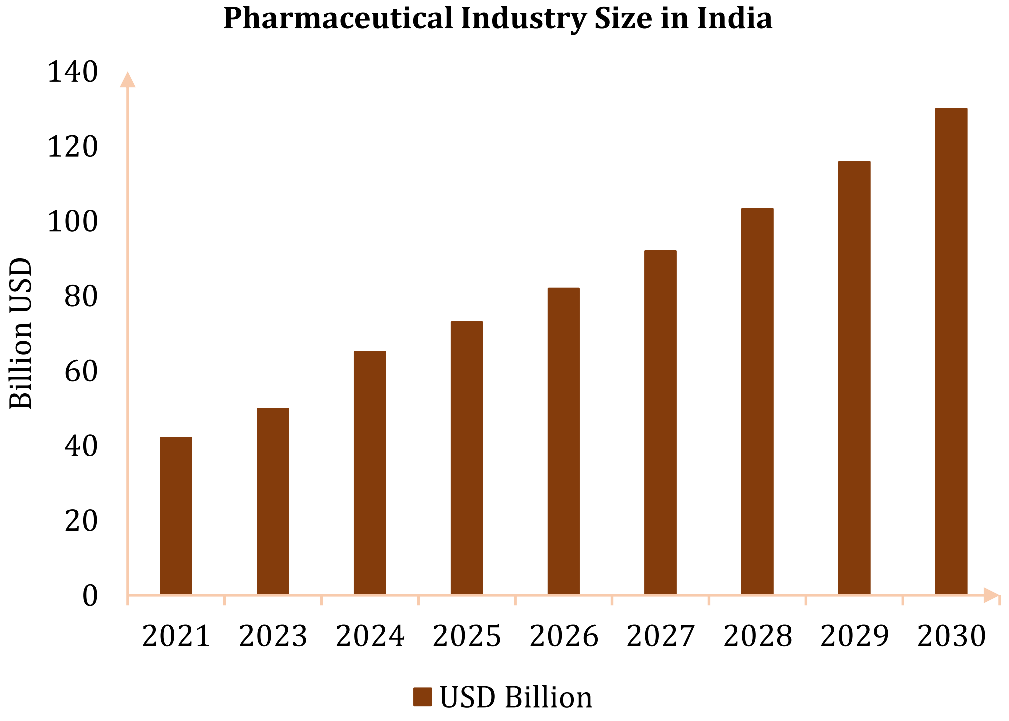
PHARMACEUTICAL INDUSTRY

The pharmaceutical industry is a critical component of the global healthcare sector, responsible for the discovery, development, production and distribution of drugs and medications. This industry plays a pivotal role in improving and sustaining human health by creating treatments and therapies for a wide range of medical conditions, from common ailments to life-threatening diseases. India holds a prominent position in the global pharmaceutical sector. India has been traditionally quite strong in the pharma sector, with a low cost of manufacturing (30%–35% lower than in the US and Europe) and cost-efficient R&D (about 87% less than in developed markets).

INDUSTRY TRENDS

- **Surge in Personalized Medicine:** Personalized medicine will have a surge in coming years, driven by AI and extensive data analysis. The firms will craft tailored treatments, finely matched to patients' genetic profiles and medical backgrounds, at an unprecedented rate.
- **Sustained Growth of Biopharmaceuticals:** It is derived from biological sources, living cells, will persist in coming years. Pharmaceutical companies will continue to allocate substantial R&D investments toward biologics development, solidifying their prominence in the industry.
- **Curative Treatments:** Innovative treatments like cell and gene therapies are revolutionizing the management of chronic illnesses and challenging conditions by eliminating the necessity for prolonged therapies.
- **Extended Reality (XR)**: A blend of mixed reality (MR), virtual reality (VR) and augmented reality (AR) is facilitating immersive, location-independent visualizations. This enables researchers to design proteins, refine 3D structures and collaborate in a virtual environment with global team members in real-time.
- **Digital Health**: a significant transformation due to the continued growth of digital health technologies. Patients will have the capability to remotely monitor their health using telemedicine and wearable devices.
- **Artificial Intelligence and Machine learning:** The use of artificial intelligence (AI) is accelerating drug discovery and development processes. These technologies will play a pivotal role in creating more effective treatments, identifying fresh drug targets, simplifying clinical trials, strategizing sales efforts and gaining a deeper understanding of the market.
- **Cell therapy boom**: The global cell therapy market is projected to reach $96.7 billion by 2025, driven by advancements in CAR-T cell therapies for cancer treatment.

MARKET TRENDS



Pharmaceutical Industry size in India from 2021 to 2030 (Forecast), with a CAGR of 12.25% *(in billion U.S. dollars)*

KEY PERFORMANCE INDICATORS

- **Research & Development (R&D) Efficiency:** Measuring R&D spending as a percentage of revenue and success rates for clinical trials ensures innovation efficiency. High R&D efficiency reflects optimized resource allocation and a robust pipeline.
- **Drug Approval Success Rate:** The percentage of drugs progressing from clinical trials to regulatory approval. This metric evaluates the effectiveness of clinical trial designs and preclinical research. Higher success rates indicate strong planning, compliance with regulatory requirements and higher returns on R&D investment.
- **Batch Failure Rate:** Percentage of manufacturing batches failing quality checks. Lower batch failure rates indicate effective quality control systems and adherence to Good Manufacturing Practices (GMP). Reducing failures minimizes rework costs, avoids regulatory penalties and ensures consistent drug quality.
- **Market Share by Therapeutic Area:** Percentage of market held in specific therapeutic areas. Higher share in targets shows expertise and dominance, reflecting successful R&D and aligning with long-term goals in niche or high-demand markets.
- **Inventory Turnover Ratio:** Measures how often inventory is sold and replaced. High turnover reflects effective management and demand forecasting, reducing the risk of obsolescence. It ensures availability while minimizing holding costs.
- **Pharmacovigilance Metrics:** Tracks adverse drug reaction (ADR) reporting and resolution time. Effective pharmacovigilance ensures patient safety and regulatory compliance. Quick response times and low ADR rates highlight robust monitoring systems.

