HKUST MBA Consulting Casebook

HKUST MBA Consulting & Strategy Club

2024 Edition

HKUSTMBA

LEARN. INNOVATE. LEAD.

Introduction

Dear aspiring HKUST MBA consultant,

The HKUST MBA Consulting Club with the collaboration of some of its most esteemed alumni is proud to present you the 2024 edition of the HKUST MBA Casebook. This casebook builds upon the previous edition by expanding upon the profiles for select consulting firms and industries to provide candidates new to the consulting field a starting reference on area they can further explore. We believe that by focusing on Asia, this casebook can provide the most relevant information to help inform your consulting journey while also maximizing the regional leverage of the HKUST MBA.

The casebook is the culmination of the hard work from previous HKUST MBA students who took the time to document their learnings and recite cases for inclusion here; **their efforts and continued care are what made this casebook possible**. Your contributions to future editions will similarly ensure our casebook remains best-in-class to assist future HKUST MBA students secure roles in the consultancies of their choice.

We wish you the best of luck!

HKUST MBA Consulting Club 2023 and Proud Past Alumni

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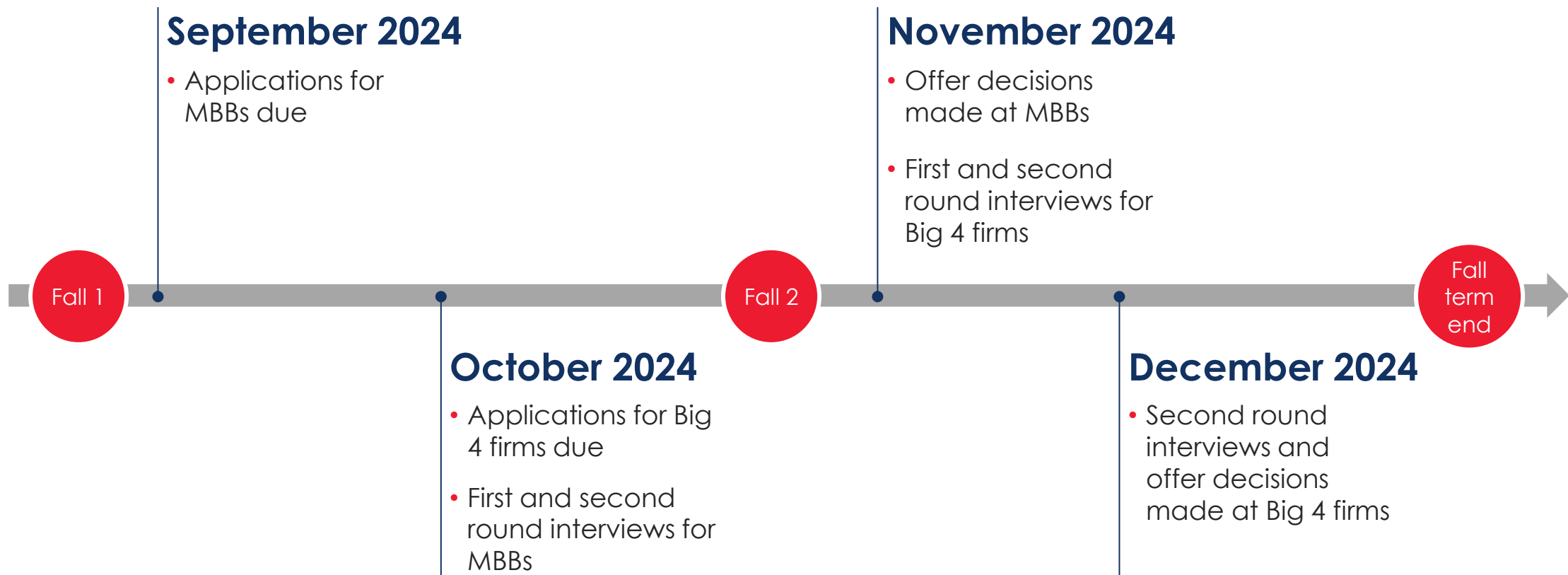
How to use this Casebook

- This casebook is intended to be a collection of best practices gathered by HKUST MBA Consulting Club as **a resource for HKUST MBA students to use to best prepare for a career in consulting**. Specifically, the casebook will give the basics for how to prepare for interviews in consulting firms, such as **how to prepare for fit/behavioural interviews and case interviews**.

- The casebook will include tips on **how to structure business problems** in an easily understood way as part of a consultant's toolkit, although students seeking roles outside consulting may find this resource useful as well.

- While this casebook recommends **a series of best practices**, be sure to supplement the material found within this casebook with additional sources found elsewhere and **adopt a strategy that works best for yourself.**

- Preparation through case practices is **best done with a partner** (or multiple partners) who is highly motivated for consulting; **the higher quality feedback you receive, the more prepared you will be** for the actual interviews.

Hiring Timelines
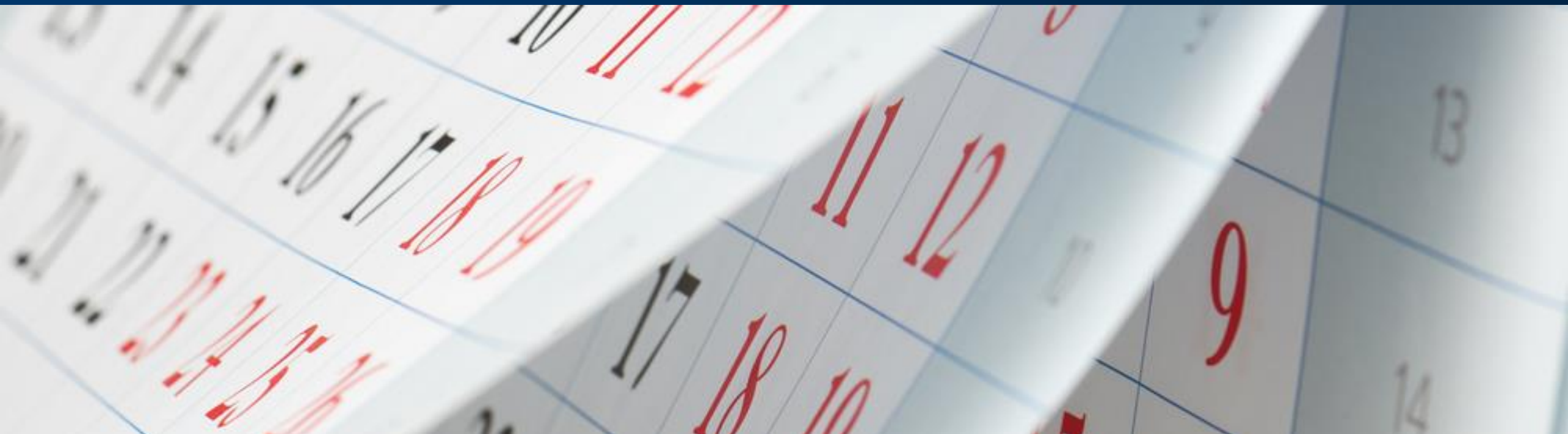
Candidates seeking full-time roles need fast preparation parallel to MBA program content.

Typical Hiring Timeline for Full-time Roles

September 2024
- Applications for MBBs due

October 2024
- Applications for Big 4 firms due
- First and second round interviews for MBBs

November 2024
- Offer decisions made at MBBs
- First and second round interviews for Big 4 firms

December 2024
- Second round interviews and offer decisions made at Big 4 firms

Fall 1

Fall 2

Fall term end

Internships let candidates demonstrate their skills and experiences in a consulting setting.

Typical Hiring Timeline for Internships

January 2025
- Applications for MBBs due

February 2025
- Applications for Big 4 firms due
- First and second round interviews for MBBs

March 2025
- Offer decisions made at MBBs
- First round interviews for Big 4 firms
- Applications for boutiques due

April 2025
- Second round interviews and offer decisions made at Big 4 firms
- First round interviews for boutiques

May 2025
- Second round interviews and offer decisions made at boutiques

Winter · Spring 1 · Spring 2 · Spring term end

Earlier interview rounds compare candidates across a common set of criteria.

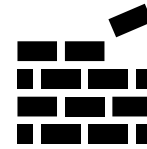Earlier Interview Rounds Description

- Done by mid-level consultants (e.g., senior consultants, project managers)

- Fit interviews and case interviews may be separate or combined

- One or two 30-minute case interviews

- Cases tend to be structured and test for discrete skills

Later interview rounds let candidates stand out by demonstrating unique skills and outlooks.
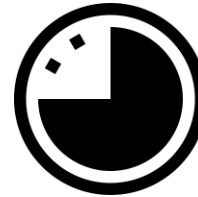
Later Interview Rounds Description

- Done by senior-level consultants (e.g., directors, principals, partners)

- Almost exclusively case interviews or presentations, though fit may be tested again

- A single longer 45-minute case interview or individual presentations

- Cases tend to be unstructured and test for creativity and navigating ambiguity

Consulting Firm Profiles

Consulting firms have a wide range of scale, industry, and functional niches.