PORTER'S 5 FORCES

Threats of New Entrants

LOW

- Pharma industry is an Oligopoly market; thus, it is very difficult for new firms to enter due to high cost in R&D, innovation and competition from existing prominent market players
- Strict regulations and lengthy approval processes act as barriers to new competitors

Threats of Substitutes

LOW

- Critical illness drugs often lack substitutes, allowing firms to recover profits before generics emerge post-patent expiry
- Similar to generics, but for biologic drugs, biosimilars are growing rapidly. They are designed to be nearly identical to an original biologic product

Competitive Rivalry

HIGH

The pharmaceutical industry is highly competitive, with many global and local players. Firms compete in R&D to develop new drugs and secure patents for an edge. Price competition is strong, especially in generics.

Buyer Power

HIGH

- Buyers hold strong negotiating power due to generic alternatives and price sensitivity
- Pharmaceutical firms must adjust prices and terms to retain market access, as generics increase competition and enhance buyer bargaining power

Supplier Power

HIGH

- Suppliers of rare chemicals, APIs and biologics are regionally concentrated, controlling much of the global supply and gaining strong pricing power
- Specialized equipment manufacturers also hold significant influence, further impacting pharmaceutical production costs and availability

PHARMACEUTICAL INDUSTRY (CONT.)

INDUSTRY METRICS

Industry Size	**Global**: $1.48 trillion **India**: $49.78 billion	**Average Net Profit Margin (India)**	Retailer: 16-22% & 20-50% for generic medicines
Prominent Players	Globally: Pfizer, Abbvie, Johnson & Johnson, Merck, Novartis In India: Sun Pharmaceutical, Dr. Reddy's Laboratories, etc	**Research and Development Spending**	Big pharmaceutical companies spend around 20 percent of their revenues

VALUE CHAIN

Research and Development (R&D) & Innovation	Manufacturing	Regulatory Approval and Compliance	Distribution and Logistics	Sales and Marketing
• The stage involves drug discovery, pre-clinical trial testing, clinical trials phases and regulatory approvals for the findings in R&D phase	• Involves developing the final drug formulation, including active ingredients and additives. Lead to large-scale manufacturing and packaging drugs in various forms for distribution	• Perform regulatory submissions with all the documents required to get approval to market the product and ensure quality control Good Manufacturing Practices (GMP)	• Involves wholesalers and distributors, pharmacies to dispense drugs to patients and cold chain management for temperature-sensitive medications	• Promotion and sales of the product with marketing strategies to healthcare professionals and consumers

Regulation, Governance, Legislation & Monitoring

Every stage of value chain is governed by regulations, legislations and monitoring through US FDA and respective regional vigilance organizations.

PHARMACEUTICAL INDUSTRY (CONT.)

EXTERNAL ENVIRONMENT ANALYSIS

Political: The Industry operates under stringent regulations governing safety standards, certifications and drug approvals. Political stability and intl. relations, in regions that supply raw materials like India & China are critical to the industry's supply chain.

Economic: The industry grows with rising incomes, increased drug demand and higher healthcare spending, while facing regulatory pricing controls, generic competition and inflation.

Social: Lifestyle changes, including rising incidences of chronic diseases like diabetes and hypertension, fuel demand for medications. An aging global population increases healthcare needs, providing opportunities for expansion.

Technological: Advancements in biotechnology, AI and big data are revolutionizing drug development and operational efficiency. Platforms like PharmEasy, Netmeds and Apollo Pharmacy for doorstep delivery.

Environmental: Pharmaceutical contributes to environmental challenges, such as chemical waste and others. They emit 13% more CO2 emissions than those of car industry. Governments are enforcing stricter regulations, which may increase operational costs.

Legal: It covers everything from intellectual property rights to stringent manufacturing standards. The DPCO is issued under the Essential Commodities Act, 1955 and all drugs under the National List of Essential Medicines (NLEM) are under the purview of the DPCO.

GROWTH DRIVERS

Aging Population: World population is expected to reach 9.3 Bn by 2050. The composition is undergoing change with high aged population, meaning increased cases of age-related diseases.

Pandemics: Pandemics like COVID-19 drive pharma industry growth by increasing demand for vaccines, treatments and healthcare solutions driving research and investment.

Increased Disposable Income: The rise in disposable income has led to greater healthcare awareness, prompting individuals across various income segments to seek high-quality healthcare services.

Health Insurance: The Indian Government's AB-PMJAY health insurance scheme, will drive healthcare access for patients and improve health outcomes over the forecast period.

Changing Lifestyle: Sedentary lifestyles, unhealthy dietary habits, hectic and stressful work habits, low sleep quality are leading to a higher incidence of chronic and lifestyle related diseases.

Digital Adoption: Advanced analytics provide insights in customer behavior, in clinical trial design & optimize the supply chain, driving growth across the pharma value chain.

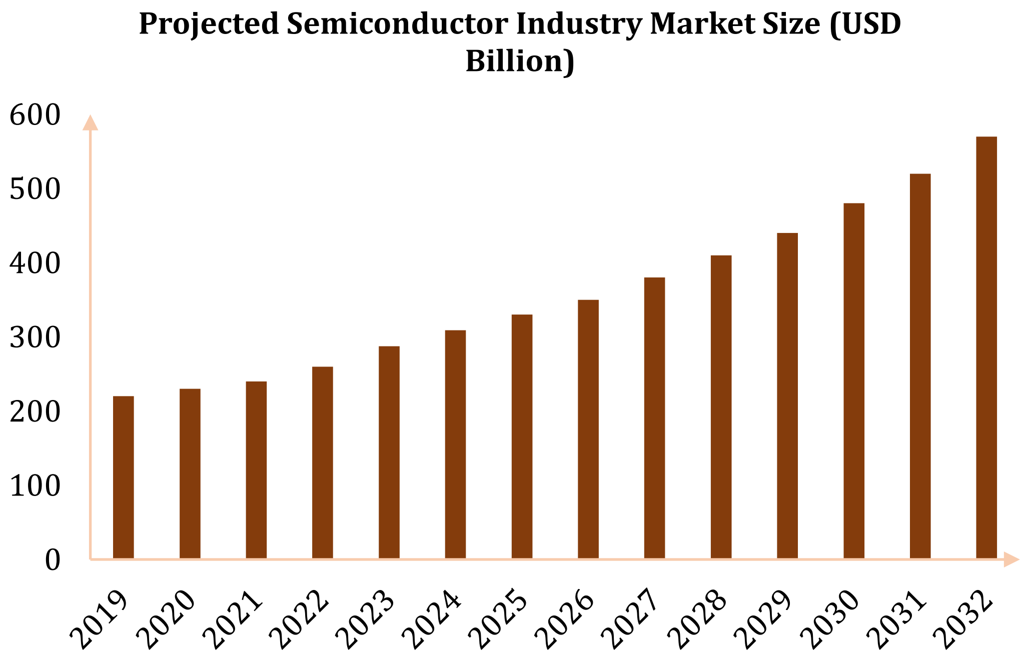
The world of the future runs on semiconductors. Trends such as remote working, the proliferation of artificial intelligence and soaring demand for electric vehicles are reshaping the world we live in. Accordingly, the global semiconductor industry is poised for a decade of growth. McKinsey projects industry revenues to climb to $1 trillion by 2030. About 70 percent of this growth will be spurred by just three industries: automotive, computation and data storage and wireless.