Positioning of Consulting Firms

MBB's

The largest and most prestigious consulting firms
- McKinsey and Company
- Bain and Company
- Boston Consulting Group (BCG)

Big Four

Recognized brands from accounting & auditing practices
- Deloitte
- EY-Parthenon
- Strategy&
- KPMG

Other large firms

Other large global firms with established track records
- Accenture
- Oliver Wyman
- Roland Berger
- Capgemini
- Kearney
- Arthur D. Little

Specialty and boutique firms

Smaller firms with specialty and/or niche practices
- ZS Associates
- AlixPartners
- Artefact
- Alvarez & Mursal
- L.E.K. Consulting
- YCP Solidiance
- Sia Partners
- Simon-Kucher

Candidates should seek consulting firms that best suit their career goals

Consulting Firm Profile: McKinsey & Company

McKinsey&Company

Founded in 1926 by Professor James McKinsey, McKinsey is the most prestigious and largest consulting firm by revenue and boasts successful practices in digital, education, and public sector.

About the Firm

- Private corporation (run like partnership) with no official headquarters
- Global Managing Partner: Bob Sternfels, based in San Francisco
- Conservative, button-down style with strong loyalty to "the Firm"
- **Up or out**: Members must get promoted within a certain time (usually 2 years) or are asked to leave
- Expanding to offer implementation services through McKinsey Digital

Interview Process

- Two rounds of interview with employees of the firm for MBA students
- Round 1: 2 interviewer-led case and behavioural fit interviews
- Round 2: 2 interviewer-led case and behavioural fit interviews

Career Progression

- Managing Partner
- Partner
- Associate Principal
- Engagement Manager
- Associate (MBAs)
- Business Analyst

At a Glance

Employees (aka "McKinseyites" or "Members"): 45,000
Offices: 130[1]
Countries: 65
No. of Industries: 23
No. of Capabilities: 10

[1] Including Capability Hubs and Service Centers

Consulting Firm Profile:
Boston Consulting Group

BCG

Founded in 1963 by Bruce Henderson, BCG is the second largest consulting firm by revenue among the Big Three, and is best known for its innovation, and culture of creativity beyond consulting.

About the Firm

- Private corporation headquartered in Boston, Massachusetts, US
- CEO: Christoph Schweizer; Global Chair: Rich Lesser
- Thought leadership through BCG Perspectives, such as BCG Matrix
- Multiple growing business units in digital, data analytics, and supply chain

Interview Process

- An online test, online case interview followed by two rounds of 2 candidate-led cases each
- Round 1: Curveball cases to show thought process and structure
- Round 2: Cases potentially made up on the spot

Career Progression

- Managing Director
- Partner
- Principal
- Project Leader
- Consultant (MBAs)
- Associate

At a Glance
Employees (aka "BCGers"): 32,000
Offices: 173[1]
Countries: 50
No. of Industries: 15
No. of Capabilities: 22

[1] Including Advanced Capability Centres, Platinion, BCG X, and Expand Research Centres

Consulting Firm Profile: Bain & Company

BAIN & COMPANY

Founded in 1973 by William Bain as an offshoot from BCG, Bain is the third largest consulting firm by revenue among the Big Three, and is known for private equity and business/IT transformations.

About the Firm

- Incorporated partnership headquartered in Boston, MA, US
- CEO: Christophe De Vusser; Chairwoman: Orit Gadiesh
- "True North" philosophy focusing on clients, people and communities
- Least formal of MBBs (but still very formal for client engagements)

Interview Process

- HR interview, online test (in few regions) followed by two rounds of two candidate-led cases per round (each case includes fit questions)
- Round 1: 2 interviews with Case Team Leaders or Managers
- Round 2: 2 interviews with Principals or Partners

Career Progression

- Partner
- Principal
- Manager
- Case Team Leader

- Consultant (MBAs)
- Senior Associate Consultant
- Associate Consultant

At a Glance
Employees (aka "Bainies"): 19,000
Offices: 65
Countries: 40
No. of Industries: 20
No. of Consulting Services: 11

Consulting Firm Profile: Deloitte

Deloitte.

Deloitte Touche Tohmatsu was founded in 1845 by William Deloitte and acquired several practices including Monitor Group in 2013 to become the largest professional services firm by revenue.

About the Firm

- Private company limited by guarantee headquartered in London, UK
- (Global) CEO: Joseph B. Ucuzoglu; (Global) Chairwoman: Anna Marks
- Monitor Group includes Michael Porter of Porter's Five Forces frame
- Burgeoning digital practice among other brands of services

Interview Process

- Two rounds of candidate-led case interviews including group case
- Round 1: 1–2 case interviews
- Round 2: 1–2 case interview with group case interview

Career Progression

- Principal (equity)/Director (non-equity)
- Senior Manager
- Manager
- Senior Consultant
- Consultant (MBA)
- Analyst

At a Glance

Employees: 415,000[1]
Offices: 764[1]
Countries: 150[1]
No. of Industries: 22
No. of Services: 5

[1] Including audit, assurance, tax, and other services

Consulting Firm Profile: Strategy&

strategy&

Founded in 1914 by Edwin G. Booz, the consulting practice was spun out from Booz Allen Hamilton as Booz & Company in 2008 before being acquired by PwC and rebranded as Strategy& in 2014.

About the Firm

- Subsidiary of PwC headquartered in New York City, NY, US
- Global Chair (PwC): Mohamed Kand; Global Leader (S&): Peter Gassmann
- Originator of supply chain management, product life cycle, and PERT[1]
- Other specialties include IT, Deal Strategy / M&A, Corporate Finance

Interview Process

- Online test; 2 rounds of candidate-led case interviews and/or superday
- Round 1: 1–2 case interviews
- Round 2: Superday/assessment center with 3 interviews (with manager, director, and partner OR case presentation

Career Progression

- Partner
- Director
- Senior Manager
- Manager
- Senior Associate (MBAs)
- Associate

At a Glance

Employees: 3,000
Offices: 81
Countries: 49
No. of Industries: 15
No. of Functions: 6

[1] Program Evaluation Review Technique (PERT) is a project management tool for estimating project completion time.

Consulting Firm Profile: EY-Parthenon

Founded in 1991 by Bill Achtmeyer and John Rutherford from Bain as The Parthenon Group, the firm and its private equity clients was acquired by EY in 2014 and continues expansion in digital spaces.

About the Firm

- Subsidiary of EY headquartered in Boston, MA, US
- CEO (EY): Janet Truncale; Global Leader (EY-P): John van Rossen
- Prides itself for familial and tight-knit culture
- Gives back to community often, such as for underprivileged youths

Interview Process

- Two rounds of candidate-led case interviews including group case
- Round 1: 1–2 case interviews
- Round 2: 1–2 case interview with group case interview

Career Progression

- Partner
- Director/Principal
- Manager
- Consultant
- Associate (MBAs)
- Associate Analyst

At a Glance

Employees: 9,000 (excluding EY)
Offices: 33
Countries: 20
No. of Industries: 8
No. of Services: 7

Consulting Firm Profile: KPMG

A result of mergers of firms headed by Piet Klynveld, William Peat, James Marwick, and Reinhard Goerdeler with legacy dating back to 1891, the firm eventually adopted the KPMG name in 1987.

About the Firm

- Organization of firms dual-headquartered in London, United Kingdom and Amstelveen, Netherlands
- Global Chairman: Bill Thomas; Global Head of Consulting: Ian Hancock
- Focuses on communication clarity instead of just business insight
- Only one of Big 4 firms to not have acquired a consulting firm (yet)

Interview Process

- Typically, 2-3 rounds of behavioral and case interviews
- Round 1: 30-min case interview + 30-min behavioral (Fit) interview
- Round 2: 30-min case (Seniors[2]) + 30-min Fit + 60-min written case
- Round 3: Some candidates may receive additional "Fit" interviews

Career Progression

- Partner/Associate Partner
- Senior Manager
- Manager
- Senior Consultant
- Consultant
- Analyst

At a Glance
Employees: 270,000[1]
Offices: 734[1]
Countries: 143[1]
No. of Industries: 13
No. of Functions: 6

[1] Including audit, assurance, tax, and other services
[2] Seniors = Case conducted by Senior Managers or above (can include Partners)

Consulting Firm Profile: Accenture

accenture

Spun off from Arthur Andersen in 1989 as Andersen Consulting until its rebrand in 2001, Accenture provides strategy consulting alongside its technology, operations, and interactive digital practices.

About the Firm

- Publicly traded company headquartered in Dublin, Ireland
- CEO: Julie Sweet; Group Chief Executive (Consulting): Jack Azagury
- Widely seen as specialist in technology and related applications
- Less camaraderie and loyalty to company relative to other large firms

Interview Process

- Typically, two rounds of candidate-led case interviews
- Round 1: 1–2 interviews with Managers/Senior Managers
- Round 2: 1–2 interviews with Managing Directors/Partners

Career Progression

- Partner
- Managing Director
- Senior Manager
- Manager
- Consultant (MBAs)
- Analyst

At a Glance

Employees: 750,000[1]
Offices: 309[2]
Countries: 49
No. of Industries: 19
No. of Capabilities: 18

[1] Including Strategy & Consulting, Technology, Operations, Industry X, and Song (Innovation)
[2] Including Digital Hubs and Innovation Centres

Consulting Firm Profile: Capgemini

Founded in 1967 by Serge Kampf as Sogeti, before merging brands of acquisitions CAP and Gemini Computer Systems to form Cap Gemini 1996, and finally shortened to simply Capgemini in 2017.

About the Firm

- Public company headquartered in Paris, France
- CEO: Aiman Ezzat; Chairman: Paul Hermelin
- Brands include Capgemini Engineering, Capgemini Invent, and Sogeti
- Purchased EY's original consulting practice in 2000

Interview Process

- Typically, candidate-led case interviews or group interviews
- Round 1: Consultant or Senior Consultant
- Round 2: Managing Consultant or Principal, including group interview

Career Progression

- Vice President
- Principal
- Managing Consultant

- Senior Consultant
- Consultant (MBAs)
- Analyst

At a Glance
Employees: 340,000[1]
Offices: 401[2]
Countries: 45
No. of Industries: 15
No. of Services: 7

[1] Including Capgemini Engineering, Capgemini Invent, and Sogeti
[2] Including Capgemini Technology Services India

Consulting Firm Profile: Oliver Wyman

OliverWyman

Founded in 1984 by Alexander Oliver and William Wyman, Oliver Wyman is the result of several mergers and acquisitions by parent Marsh McLennan and focuses mostly on the financial sector.

About the Firm

- Wholly-owned consulting arm subsidiary of Marsh McLennan
- CEO: Nick Studer; Headquarters: New York City, New York, US
- Prides itself for its entrepreneurial spirit; emphasis on work-life balance
- New hires seen as potential partners; **N.B. MBA hiring uncommon**

Interview Process

- Online Assessment to test candidate's quant and data interpretation
- Mix of candidate-led and interviewer-led styles, with graphs common
- Round 1: Behavioral Fit and Case interview by Senior Associates/Managers
- Round 2: Behavioral Fit and Case interview by Directors/Partners

Career Progression

- Partner
- Director
- Senior Manager
- Manager
- Senior Associate (MBAs)
- Associate

At a Glance
Employees: 7,000
Offices: 71
Countries: 30
No. of Industries: 11
No. of Capabilities: 11

Consulting Firm Profile: Kearney

KEARNEY

Founded in 1926 by Andrew T. Kearney as part of McKinsey before its independence in 1939, Kearney, formerly known as A. T. Kearney, has traditional strengths in sourcing and procurement.

About the Firm

- Partner-owned private corporation headquartered in Chicago, Illinois, US
- Managing Partner and Chairman: Bob Willen
- Core values focused on collaborative culture and entrepreneurship
- Making client's business transformation straightforward and enjoyable is the standout success factor

Interview Process

- Typically, two rounds of candidate-led quant-heavy case interviews and written case interviews (in some offices)
- Round 1: 2 interviews (fit & case) with Managers/Principals
- Round 2: 3 interviews (fit & 2 cases) with Principals/Partners, case presentation

Career Progression

- Partner
- Principal
- Manager

- Associate (MBAs)
- Senior Business Analyst
- Business Analyst

At a Glance

Employees: 5,700
Offices: 58
Countries: 40
No. of Industries: 16
No. of Services: 9

Consulting Firm Profile: Roland Berger

Founded in 1967 by Roland Berger and formerly known as Roland Berger Strategy Consultants, Roland Berger is a leading global consultancy of German heritage and European origin.

About the Firm

- Independent partnership through approximately 250 Partners
- Global Managing Partners: Stefan Schaible, Marcus Berret, Denis Depoux; Headquarters: Munich, Germany
- Company values: Entrepreneurship, Excellence, Empathy
- Thought leadership through Think:Act magazine

Interview Process

- Typically, two rounds of candidate-led case interviews
- Round 1: 2 interviews with Junior/Senior Consultants (case + fit)
- Round 2: 3 interviews with Principals/Partners (written case + fit + "business knowledge discussion")

Career Progression

- Partner
- Principal
- Project Manager

- Senior Consultant (MBAs)
- Consultant
- Junior Consultant

At a Glance

Employees: 3,000
Offices: 52
Countries: 35
No. of Industries: 14
No. of Functions: 7

Consulting Firm Profile:
Arthur D. Little

ARTHUR LITTLE

Founded in 1886 by Arthur Dehon Little, ADL prides itself as the first management consulting firm, and maintains core strengths in oil & gas, telecom, automotive, manufacturing, and chemicals.

About the Firm

- Incorporated partnership with 150 partners.
- CEO: Ignacio García Alves; Headquarters: Brussels, Belgium
- Brand built on technological ingenuity and innovative thinking
- Thought leadership through biannual journal Prism

Interview Process

- Round 1: Phone screen (background, market sizing + case)
- Round 2: 1–2 case interviews revolving around strategy and growth
- Round 3: 1–2 case interviews with some behavioral questions

Career Progression

- Managing Partner
- Partner
- Principal
- Manager
- Consultant (MBAs)
- Business Analyst

At a Glance
Employees: 1,500
Offices: 46
Countries: 36
No. of Industries: 12
No. of Services: 11

Consulting Firm Profile: ZS Associates

Founded in 1983 by Professors Andris Zoltners and Prabhakant Sinha from Kellogg School of Management, ZS is known for data analytics for sales force alignments and pharma life sciences.

About the Firm

- Private company based in Evanston, Illinois, US
- Chairman: Jaideep Bajaj; CEO: Pratap Khedkar
- "You have a partner committed to getting it right the first time."
- Started with applying the Knapsack Problem to resource allocation

Interview Process

- Typically, interviewer-led case interviews
- Round 1: Case + Behavioral by Managers
- Round 2: Case + Behavioral by Associate Principals or Partners

Career Progression

- Partner
- Associate Principal
- Manager

- Consultant (MBAs)
- Associate Consultant
- Associate

At a Glance
Employees: 13,000
Offices: 37
Countries: 17
No. of Industries: 10
No. of Solutions: 10

Consulting Firm Profile:
Alvarez & Marsal

Co-founded in 1983 by Tony Alvarez II and Bryan Marsal, A&M specializes in high-profile turnaround and corporate restructuring and has now moved into traditional consulting and advisory practices.

About the Firm

- Corporation headquartered in New York City, New York, USA
- Co-CEOs: Tony Alvarez II and Bryan Marsal
- High-profile clients include Timex, Lehman Brothers, Arthur Andersen
- High-pressure projects with large performance bonus packages

Interview Process

- Typically two rounds with quant-heavy M&A or turnaround cases
- Round 1 (if recruited on campus): Fit and behavioural interviews
- Round 2: Multiple case and fit interviews, including resume challenge

Career Progression

- Director
- Manager
- Senior Associate
- Associate
- Consultant
- Analyst

At a Glance
Employees: 10,000
Offices: 84
Countries: 36
No. of Industries: 18
No. of Expertise: 14

Consulting Firm Profile:
Sia Partners

SIAPARTNERS

Co-founded in 1999 by Matthieu Courtecuisse from ENSAE ParisTech, Sia Partners supplements its financial services work with additional AI and data-driven services branded as "Consulting 4.0".

About the Firm

- Partnership based in Paris, France

- Founder & CEO: Matthieu Courtecuisse

- Offers AI and design capabilities into solutions through branded products.

- Integrates corporate social responsibility into solutions as "Consulting for Good"

Interview Process

- Typically, two rounds with case interview or case presentation

- Round 1: Behavioural questions

- Round 2: Case with Associate Partners and/or Partners

Career Progression

- Partner
- Associate Partner
- Senior Manager

- Manager
- Senior Consultant
- Consultant

At a Glance
Employees: 3,000
Offices: 50
Countries: 20
No. of Sectors: 14
No. of Services: 15

Consulting Firm Profile: AlixPartners

AlixPartners

Founded in 1981 by Jay Alix as Jay Alix & Associates, AlixPartners specializes in high-profile turnaround and bankruptcy while expanding into strategy with the acquisition of Galt & Company.

About the Firm

- Partnership headquartered in New York City, New York, USA.
- CEO: Simon Freakley
- High-profile clients including Saab, Kodak, and JCPenney
- Projects usually staffed with highly-experienced individuals; less room for training or promotions as staff are already at the right level

Interview Process

- Two rounds of case and fit questions, including aptitude/IQ tests
- Round 1: Phone interview for fit and qualifications
- Round 2: Fit/case interviews with aptitude/IQ test

Career Progression

- Managing Director
- Director
- Vice President (MBAs)
- Associate
- Analyst

At a Glance
Employees: 2,500
Offices: 25
Countries: 12
No. of Industries: 11
No. of Services: 12

Consulting Firm Profile: L.E.K. Consulting

LEK™

Founded in 1983 by former Bain & Company partners James Lawrence, Iain Evans, and Richard Koch, L.E.K. Consulting is one of few UK consulting firms and specializes in life sciences and healthcare.

About the Firm

- Partnership based in London, UK
- Global Managing Partner and Chairman: Clay Heskett
- Relatively low travel compared to other firms
- Recent addition of incorporating sustainability in all recommendations

Interview Process

- Typically, candidate-led case interviews with market sizing questions
- Round 1: Case with Managers/Senior Managers
- Round 2: Case with Principals/Partners

Career Progression

- Partner
- Principal
- Senior Manager
- Manager

- Consultant (MBAs)
- Senior Associate Consultant
- Associate Consultant
- Associate

At a Glance

Employees: 2,100
Offices: 23
Countries: 14
No. of Industries: 14
No. of Capabilities: 14

Consulting Firm Profile: Simon-Kucher

SIMON◆KUCHER

Co-founded in 1985 by Hermann Simon, Eckhard Kucher, and Karl-Heinz Sebastian as a University of Bielefeld spin-off, Simon-Kucher uses scientific methods to become regarded as a pricing and growth specialist.