India aims to become a global hub for semiconductor manufacturing, supported by government initiatives such as the "India Semiconductor Mission" (ISM) and significant investments from both domestic and foreign players. The increasing demand for advanced technologies, such as 5G, artificial intelligence and the Internet of Things (IoT), India is making significant efforts to establish itself as a key player in the world of semiconductors. Numerous Indian Giants such as TATA & L&T and investing and collaborating with the foreign companies such as Japan, Taiwan & Singapore to set up plants in India.

INDUSTRY TRENDS

- **Automotive and EVs:** The rise of EVs drives semiconductor demand for battery management, ADAS and power distribution. Prominent companies like Tesla, Tata Motors and Ola Electric creating a strong demand for semiconductor components, especially for ADAS and power management chips.
- **IoT (Internet of Things):** IoT growth across sectors increases demand for low-power, high-performance semiconductors, essential for smart devices' connectivity and data processing, particularly in healthcare, agriculture and smart cities.
- **Artificial Intelligence:** AI is revolutionizing the semiconductor industry by driving the development of AI-specific processors and optimizing manufacturing. Companies like Rebellions focus on domain-specific AI processors for deep learning, while Gauss Labs enhances semiconductor manufacturing.
- **5G and Telecommunications:** 5G's rollout boosts semiconductor demand for connectivity hardware like millimetre-wave chipsets. Indian companies Reliance Jio and Bharti Airtel lead 5G infrastructure, emphasizing reliable, low-latency networks.
- **Government Initiatives:** Governments worldwide are pushing for semiconductor self-reliance. The U.S. CHIPS Act and South Korea's government initiatives are providing billions of dollars in subsidies, boosting domestic semiconductor manufacturing capabilities. Similarly, India's Semicon India Scheme offers financial incentives for semiconductor manufacturing.

ASIA – PACIFIC MARKET SIZE



SEMICONDUCTOR INDUSTRY (CONT.)

KEY PERMORMANCE INDICATORS

- **Yield Rate**: Yield rate measures the proportion of functional chips produced from total manufactured chips, indicating process efficiency and quality. High yield rates reflect optimized production techniques, minimal defects and effective process control, ultimately reducing costs and maximizing profitability in semiconductor manufacturing.
- **Defect Density**: Defect density quantifies the number of defects per square centimetre of a wafer. Lower defect densities indicate higher process quality, crucial for achieving high yield rates.
- **Cycle Time**: The time taken to complete a single production cycle, from wafer fabrication to final testing.
- **Equipment Utilization Rate**: Measures how effectively critical tools like photolithography machines or etchers are being utilized.
- **Mean Time Between Failures (MTBF)**: The average time a machine or equipment operates before a failure occurs.
- **Wafer Defect Map Utilization**: Wafer defect map utilization evaluates the effectiveness of analyzing defect patterns to identify root causes in manufacturing issues. Frequent and accurate utilization enables proactive quality improvements, reduced defect density and better yield rates, driving overall production efficiency and cost savings.
- **Revenue per Wafer**: Revenue generated per wafer produced, reflecting efficiency and profitability.
- **Time-to-Market (TTM)**: The duration from product concept to market launch, crucial in a highly competitive sector.

PORTER'S 5 FORCES

Threats of New Entrants

LOW

- The semiconductor industry demands huge capital, advanced technology and expertise
- FAB setup costs billions, with heavy R&D investment creating high entry barriers. Large players like TSMC leverage economies of scale, making market entry even tougher

Threats of Substitutes

LOW

- Semiconductors have no true substitutes, powering electronics from smartphones to industrial machines
- AI, cloud computing and IoT growth further cement their demand, making alternatives even less feasible

Competitive Rivalry

HIGH

The semiconductor industry is highly competitive, dominated by established global players like Intel, TSMC, Samsung and Qualcomm. These companies have advanced technologies, large-scale production capabilities and vast R&D investments

Buyer Power

MODERATE

- Rising digitalization, consumer electronics, 5G and automotive innovations drive semiconductor demand
- Key players dominate GPUs and CPUs, limiting buyer options and reducing buyer power in a market where specialized products have few alternatives

Supplier Power

HIGH

- Semiconductors rely on global rare earths and silicon wafers, with China and Japan leading. ASML in the Netherlands is key for EUV lithography
- India's import dependence heightens supplier power due to limited local equipment manufacturers

INDUSTRY METRICS

Industry Size	The global Semiconductor Market size is $681.05 billion in 2024 and expected to reach $2062 billion by 2032	**Revenue & Growth Rate**	80% through mobile and wearables, IT and industrial segments & growth rate is 14.9% CAGR
Prominent Players	**Global:** Intel, Micron Technologies, Samsung, Nvidia, TSMC, Texas Instruments India: TATA, Vedanta, Bharat Electronics, HCL Technologies	**Industry Terminology**	**Wafer**: A thin slice of pure silicon; **Transistor**: A key component that amplifies and switches electronic signals; **Integrated circuit (IC)**: An electronic device that contains many components

VALUE CHAIN

R&D	Inbound Logistics	Outbound Logistics	Marketing & Sales	After Sales Service
• Focuses on the design and innovation of advanced chip architectures and materials. It involves developing cutting-edge fabrication techniques like EUV lithography and progressing to smaller process nodes, such as 3nm and 2nm. The challenges here include high costs, lengthy development cycles	• Inbound logistics encompasses the procurement of essential raw materials, such as silicon wafers, rare earth elements and high-purity chemicals and gases. Semiconductor companies also source photomasks and advanced equipment like ASML lithography machines. Coordination with suppliers is critical to ensure continuity and avoid production bottlenecks	• Outbound logistics involves the distribution of finished semiconductor products to assembly, testing and packaging facilities or directly to end customers. Products are distributed to a variety of industries, including consumer electronics, automotive and industrial sectors	• Focuses on showcasing the chip's performance, energy efficiency and applicability in emerging technologies like AI, IoT and 5G. Semiconductor firms work closely with key customers to secure large contracts. Developing strong branding for consumer and enterprise products is essential in this competitive market	• It ensures the long-term reliability and integration of semiconductors in customer systems. This involves providing technical support, software or firmware updates and failure analysis for defective chips. Offering robust support is crucial for maintaining customer trust and loyalty in this technologically intensive industry

SEMICONDUCTOR INDUSTRY (CONT.)

EXTERNAL ENVIRONMENT ANALYSIS

Political: Geopolitical tensions impact the industry, especially due to export controls on advanced manufacturing equipment and semiconductors in the U.S., China and the EU. Countries are prioritizing domestic chip production to reduce global reliance.

Economic: A rising demand in India's semiconductor market driven by consumer electronics & automotive demand, high import dependency, mainly from Taiwan, China & the US. Inflation and supply chain disruptions have stabilized. but high inventories and underutilized fabrication facilities remain challenges.

Social: The industry faces a talent shortage, with an estimated gap of 67,000 skilled workers in the U.S. alone by 2030.

Technological: Strong R&D in areas like generative AI chips, IoT and advanced node manufacturing, with AI-powered tools being integrated into design and production processes.

Environmental: Semiconductor manufacturing is energy-intensive, raising concerns about carbon footprints and water usage. under the Environment Protection Act, 1986 requires semiconductor plants to undergo a detailed environmental impact assessments.

Legal: IP theft & cybersecurity threats are intensifying, with advanced semiconductor IP being a prime target. Semiconductor Integrated Circuits Layout-Design Act of 2000 in India protects the layout designs of semiconductor integrated circuits.

GROWTH DRIVERS

Technological Advancements: From the relentless pursuit of smaller, more efficient chips to the pioneering of innovative architectures, industry stands as a testament to human ingenuity.

Demand in Consumer Electronics: The surge in demand presents a fertile ground for innovation. The companies race to develop next generation of SC solutions to power the devices of tomorrow.

Automotive Industry: As vehicles become increasingly electrified and autonomous, the demand for automotive-grade chips is poised to skyrocket which presents firms with great opportunities.

High Performance Computing: Whether it's designing next-generation GPUs for or crafting memory solutions , firms are seizing the opportunity to shape the future of computing.

Era of 5G: The speed, latency reduction and enhanced connectivity of 5G are increasing demand for advanced semiconductor solutions which will power the next generation of wireless communication.

Healthcare Revolution: The intersection of semiconductor technology and healthcare includes applications spanning medical imaging, diagnostics and digital health solutions.

Telecommunications spans a wide range of sectors, including radio and TV broadcasting, cable and satellite companies, internet service providers (ISPs), wired and wireless telecom companies, Voice over Internet Protocol (VoIP), as well as radar and satellite operations.

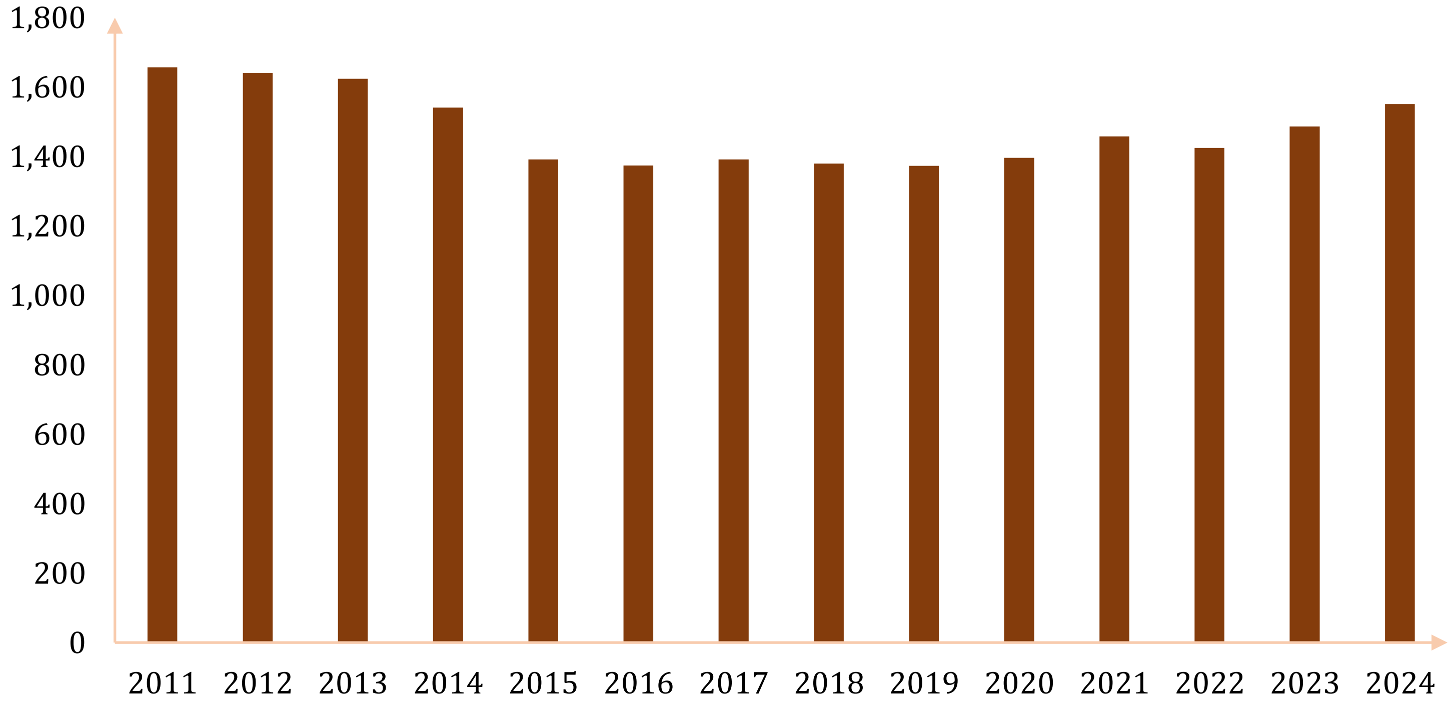
India's telecommunications sector ranks as the second-largest globally. 5G subscriptions increased by 160 million during the first quarter of 2024, to total 1.7 billion. The country maintains an overall tele-density of 85.87%. Within this, the tele-density in rural areas, which represent an underexplored market, is 59.48%, while the urban areas have a tele-density of 133.42%.