About the Firm

- Private partnership with over 190 partners based in Bonn, Germany.
- Co-CEOs: Mark Billige and Dr. Andreas von der Gathen
- Optimizes commercial strategy in product, price, innovation, marketing, sales
- Vision: Use scientific methods to address real-life business challenges and help companies grow

Interview Process

- Typically, two rounds with case interview followed by "Super day"
- Round 1: fit/behavioural + short case with Manager/Senior Manager
- Round 2: fit/behavioural with Senior Manager/Director
- Super day: multiple fit/behavioural, case and written math test up to Partner

Career Progression

- Partner
- Director
- Senior Manager
- Manager (MBAs)

- Senior Consultant
- Consultant
- Associate Consultant

At a Glance
Employees: 2,000
Offices: 48
Countries: 31
No. of Industries: 5
No. of Capabilities: 4

Consulting Firm Profile: Artefact

ARTEFACT

Founded in 1998 by École Polytechnique graduates Guillaume de Roquemaurel, Vincent Luciani, and Philippe Rolet, Artefact focuses on transforming data into value and business impact.

About the Firm

- Independent global network headquartered in Paris, France
- Co-CEOs: Guillaume de Roquemaurel, Vincent Luciani
- Bills itself as intersection of marketing, consulting, and data science
- Heavy focus on data science and AI to drive business and marketing

Interview Process

- Three interviews with case studies, typically of similar difficulty
- Round 1: Fit/Behavioural and Case with Senior Consultant
- Round 2: Fit/Behavioural and Case with Consulting Manager
- Round 3: Fit/Behavioural and Case with Consulting Director

Career Progression

- Consulting Director
- Consulting Manager
- Senior Consultant
- Consultant
- Junior Consultant
- Analyst

At a Glance

Employees: 1,500
Offices: 26
Countries: 21
No. of Industries: 22
No. of Services: 3

Consulting Firm Profile: YCP Solidiance

YCP Solidiance

YCP Solidiance is a merged entity between YCP Group and Solidiance. Founded in 2006, the firm is an Asia-focused strategic advisory firm with strengths in cross-border transactions, M&A, and digital transformation.

About the Firm

- Subsidiary brand of YCP Holdings (Global) Limited
- CEO: Yuki Ishida; Headquarters: Singapore
- Collaboration with other YCP brands for supply chain and investments
- Frequent entries into new markets via acquisitions

Interview Process

- Typically, two rounds of interviews for fit plus case study
- Round 1: Fit/case interview with Manager
- Round 2: Fit/case interview with Director/Partner

Career Progression

- Partner
- Director
- Manager
- Associate
- Analyst

At a Glance

Employees: 783[1]
Offices: 23
Countries: 16
No. of Industries: 12
No. of Services: 6

[1] Including YCP Holdings (Global) Limited employees

Fit/Behavioural Interview Preparation

Fit interviews assess a candidate's ability to represent the firm to clients and stakeholders.

Fit/Behavioural Interview Preparation

Purpose

Fit interviews let firms evaluate if a candidate can adequately represent the firm.

- Consultants work in teams isolated from the rest of the office for long durations at a time. Managers must feel they can work with candidates before one will be assigned onto a team.

- Consultants entering at MBA level will typically have direct contact with clients and other stakeholders; managers must trust candidates to uphold the firm's image and reputation with minimal guidance.

Approach

Candidates should understand that half of their application is based on their fit.

- Candidates should demonstrate they are affable, relatable, well-spoken, confident, driven, entrepreneurial; any qualities that would be expected of a consultant from a client's perspective.

- Candidates should show how their experience demonstrates the traits a consultant needs and how it is translatable to the work a consultant might encounter as part of their normal workday.

A candidate should have a consistent narrative of their desire for and journey into consulting.

Fit/Behavioural Interview Preparation (Cont'd)

Be able to communicate more than a cursory understanding of consulting and **why you are a good fit**. While not all consultants spend their entire career in consulting, be able to demonstrate **you can follow through with a medium-term commitment** (e.g. 2–5 years) in the industry.

Sample questions	Suggestions for preparation
Tell me about yourself	Have an elevator pitch (e.g. 1–2 mins max) with 3 themes about yourself that summarizes your profile. Include different aspects of your life (e.g. professional, educational, personal) to highlight. Do not simply regurgitate your resume.
Walk me through your resume	Build a narrative between your experiences that leads you to a career in consulting. Emphasis should be placed on the key skills a consultant will need (e.g. project management, client engagement, data analysis, etc.)
Why do you want to do consulting?	Have a genuine answer that demonstrates your drive and passion for consulting. Even if you do not intend to stay in consulting, you should be able to demonstrate why it would be worthwhile for a firm to invest in your training.
Why did you apply to this firm?	Be prepared to show you clearly understand where the firm's specialty is, and what differences exist between this firm and other firms that are considered peers. Include differences in work culture, career paths, and people.

Candidates' personal stories highlight skills and behaviours used in consulting.

Fit/Behavioural Interview Preparation (Cont'd)

CAR Framework

- Stories expressed as **context-action-result** will allow experiences to be shared in a structured and concise form.
- Having each story answer a specific question type will help ensure stories are relevant to the interview.
- Prepare multiple stories for each question type, in case a particular story does not resonate with an interviewer.

Story	Skill/Experience	Context	Action	Result
Unmonitored process	• Leadership • Entrepreneurship • Influence without authority	Process previously considered "trivial" highly correlated with product output	• Mapped historical data with output to show correlation • Verified causation with trial run	• Given ownership of process monitoring • Adjustment gained $2 million additional revenue p.a.
Sudden departure of teammate	• Personnel conflict • Impending deadline • Teamwork	Subject matter expert suddenly leaves team with one week left before deliverable due	• Reviewed past work to replicate expertise • Redistributed work streams based on team availability	• Deliverable finished on time to client • Training approved as new subject matter expert
Etc.	Etc.	Etc.	Etc.	Etc.

A breadth of experiences shows the ability to handle various client scenarios.

Fit/Behavioural Interview Preparation (Cont'd)

Example question types

General qualities	Project management	Client relationship	Data analysis	Internal operations
Leadership e.g. Provide an example where you took charge in an out-of-control situation.	**Competing priorities** e.g. How do you prioritize between two deliverables due at the same time?	**Irrational clients** e.g. Imagine you had a "client from hell". What is your strategy to manage them?	**Numerical modeling** e.g. Tell me a time where you produced a quantitative model. What was the result?	**Influence without authority** e.g. How would you convince your boss he or she was wrong?
Teamwork e.g. How do you keep a team motivated on a dull project?	**Personnel conflict** e.g. How would you address an underper-forming colleague?	**Expertise challenged** e.g. How do you handle a client that doubts your results?	**Handling uncertainty** e.g. What do you do if your only data had dubious accuracy?	**Managing feedback** e.g. What do you do if you disagree with a performance review?
Entrepreneurship e.g. Can you describe a new initiative that was led by you?	**Impending deadline** e.g. What do you do if you know you cannot finish a task on time?	**Demanding clients** e.g. What do you do if a client asks you to do extra work for them?	**Conflicting data** e.g. How would you use inconsistent data between sources?	**Getting help** e.g. Tell me about a time you asked for help. Did you get it?

This is not an exhaustive list; there are many more that can be asked.

Case Interview Preparation

Case interviews emphasise using a structured approach to problem solving.

Case Interview Preparation

Purpose

Case interviews let firms evaluate how candidates solve problems within a given context.

- Candidates should have an underlying framework to demonstrate understanding of a business case and the potential root causes of its problems.

- Candidates should "drive the case" by hypothesizing the most likely areas to explore and make pertinent requests for data.

- Candidates should not attempt to "boil the ocean" by asking for all available information without showing why it is needed; in a real consulting engagement such data requests cost time and effort that should not be wasted.

Approach

Candidates should understand case interviewing is a skill to be practised and honed.

- Like any skill, case interview practices should be done regularly and with specific goal in mind (e.g., focusing on a subset of skills each case).

- Candidates should seek other highly motivated and skilled casing partners (such as coaches or alumni) who can give quality feedback; avoid situations of "blind leading the blind" when inexperienced case partners give poor or irrelevant feedback.

Case interviews follow a typical flow for how to approach problem solving.

Case Interview Flow

Typical Steps Within a Case Interview

Prompt and Clarifying Questions	Structuring the Approach	Solving the Case	Concluding the Case
The case prompt introduces the case, setting the stage for the problem.	Structure is provided with a framework that categorizes ways to approach a case.	Analysis is based on the provided structure and may be interviewer- or candidate-led.	Cases end with a quick (1–2 minute) summary of all the candidate's results and analyses.
Clarifying questions should provide further context and help structure the problem-solving approach.	Categories in a framework should be **MECE**: Mutually exclusive and collectively exhaustive.	Questions can range from quantitative to qualitative, but insights should **answer the original question**.	Recommendations should be provided in an **answer first** format with regards to the original case prompt.

Candidates should fully understand the problem before trying to solve it.

Case Interview – Prompt and Clarifying Questions

| Prompt and Clarifying Questions | Structuring the Approach | Solving the Case | Concluding the Case |

The Prompt

- Case prompts briefly describe the problem at hand and will usually include the client name and industry.

- Some prompts may not have a clear objective; candidates will need to clarify the client's intent.

- Candidates should repeat the main points of the prompt to ensure the relevant data is properly captured.

Clarifying Questions

- The client's intent should be understood and summarized by restating their key question.

- The decision criteria (objective) should be understood as much as possible, e.g., metrics, timeframes, acceptance thresholds.

- Clarifying questions should focus on better understanding the problem at a high level, e.g., in scope vs. out of scope, geographical limitations.

- Data-related requests should be relegated to after a framework is in place.

Good frameworks split a problem into logical categories for further analysis.