INDUSTRY TRENDS

- **5G adoption accelerates:** Global 5G subscriptions are projected to reach 1.2 billion by 2025, representing 13% of mobile subscriptions. (Source: Ericsson).
- **Beyond speed:** Beyond speed, 5G's true potential enables new applications like AR, VR and autonomous vehicles, with network slicing and edge computing as key outcomes, allowing tailored, low-latency connectivity for diverse use cases.
- **AI-powered network management:** Artificial intelligence and machine learning are driving predictive maintenance, network optimization and automated anomaly detection, boosting efficiency and reducing costs. (Source: Accenture)
- **Chatbots and virtual assistants:** AI-powered customer service solutions like chatbots and virtual assistants are enhancing user experience and reducing operational costs. (Source: Juniper Research)
- **Personalized offerings:** AI-powered analytics enable telecoms to personalize services and targeted marketing campaigns, increasing customer satisfaction and loyalty. (Source: Capgemini)
- **IoT and connectivity for sustainability:** Telecoms are enabling sustainable solutions like smart grids and environmental monitoring through IoT deployments. (Source: ITU)

MARKET TRENDS

Information technology (IT) spending on telecommunications services worldwide from 2008 to 2024 (in billion U.S. dollars)



KEY DRIVERS

Revenue Driver	Cost Driver	Market Growth Driver
• Increasing subscriber base by different subscribing model & other telecom equipment	• Fixed asset & infrastructure maintenance cost. • Marketing and customer acquisition expenses. • Regulatory compliance	• Deployment of 5G • IoT expansion. • Rural market penetration • Untapped customer segments

KEY PERFORMANCE INDICATORS

- **Net Promoter Score** (NPS): To measure how likely customers are to recommend a company's product or service to others.
- ***Average Customer Satisfaction Score:*** To measure how happy customers are with a product.
- **Churn Rate**: It measures how many customers a business loses over a given time frame.
- **New Business Revenue:** addition of new customers, it should be measured against a percentage (e.g., 30% of revenue comes from newly acquired customers)
- **Repeat Business Revenue**: current customer base

PORTERS 5 FORCES

THREATS OF NEW ENTRANTS

LOW

- Although entry barriers like spectrum allocation and infrastructure costs limit new players, Reliance Jio's disruptive entry in 2016 showcased the potential for agile, well-funded competitors to shake up the market. The government's focus on promoting new entrants through PLI schemes further adds volatility

THREATS OF SUBSTITUTES

MODERATE

- Communication platforms like WhatsApp and Zoom offer video calling and messaging, posing a significant threat to voice and messaging revenue. Additionally, Wi-Fi hotspots and broadband connections readily substitute for mobile data in fixed locations

COMPETITIVE RIVALRY

HIGH

The Indian telecom market is characterized by a few dominant players - Jio, Airtel, Vi (Vodafone Idea) - battling for market share. This leads to aggressive price wars, predatory offers, and constant innovation, squeezing margins and profitability

BUYER POWER

HIGH

- Indian consumers are highly price-sensitive, with readily available substitutes like Wi-Fi and OTT platforms. This, coupled with rising disposable incomes and data consumption, translates to significant buyer power. Furthermore, corporate customers with bulk usage have high switching potential

SUPPLIER POWER

LOW

- Equipment vendors face intense competition within themselves, granting operators strong negotiating leverage. Additionally, govern ment initiatives like Make in India aim to reduce dependence on foreign suppliers, further empowering telecom players

INDUSTRY METRICS

Industry Size	Global - 1,885.41 billion India - $32.4 billion
Average Net Profit Margin	12.5% as of 2022
Prominent Players	Global: AT&T Inc., Verizon Communications Inc., NTT, China Mobile Ltd India: Airtel India, BSNL, Reliance Jio

Industry Terminology	**Tele density** is a measure that indicates the quantity of telephone connections for every hundred people residing in a specific region **Alias:** An alternate identification sequence used for an IP address **Broadband**: A way to transmit greater data volumes than telephony networks permit

VALUE CHAIN

Network Infrastructure Providers	Equipment Manufacturers	Service Providers	Content Providers	Software and Application Developers	Value-Added Services (VAS) Providers	Retailers and Distributors	System Integrators & IT Service Providers	End-Users
• Companies that build and maintain the physical infrastructure, including fiber-optic cables, cell towers, data centers and other network equipment	• Manufacturers produce the hardware and equipment needed for telecommunications networks, including routers, switches, cell phones and other devices	• Wireline Telecom Providers: fixed line, mobile & cellular services • Internet Service Providers • Cable and satellite TV providers	• These companies create and distribute content. It includes streaming platforms, TV networks and content producers	• Developers create software & applications that run on telecom networks, mobile devices, like messaging apps, social media platforms, productivity tools	• Offer extra services on top of basic telecom services, such as mobile banking, entertain-ment subscriptions and location-based services	• These entities sell telecom services, devices and accessories to end-users through physical stores, online channels and reseller partnerships	• These companies offer services related to network integration, cybersecurity and IT support for telecom operators and businesses	• The final stage of the value chain comprises individuals, households, businesses and organizations that consume telecom services

EXTERNAL ENVIRONMENT ANALYSIS

Political: FCC and TRAI regulate telecom. The Telecommunications Act 2023 ensures safety and security. Costly spectrum bidding impacts competition. Limits on promotions prevent unfair practices. Authorities combat telecom scams.

Economic: Economic growth boosts demand for mobile and broadband, driving telecom revenues, while high inflation raises operational costs, impacting profitability.

Social: Urban population growth drives higher demand for mobile and broadband services, pushing telecom companies to innovate and offer competitive while the growing needs for mobile communications in the larger rural market further fuel the demand for improved connectivity and services.

Technological: The rollout of 5G technology promises faster internet speeds, lower latency and enhanced connectivity. Telecom companies investing in 5G infrastructure can gain a competitive edge and offer superior services to their customers.

Environmental: Investment in solar and wind energy. The EU's WEEE Directive mandates e-waste recycling. Telecom towers may impact bird navigation. Fiber-optic reduces energy use and environmental impact.

Legal: Telecom companies must secure patents and comply with data protection laws like GDPR to safeguard innovations and manage customer data responsibly.

NEWS AND INITIATIVES

India is one of the biggest consumer of data worldwide. As per TRAI, average wireless data usage per wireless data subscriber was 19.47 GB per month in December 2023 from 61.66 MB in March 2014. The data usage in December 2023 is approximately 323 times higher than in March 2014.

In early 2024, India had 1.12 bn active mobile connections, covering 78% of the population.
In April-December 2024 India's Internet subscribers reached 936.16 millions of which 38.57 million were wired subscribers and 897.59 million were wireless internet subscribers.

As of March 2024, India's leading mobile providers were Reliance Jio (469.73 million users), Bharti Airtel (265.5 million), Vodafone Idea (127.69 million) and BSNL (20.65 million). BSNL's recent entry into the 5G market could disrupt the industry by increasing competition and expanding affordable 5G access.

In July 2023, the Department of Telecommunications (DoT) launched the Bharat 6G Alliance (B6GA) project to promote cross-sector collaboration for research, development and deployment of 6G technology by 2030.

In Union Budget 2024-25 the Department of Telecommunications and IT was allocated Rs. 116,342 crore (US$ 13.98 billion).
As of early 2023, the average 5G download speed in the country was approximately 25 times faster than 4G.

DATA SHEET

Population distribution in India

Total Population	1455 Mn
Males	751 Mn
Females	704 Mn
Urban Population	538 Mn (37%)
Rural Population	917 Mn (63%)

Age-wise Population distribution

Age Group	Population (%)
0 – 12 Years	21.2
13 – 24 Years	21.2
25 – 34 Years	16.7
35 – 44 Years	14.4
45 – 54 Years	11.2
55+ Years	15.3

Internet & Social Media Users

Internet Users	752 Mn
YouTube Users	462 Mn
Instagram Users	363 Mn
Facebook Users	367 Mn
Mobile Connections	1120 Mn

Class Distribution by Annual Household Income

Annual Household Income	Percentage (%)
Low Income (less than 100000)	12
Lower Middle Income (100000 to 200000)	38
Middle Income (200000 to 500000)	35
Upper Middle Income (500000 to 1000000)	13
High Income (more than 1000000)	2

Population spread of Metros

City	Population	City	Population
Delhi	33.80 Mn	**Hyderabad**	11.06 Mn
Mumbai	21.67 Mn	**Ahmedabad**	8.85 Mn
Kolkata	15.57 Mn	**Surat**	8.33 Mn
Bangalore	14.00 Mn	**Pune**	7.34 Mn
Chennai	12.05 Mn	**Jaipur**	4.30 Mn

Life Expectancy and Growth Statistics

Life Expectancy	70.6
Birth Rate*	16.75
Death Rate*	7.5
Infant Mortality Rate*	25.8
Sex Ratio*	94%
Population Growth Rate	0.9%
Fertility Rate	2.12/Women

***Figures are for every 1000 individuals**

INSIDE THE CONSULTING WORLD

ABOUT CONSULTING

What is Consulting?

- The practice of providing expert advice, guidance and recommendations to individuals, businesses, organizations, or government agencies to help them solve specific problems, improve their performance, make strategic decisions, or achieve their goals.
- Consultants are typically professionals with specialized knowledge, skills and experience in a particular field or industry.
- Consultants employ a comprehensive strategy that combines both primary and secondary research with their wealth of industry experience to grasp the nuances of business challenges and offer recommendations.
- In essence, their role boils down to assisting CEOs and other top leaders in resolving crucial business issues and effectively putting these solutions into action.

Key Service Areas

Strategy Consulting

They help businesses develop and implement strategies to achieve their goals.

They work on a variety of projects, like developing new business models, entering new markets, or improving operational efficiency.

Management Consulting

They help businesses improve their performance & efficiency.

They work on a variety of projects, such as restructuring organizations, improving processes, or implementing new technologies.

Financial Advisory

They help businesses with their financial management & planning.

They work on a variety of projects, such as raising capital, managing debt, or planning for mergers and acquisitions.

Human Resources

They help businesses with their HR needs.

They work on a variety of projects, such as developing HR strategies, recruiting and training employees and managing compensation and benefits.

EMERGING TRENDS IN CONSULTING

Implementation Projects: The number of implementation projects for businesses is on the rise. Clients are placing greater emphasis on results rather than initial investments.

Digital transformation and Implementation of AI: One of the biggest trends in consulting today, as businesses increasingly adopt digital technologies and AI, they need consultants to develop and implement their digital transformation strategies and help businesses adopt AI technologies and use them to improve their operations.

Sustainability: Sustainability is a growing priority for businesses of all sizes. Consultants are helping businesses to develop and implement sustainability strategies, reduce their environmental impact and become more sustainable.

Risk-based Consulting: There is a rising trend in projects where consulting firms and clients share the project risks. Previously, clients predominantly bore the project risks, but now the burden is shifting toward consulting firms.

Agile consulting: Agile consulting is a new approach to consulting that is based on the principles of agile development. Agile consultants work closely with clients to develop and implement solutions quickly and iteratively.