Case Interview – Structure

| Prompt and Clarifying Questions | → | **Structuring the Approach** | → | Solving the Case | → | Concluding the Case |

- Create an issue tree of areas to explore in **mutually exclusive, collectively exhaustive (MECE)** groups or "buckets".
- Each "bucket" should be further divided into additional subgroups with **examples for additional in-depth analysis**.
- Communicate structure via **Pyramid Principle**: describe the first layer before elaborating more on each "bucket".

Example prompt: How to improve profitability?

- …increase revenue?
  - …increase unit price? — Possible strategies
  - …increase sales volume? — Possible strategies
- …reduce costs?
  - …reduce fixed costs? — Examples to target
  - …reduce variable costs? — Examples to target

Ensure your framework is customized to the needs of each case

A proper structured approach can fully study a situation without overlap.

Case Interview – Structure (Cont'd)

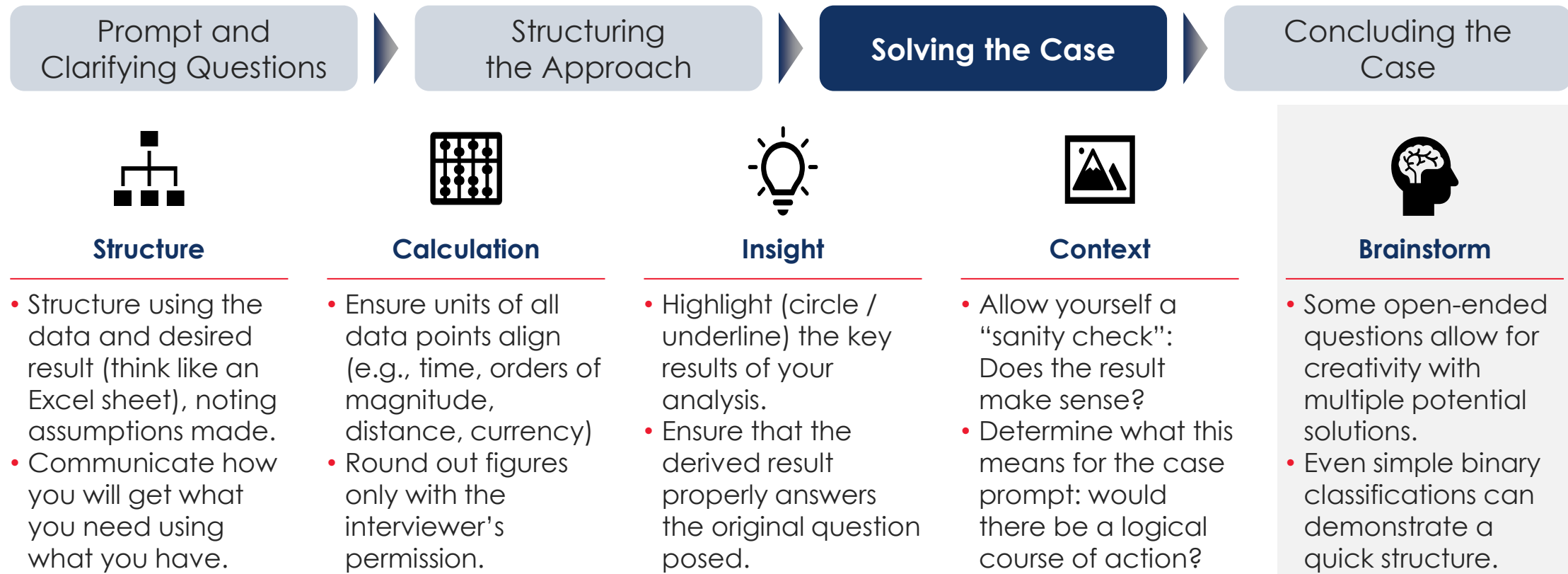| Prompt and Clarifying Questions	Structuring the Approach	Solving the Case	Concluding the Case

Good frameworks should have:

✓ Categories that are **MECE: mutually exclusive, collectively exhaustive**

✓ At least one level of detail, (e.g., customer segmentation or examples of revenue streams)

✓ Enough breadth to cover all possibilities

✓ Evidence of insight or hypotheses generated from the prompt or clarifying questions

Good frameworks should not have:

✗ Categories with unclear or overlapping topics (e.g., including both external factors and macroeconomic factors)

✗ Only superficial descriptions or deep technical descriptions of categories

✗ Too much breadth that covers irrelevant topics

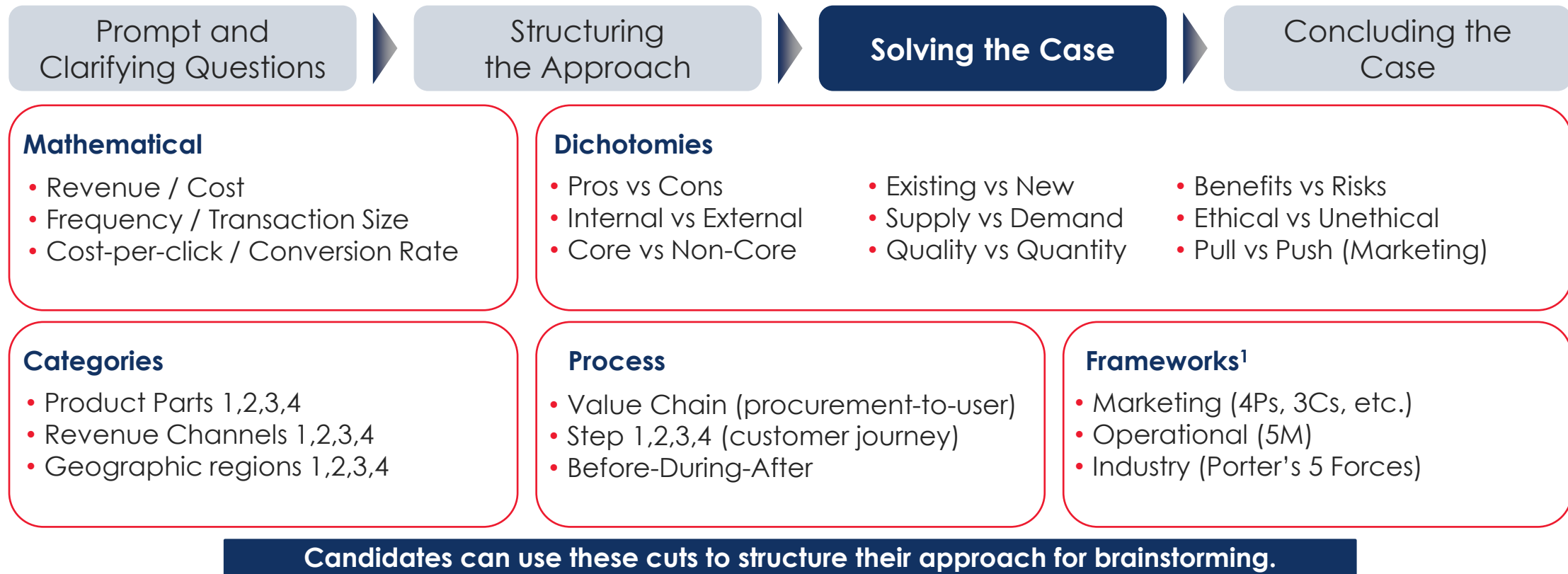✗ Presumptions made using personal experience that is not suggested from data within the case

Analysis should be clear, coherent, and structured to generate meaningful insights.

Case Interview – Solving

Prompt and Clarifying Questions	Structuring the Approach	**Solving the Case**	Concluding the Case

Structure	**Calculation**	**Insight**	**Context**	**Brainstorm**
• Structure using the data and desired result (think like an Excel sheet), noting assumptions made. • Communicate how you will get what you need using what you have.	• Ensure units of all data points align (e.g., time, orders of magnitude, distance, currency) • Round out figures only with the interviewer's permission.	• Highlight (circle / underline) the key results of your analysis. • Ensure that the derived result properly answers the original question posed.	• Allow yourself a "sanity check": Does the result make sense? • Determine what this means for the case prompt: would there be a logical course of action?	• Some open-ended questions allow for creativity with multiple potential solutions. • Even simple binary classifications can demonstrate a quick structure.

Problems may be segmented multiple ways but always with proper structure.

Case Interview – Solving (Con't)

| Prompt and Clarifying Questions | Structuring the Approach | **Solving the Case** | Concluding the Case |

Mathematical
- Revenue / Cost
- Frequency / Transaction Size
- Cost-per-click / Conversion Rate

Dichotomies
- Pros vs Cons
- Internal vs External
- Core vs Non-Core
- Existing vs New
- Supply vs Demand
- Quality vs Quantity
- Benefits vs Risks
- Ethical vs Unethical
- Pull vs Push (Marketing)

Categories
- Product Parts 1,2,3,4
- Revenue Channels 1,2,3,4
- Geographic regions 1,2,3,4

Process
- Value Chain (procurement-to-user)
- Step 1,2,3,4 (customer journey)
- Before-During-After

Frameworks[1]
- Marketing (4Ps, 3Cs, etc.)
- Operational (5M)
- Industry (Porter's 5 Forces)

Candidates can use these cuts to structure their approach for brainstorming.

[1] For more, refer to 'Example Frameworks' section of the HKUST MBA Casebook

Good conclusions summarise only relevant insights in a quick logical flow.

Case Interview – Concluding the Case

Prompt and Clarifying Questions	Structuring the Approach	Solving the Case	**Concluding the Case**

Give succinct conclusions as if the client suddenly appeared (e.g., in an elevator, back from lunch, etc.)

- **Be answer first:** State the recommendation before going into any detail.

- Conclusions given should precisely and concisely summarise your analysis and insights.