CONSULTANT'S CALENDAR FOR A DAY (TYPICALLY)

A TYPICAL WEEKDAY FOR A CONSULTANT

9:00 AM	Travel to the client's location
10:00 AM	Host project team meeting to review appointments, deliverables and timelines.
10:30 AM	Check-in with client discussing meetings and deliverables for the week.
11:00 AM	Start working on the deliverables using Excel and Power Point
2:00 PM	Client Meeting to review deliverables made or gather inputs to help create the future deliverables.
4:00 PM	The project team meets to share insights, assign tasks and develop a weekly action plan.
5:00 PM	Focus on productive work, craft deliverables and discuss findings with the project team.
7:00 PM	After a busy day with Excel and PowerPoint tasks, time for a dinner with the client or the project team.
10:00 PM	Wrap up for the day!

Workplace Norms: Typical Dynamics and Interactions

Client Interaction: Consultants often engage directly with clients to understand their needs, gather information and present findings. Building strong client relationships is crucial for trust and effective collaboration.

Problem-Solving: A consultant's primary role is to solve problems. This involves analyzing data, conducting research and developing strategies or recommendations tailored to the client's unique situation.

Data Analysis: Consultants rely heavily on data to derive insights and make informed recommendations. Proficiency in data analysis tools and techniques is crucial for interpreting complex datasets and drawing meaningful conclusions.

Adaptability: Consultants often work in dynamic environments where priorities can shift rapidly. Adaptability and flexibility are key traits, allowing consultants to adjust to changing circumstances and client needs.

Communication Skills: Clear and concise communication is paramount in consulting. Consultants must understandably convey complex ideas, whether presenting findings to clients or collaborating with team members.

Continuous Learning: Given the ever-evolving nature of business challenges and industries, consultants must stay updated with the latest trends, tools and methodologies.

PARTNER/DIRECTOR
Promotion to this leadership role may take another **3 – 4 years**.
As a director/partner, you'll be a senior expert, advising top clients, generating business, shaping the firm's growth and achieving results.

PRINCIPAL/SENIOR MANAGER
Promotion usually takes **2 – 3 years.**
As principal consultant or senior manager, you'll oversee entire projects, ensuring timely delivery. You'll mentor your team, tackle challenging business issues and contribute to service development, business growth and thought leadership.

SENIOR ASSOCIATE/SENIOR CONSULTANT
Senior associates manage aspects of large projects, serve as project managers on smaller ones, assign tasks, lead teams and contribute to sales and marketing strategies.

ASSOCIATE/CONSULTANT
After **2-5 years** as an analyst, successful candidates become associates or consultants.
In this role, they identify issues, form hypotheses, assist with change implementation, manage projects and develop sector-specific knowledge and consultancy skills.

ANALYST
Starting as an analyst at a consulting firm after MBA is common.
Analysts work mostly on client sites, handling portions of problem-solving, assisting consultants with research and data analysis and participating in training programs.

WHY JOIN CONSULTING?

Development Opportunities

- The role offers intellectual gratification through structured resolution of substantial business challenges.
- It provides a steep learning trajectory and significant ownership of tasks, fostering the development of essential soft skills.

Diversity in Work

- The job offers diversity in work, particularly during the initial years, involving engagement in various sectors and industries.
- Projects encompass a range of types, including performance improvement, market entry and growth initiatives.

Collaborative Work Atmosphere

- The workplace fosters a collaborative environment where individuals of similar age groups come together from diverse academic and professional backgrounds.

Attractive Pay and Perks

- The compensation package is attractive, offering good pay and enticing perks.

Promising Exit Opportunities

- The job provides promising exit opportunities, including transitioning to roles in corporations, such as general management or leadership positions.
- Alternatively, it opens doors to paths in private equity, venture capital, entrepreneurship and public policy.

Ready yourself for...

Dynamic Environment: The nature of consulting projects means that the work environment can change frequently. You might find yourself working with different teams, industries, or even countries in a short span. Adaptability and flexibility are key.

Travel: Depending on the consulting firm and role, expect some level of travel. This could be local, national, or even international. Being prepared for frequent travel and managing associated logistics is crucial.

Long Hours: Consulting can be demanding, with periods of long hours, especially when nearing project deadlines or during client presentations. Time management and prioritization skills become invaluable.

Feedback Culture: Expect a culture where feedback is frequent and valued. Whether it's from peers, superiors, or clients, constructive feedback is integral to professional growth in consulting.

Client Relationship Management: Building and maintaining strong client relationships is vital. Consultants often act as intermediaries between the client's needs and the firm's solutions, requiring strong interpersonal skills, empathy and trust-building abilities.

HIRING PROCESS FOR A CONSULTING ANALYST

Application and screening	Phone Interview	On-campus Interview	Case Interview	Hiring Decision
The first step is for candidates to submit their resume and cover letter. The Consulting Firm will then screen the applications to identify the suitable candidates for the offered role.	If a candidate's application is screened in, they will be scheduled for a phone interview with the recruiter. This interview is typically used to learn more about the candidate's background and experience and to assess their fit for the role and company.	If a candidate clears the phone interview, an on-campus interview is conducted. This interview is conducted by a panel. The interview covers a range of topics, including the candidate's academic background, professional experience and interest in consulting.	The on-campus interview may also include a case interview. The case interview is a type of interview that simulates a real-world consulting project. The candidate will be given a business problem to solve and will be asked to present their solution to the panel.	If a candidate is successful in all the interview stages, they will be extended a job offer.

Desirable Attributes :

Analytical Skills

- Demonstrate Analytical Proficiency and Business Insight
- Evaluated in Case Interviews

Soft Skills

- Effective Communication and Collaborative Skills
- Typically Assessed in Interviews

Leadership Skills

- Proactive Initiatives and Proven Track Record
- Typically Evaluated in Interviews

POINTERS OF A RESUME FOR SECURING A CONSULTING INTERNSHIP

BE CLEAR AND CONCISE

Be precise, use action verbs to indicate significant impact and opt for active voice. Use bullet points and short sentences to highlight your most important information.

QUANTIFICATION OF POINTERS

Quantify your accomplishments with specific numbers rather than relying on vague terms like "several" or "immense."

HIGHLIGHT ACHIEVEMENTS

Your CV tells your story, highlight your standout achievements. It's beneficial to include a few significant accomplishments in various categories or multiple achievements in fewer categories.

HIGHLIGHT ALL PORs CLEARLY

PORs demonstrate your leadership skills and your capability to deliver results. If presented effectively, they can illustrate your capability to collaborate within a team.