- The entire conclusion should not take longer than 1-2 minutes.

Recommendation
- Your recommendation should answer the case prompt.
- Quantify the result to measure the impact (e.g., $5M p.a.).

Rationale
- State your justification based on your analysis.
- Include assumptions and key insights in rationale.

Risks
- Include risks and unknowns that should be considered.
- Sort risks (e.g., large to small) based on potential impact.

Next Steps
- List what would be done next if this was a real project.
- Examples include risk assessment, due diligence, etc.

Good recommendations convey all relevant information using a minimum amount of time.

Case Interview – Concluding the Case (Con't)

Prompt and Clarifying Questions	Structuring the Approach	Solving the Case	Concluding the Case

Example Recommendation

Thank you for having me analyse Company X's acquisition. **I recommend that we go ahead with the acquisition**, as acquiring Company X will provide us annual synergies worth US$10 million. US$6 million will come from the cross-selling of Company X's products within our own portfolio, particularly Product Line A. Another US$4 million will come from unifying our back-end support systems, especially the IT systems responsible for CRM. We'd want to ensure that Company X's R&D teams and salesforce stay after the acquisition, as they are responsible for the much of Company X's previous success, and ensure the acquisition goes quickly to maintain relevant market share. For our next steps, I recommend we reach out to Company X to gauge their receptiveness to an acquisition and start structuring a deal around suitable acquisition terms and price.

Recommendation
- Clear and unambiguous

Rationale
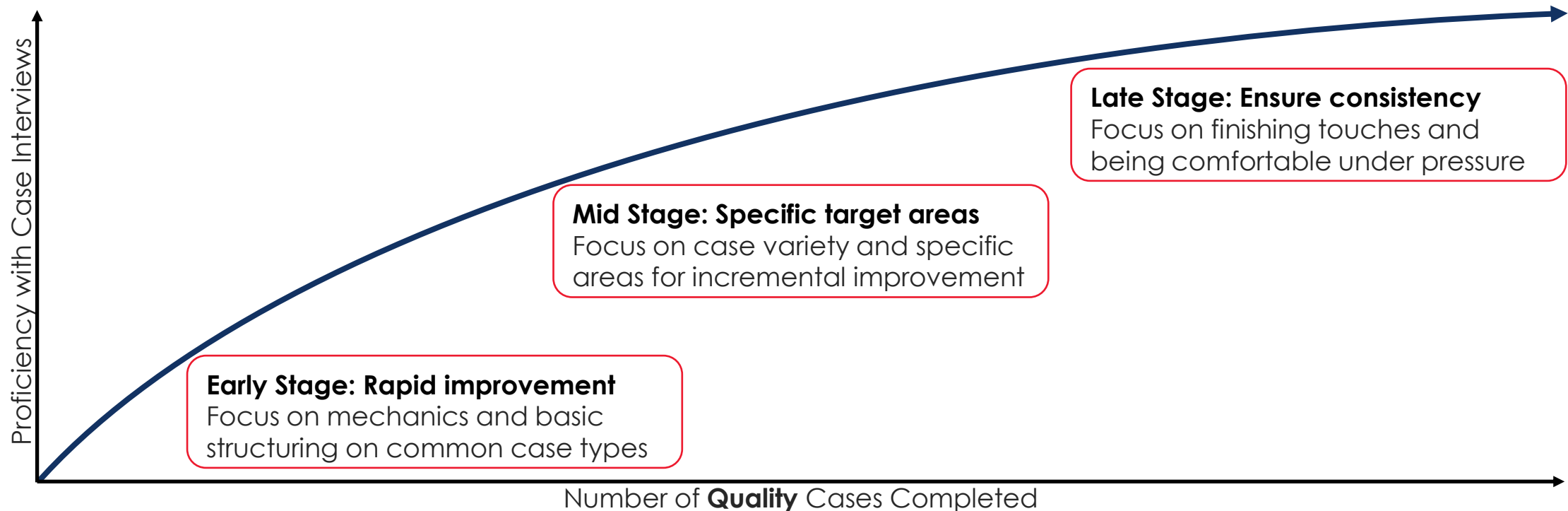- Provided using structured approach

Risks
- Specific with justifications

Next Steps
- Relevant and natural

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Progressively more quality cases are needed for practice to maintain the pace of improvement.

Typical Case Interview Proficiency with Case Completion

Late Stage: Ensure consistency
Focus on finishing touches and being comfortable under pressure

Mid Stage: Specific target areas
Focus on case variety and specific areas for incremental improvement

Early Stage: Rapid improvement
Focus on mechanics and basic structuring on common case types

Proficiency with Case Interviews

Number of **Quality** Cases Completed

Candidates should ensure their focus aligns with their casing proficiency.

Candidates should plan for solving varied case types in diverse industries.

Case Interview Practice Strategy

Not Quantity but Quality

Completing quality cases and receiving quality feedback is more important than simply completing a lot of cases.
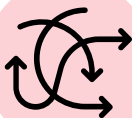
Not Frivolous but Focused

Candidates should practice with specific goals in mind and look for incremental improvement instead of completing cases for the sake of completing them.

Not Familiarity but Diversity

Candidates should expose themselves to different types of cases in various industries rather than repeating common case types in familiar industries.

Not Sprint but Marathon

Significant time is required to practice the different types of cases. Candidates are unlikely to get good results from "cramming" this skill before an interview.

Knowing relevant formulas speed up calculations and reveal required missing data.

Helpful Formulas

Useful Formulas

- **Profit** = Revenue – Cost = (Volume ✕ Price) – (fixed costs + variable costs) = Volume ✕ unit margin – fixed costs
- **Profit margin** = Profit/revenue
- **Return on Investment (ROI)** = Annual Profit / Initial Investment
- **Breakeven (Payback Period)** = Initial Investment / Annual Profit
- **Rule of 72** = Years to Double Investment ≈ 72 / Rate of Return
- **Inventory Turnover** = cost of goods sold (COGS) / Average Inventory = COGS / [(starting inv. + ending inv.) / 2]
- **Discounted Cash Flow (DCF)** = $\frac{CF_1}{(1+i)^1} + \frac{CF_2}{(1+i)^2} + \dots + \frac{CF_n}{(1+i)^n}$; CF = cash flow, i = discount rate, n = time periods

Calculation Tips

- **Round numbers** by ± 10% (e.g., 365 days becomes 350, 52 weeks becomes 50)
- **Handle large numbers** by using labels (e.g., k, m, b) or scientific notation
- **Factoring** (e.g., 300 / 4 = 3 x 100 / 4)
- **Expanding** (e.g., 68 x 35 = 68 x (10 + 25) or (70 – 2) x 35)
- **Growth rate** (e.g., 10% then 20% growth = (1.1 x 1.2) – 1)

Example Frameworks

Good frameworks identify needed information for a case and de-emphasise everything else.

List of Common Frameworks

Company-level			Industry-level
Sales & Marketing	**Strategy**	**Operation**	**Industry**
• Profitability • Marketing Mix (4Ps) • Pricing	• 3Cs • Growth Strategy • Portfolio Analysis • Market Entry • M&A	• Process Improvement (5Ms) • Reorganization	• Porter's Five Forces • Value Chain
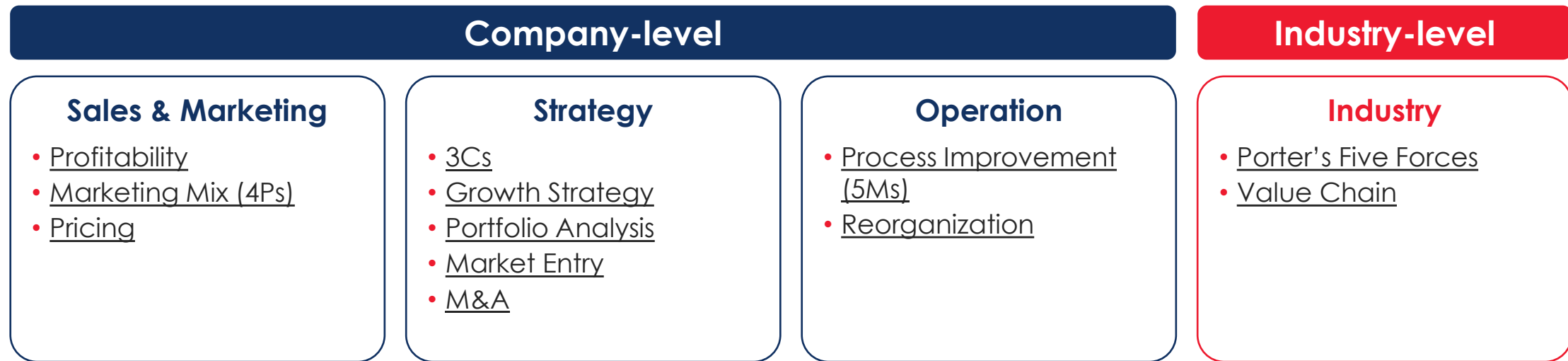
Important Notes on Frameworks

- Frameworks should be made as case-specific as possible; common frameworks should not be used as-is.
- Understand how to apply each framework instead of memorizing every framework available.
- Multiple frameworks are typically required to solve one case, unless the case is extremely straightforward.
- Do not announce that you will be using a given framework during the interview; outline the structure instead.

The profitability framework is the most used tool to identify the root causes of profitability issues.

Profitability Framework
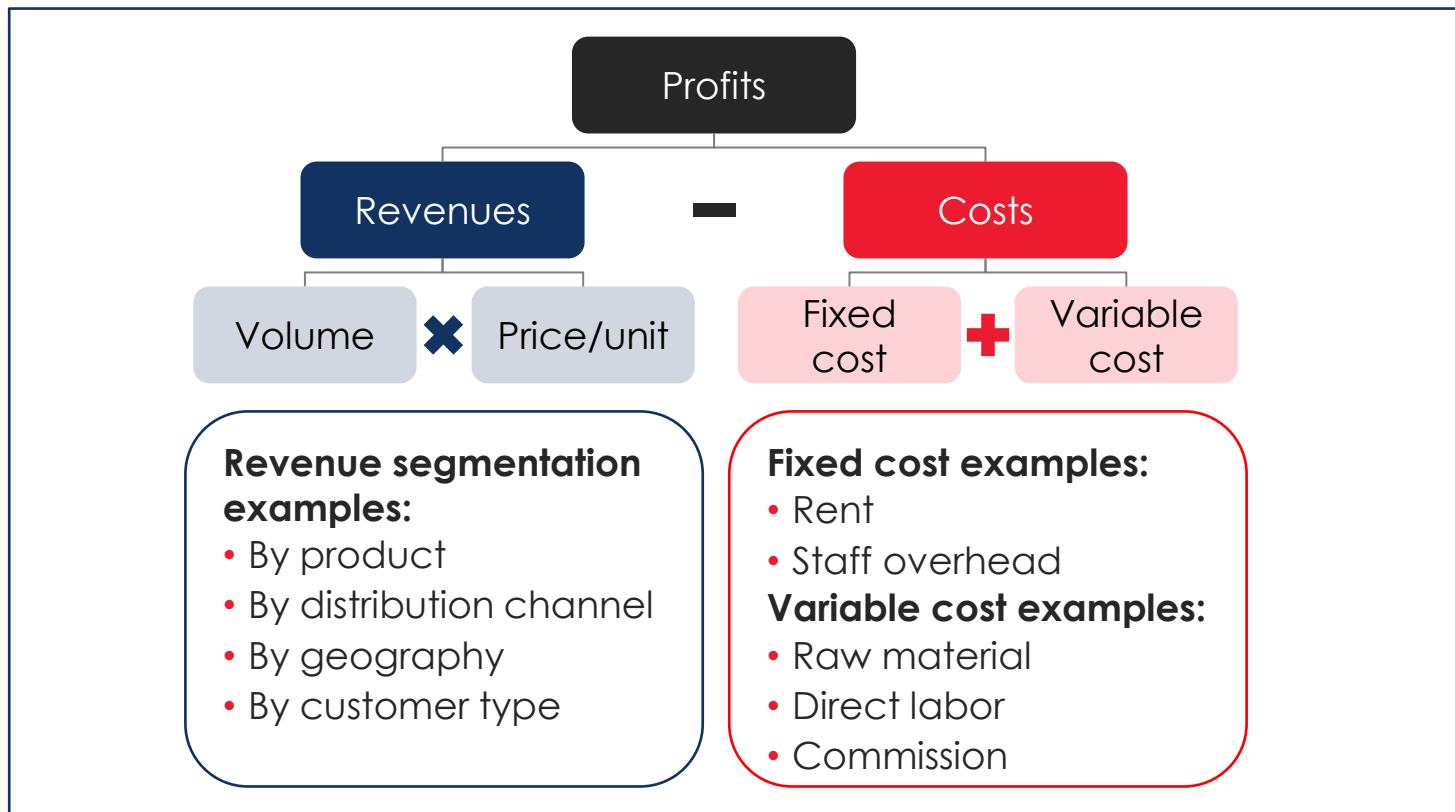
Application Examples

- Identify root causes of profitability issues

- Identify revenue and cost drivers

- Analyze different revenue segments

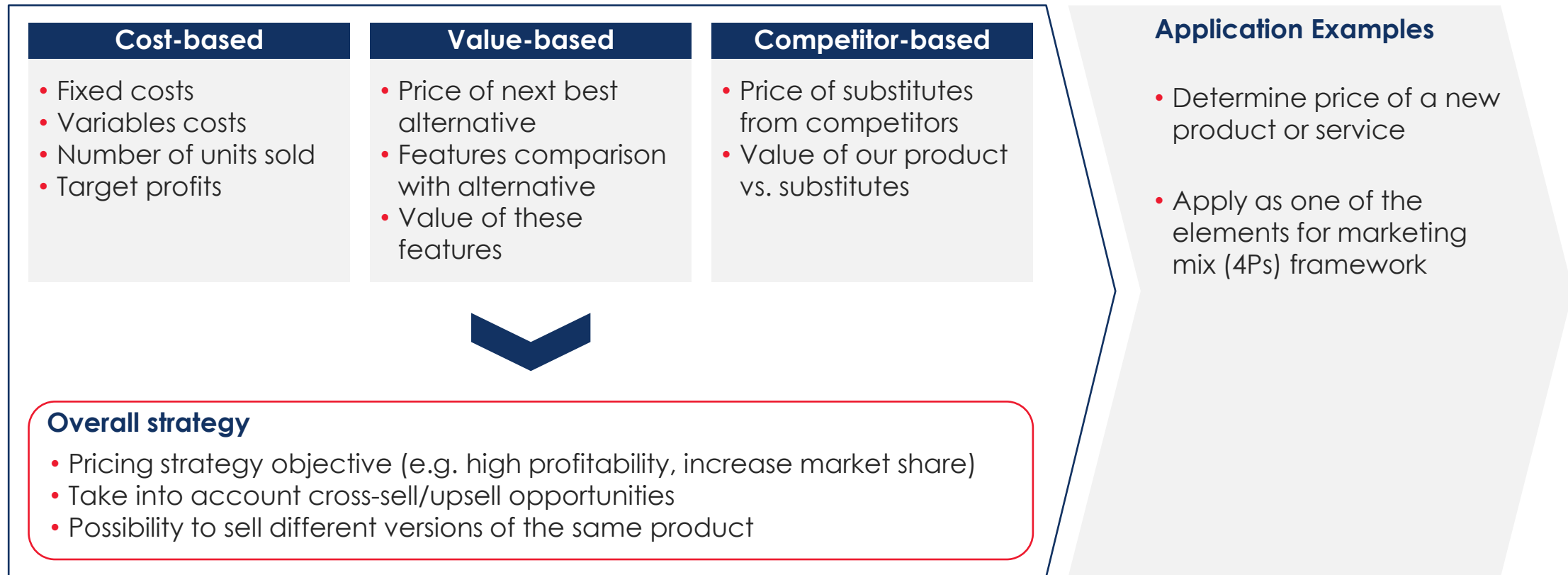- Weight between two options — cost & benefit analysis

The 4Ps framework is used for marketing strategies for new and existing products/services.
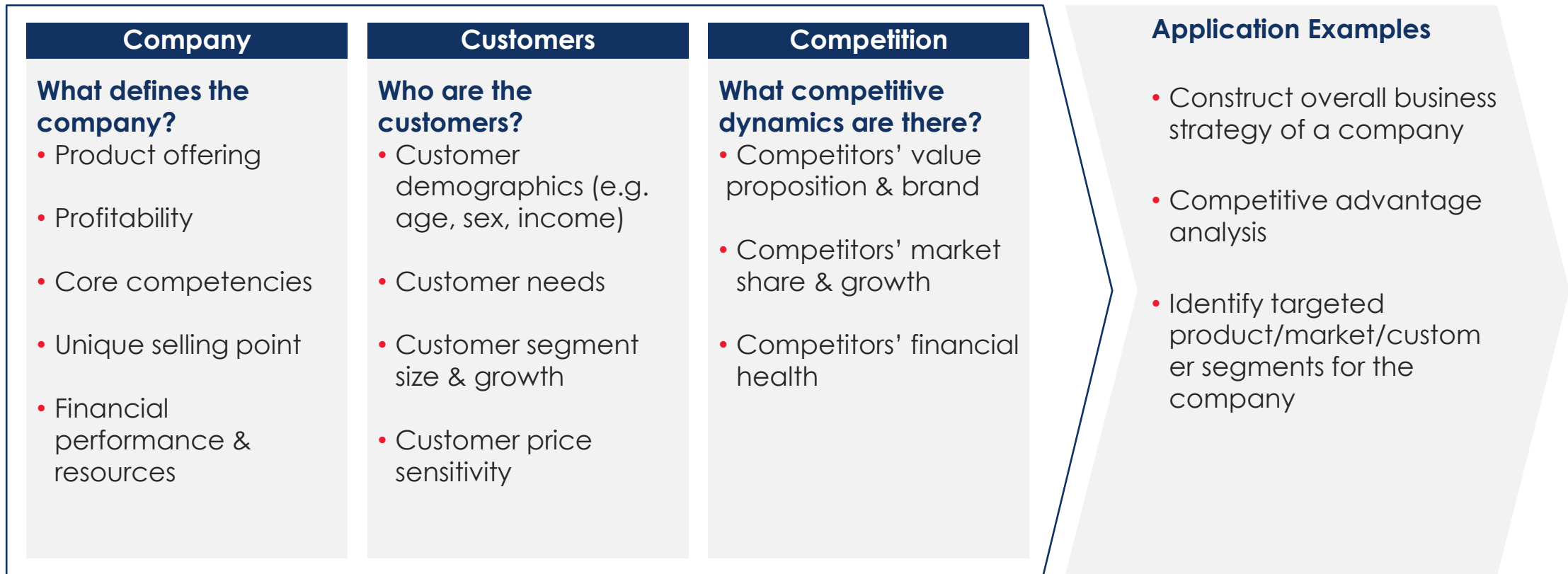
Marketing Mix (4Ps) Framework

Product	Price
What are the characteristics of the product/service? • Customer need fulfilled • Usage • Competing products • Substitutes	**At what price should the product be sold?** • Customer perceived value • Competitor price • Customer price sensitivity • Production cost
Place	Promotion
Which channels should the product be distributed? • Possible channels (online, offline) • Customer expectation • Sales team required?	**Which promotion strategies should be used?** • Marketing message/value proposition • Type of media • Best time to promote

Application Examples

• Structure thoughts on marketing strategies of products/services to:
  • Reposition existing products/services
  • Launch new products/services

Firms can price their products/services based on cost, added value and benchmarking of peers.