HIGHLIGHT ANALYTICAL SKILLS

A substantial aspect of the role entails creative problem-solving and assuming a leadership role. Highlight these qualities in your resume.

RESULTS VS METHODOLOGY

Emphasize the output of your work rather than the methodology you used. This approach aligns with the expectations of the role.

HIGHLIGHT KEY POINTERS WELL

Optimize the recruiter's time by placing the most pertinent information at the beginning of your point and highlighting the crucial aspects in bold.

SIMPLIFY

Recruiters typically review numerous CVs, so the clearer you make your story, the more effective it is. Avoid using jargon and abbreviations to ensure easy understanding.

STRUCTURE OF A CONSULTING CASE INTERVIEW

A consulting case interview is a common part of the hiring process for management consulting firms. It is designed to assess a candidate's problem-solving abilities, analytical skills, business acumen and communication skills.

Interviewers are not only evaluating the candidate's ability to solve complex business problems but also their ability to think on their feet, communicate effectively and handle pressure.

How to quickly deal with a case by mastering each of the four parts

- Understand the problem statement that you're being asked.
- Think of all the key aspects of the problem over a period.
- To develop hypotheses on the issue and explore possible solutions, you must ask relevant questions and use information from the interviewer.
- Give a convincing explanation for the conclusion of your case interview.

4 parts to answering a consulting case interview

Opening → Structure → Analysis → Conclusion

Part 1: The Opening of the case interview

- In the beginning of a case interview, there's typically a description of a client and their problem. During this phase, one can ask any necessary clarifying questions. If something isn't clear, such as the client's product, industry, or the problem itself, it's encouraged to ask for clarification. If assumptions are necessary, it's advisable to discuss and validate them with the interviewer rather than making unsupported assumptions. Getting this part right sets a strong foundation for each case.

Part 2: Way to structure the interview

- It's crucial to create a comprehensive approach that covers all the vital aspects of the problem. Note-taking during the case interview plays a pivotal role in structuring thoughts and capturing important information.
- While frameworks are valuable for organizing data, it's essential not to force them into situations where they don't naturally fit. Moreover, when employing a framework, candidates should clearly communicate their method for reaching a solution to the interviewer.
- Mastering the structuring phase of the interview may be more challenging than the initial part, but it's indispensable for ensuring a well-structured problem-solving approach that leads to the correct case solution.

Part 3: Analyse the details of the case

- This phase of the interview holds significant importance because it provides the data necessary to eliminate peripheral aspects of the case that aren't central to the problem at hand. It also aids in gaining a deeper understanding of the crucial factors that will guide the candidate toward the solution.
- It's essential to revisit the problem-solving framework established earlier in the interview to ensure a comprehensive analysis. During this part of the interview, the candidate's evaluation will be based on the ability to ask pertinent questions, offer well-founded insights into the client's problem and demonstrate potential to lead a similar case if the candidate was to join the firm.

Part 4: Concluding the interview

- Candidates should strive for recommendations that closely align with real-world feasibility, to enhances the likelihood of successful implementation. Specific, well-defined solutions are more favourable than vague ones. Before presenting the solution, conduct a rapid "sanity check" by comparing it to the initial approach to ensure consistency.

SOME DO'S AND DON’TS IN AN INTERVIEW

Do's

- **Show your knowledge of the company:** Candidates must research both the company they are interviewing with and the industry that they intend to enter. It's important to show the interviewer that they are serious about working for a company and willing to be successful in an industry.
- **Be confident and calm**: Even though it feels that things aren't going as planned, be confident throughout the interview. This shows an important characteristic of the consultant's life, which includes managing difficult situations and being able to remain calm. Candidates will be judged on their total presentations, including body language and verbal communication skills in addition to the most requested problem-solving skills.
- **Use the structured approach:** Use a structured approach to solve the case. This may include dividing the problem in smaller parts, identifying the root cause of the problem or setting up a framework for analysing the situation.
- **Ask questions and listen actively:** In the case interview, candidates should be ready to answer questions from the interviewer, while they are also listening carefully. They should pay attention to the details given by the interviewer and pursue a clear understanding of the issue being addressed.

Don'ts

- **Don't get visibly stuck:** Maintain composure when encounter difficulties in problem-solving or comprehending information on case. Avoid displaying confusion or frustration and if necessary, politely ask for a moment to gather your thoughts and reflect on the situation.
- **Lose focus:** When the candidate is in a case interview, it's crucial to stick to the main point and not talk about things that don't matter or go off-topic.
- **Don't be nervous and scared:** The candidate shouldn't be afraid because it's typical for everyone to feel nervous in case interviews. Practicing how to handle anxiety in mock interviews prepares them to tackle real-life case interviews, regardless of whether the interviewers are supportive or challenging.

The candidate will increase the chances for a good performance at an interview if they take the above key points into account. Although these tips may seem overwhelming, remember that more the candidate practice, the more likely they are to crack the case interview.

KEY SKILLS FOR EXCELLING IN A CONSULTING ROLE

Analytical Skills

- The ability to dissect complex problems, evaluate data and derive actionable insights is crucial. Familiarity with tools like Excel, data visualization software and basic statistical methods can be advantageous.

Problem-Solving Abilities

- Consultants are hired to solve problems. Demonstrating a structured approach to problem-solving, using frameworks and thinking critically can make a significant difference.

Technical Proficiency

- Depending on the consulting domain (e.g., strategy, IT, HR), having a foundational understanding of relevant tools, software, or methodologies can be beneficial.

Research Skills

- A keen eye for detail and the ability to gather, analyze and synthesize information from various sources can be invaluable, especially during the initial phases of a project.

Time Management

- Consulting projects often come with tight deadlines. Efficiently managing your time, prioritizing tasks and meeting deadlines without compromising quality is vital.

Communicat-ion Skills

- Consultants often need to convey complex information in a clear and concise. manner Strong verbal and written communication skills, coupled with the ability to present findings persuasively, are invaluable.

Teamwork and Collaboration

- Consulting projects are typically team-driven. Being able to work effectively in diverse teams, understand different perspectives and contribute positively is essential.

Business Acumen

- A basic understanding of business fundamentals, industry trends and competitive landscapes can provide context and depth to your recommendations.

ALL THE BEST!

For any questions, feedback, or discussions about consulting, don't hesitate to contact us!

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