Pricing Framework

Cost-based	Value-based	Competitor-based
• Fixed costs • Variables costs • Number of units sold • Target profits	• Price of next best alternative • Features comparison with alternative • Value of these features	• Price of substitutes from competitors • Value of our product vs. substitutes

Application Examples

• Determine price of a new product or service

• Apply as one of the elements for marketing mix (4Ps) framework

Overall strategy
• Pricing strategy objective (e.g. high profitability, increase market share)
• Take into account cross-sell/upsell opportunities
• Possibility to sell different versions of the same product

The 3Cs framework positions strategy based on company, customers, and competition.

3Cs Strategic Framework

Company	Customers	Competition
What defines the company?	**Who are the customers?**	**What competitive dynamics are there?**
• Product offering	• Customer demographics (e.g. age, sex, income)	• Competitors' value proposition & brand
• Profitability	• Customer needs	• Competitors' market share & growth
• Core competencies	• Customer segment size & growth	• Competitors' financial health
• Unique selling point	• Customer price sensitivity	
• Financial performance & resources		

Application Examples

• Construct overall business strategy of a company

• Competitive advantage analysis

• Identify targeted product/market/customer segments for the company

The Ansoff matrix covers all possibilities of growth strategies that a company can implement.

Growth Strategy (Ansoff Matrix) Framework

Market

	Existing	New
Existing	Market Penetration	Market Development
New	Product Development	Diversification

Product

Growth can be achieved through organic vs. inorganic means

Application Examples

- Structure thinking of the ways company can grow (e.g. to increase customer base, increase sales)

- Identify growth strategy to develop marketing mix

The GE-McKinsey Matrix helps corporations with business units prioritize investing in their portfolio.

Portfolio Analysis (GE-McKinsey Matrix) Framework

	Low	Medium	High
High	Build or ally	Invest to build	Protect and grow
Medium	Expand or harvest	Manage for earnings	Build selectively
Low	Divest	Manage for earnings	Protect position & refocus

Industry Attractiveness

Competitive Strength of Business Unit

Investment priority:
- High
- Medium
- Low
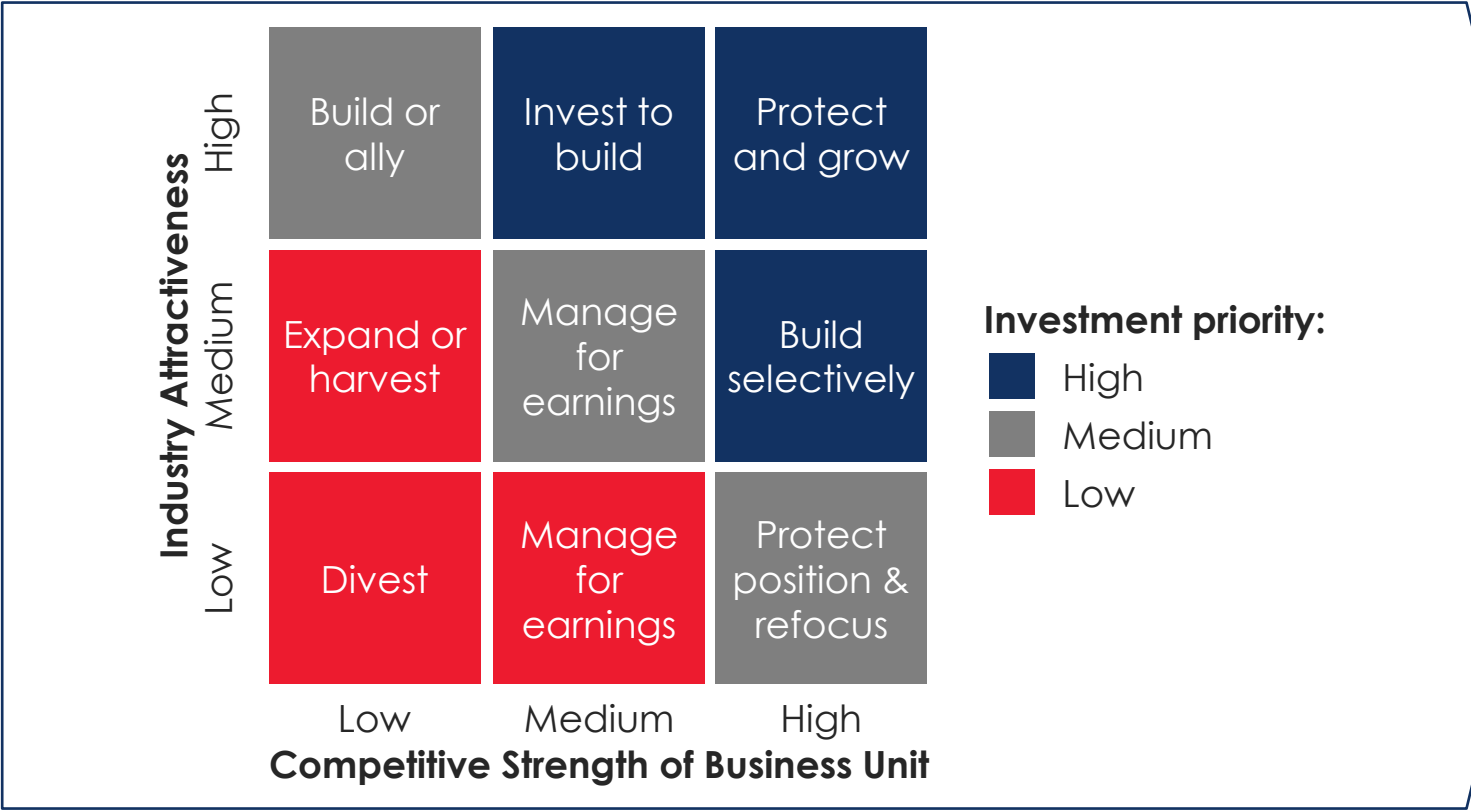
Application Examples

- Evaluate business portfolio

- Prioritize investment among different business units within a company

- Assist in brand marketing and product management

The market entry framework is used to decide if a company should enter a new market and how.

Market Entry Framework

Market
- Market size & growth
- Market profitability
- Product type
- Competition intensity
- Regulations

Client Capability
- Differences with client's current & new market
- Is it the client's first new market entry?
- Have competitors also entered?

Financial
- Current financial situation of the client
- Cost to enter new market
- Expected revenues and ROI

Entry Strategy
- Timing of market entry (now vs. delayed)
- Speed of entry (test region vs. whole country)
- How to enter? (e.g. build own company, buy competitor, JV)
- Management approach (centralized vs. decentralized)

Application Examples
- Aid in making decision whether to enter a new market or not
- Structure thinking around how to enter if entering a new market is rational

The M&A framework is used when companies intend to merge with or acquire another firm.

M&A Framework

The Buyer

- Acquisition rationale: Undervalue, control, synergies
- Acquisition financing
- Experience with other acquisition
- Right time to acquire

The Target

- Current & future financial position
- Important assets & capabilities
- Quality of management team
- Culture of target vs. buyer

The Market

- Are both companies in the same market?
- Market size & growth
- Market profitability
- Competition intensity
- Market regulation

Synergies & Risks

- Value of individual and combined entities
- Cost synergies
- Revenue synergies
- Risks of failure

Application Examples

- Aid decisions for a company whether to acquire or merge with other companies

- Identify potential synergies for M&A

- Identify acquisition rationale

Understanding basic operations management is necessary for process improvement cases.

Process Improvement (5Ms) Framework

```
                    Man

   Measurement              Machine


          Materials    Method
```
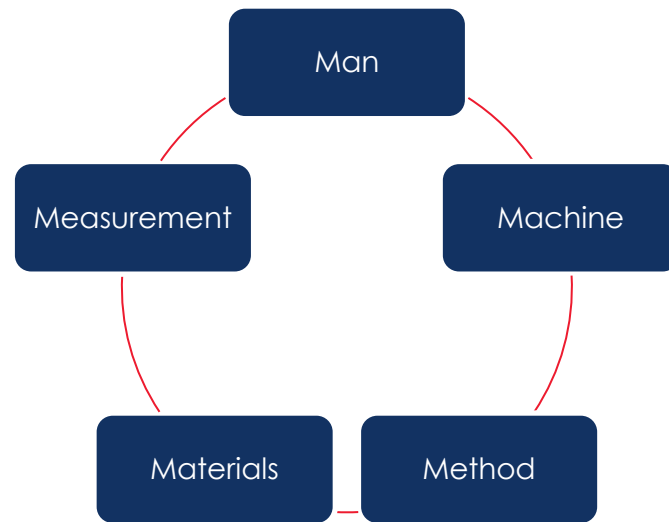
- Identify where the constraints/bottlenecks are for each element (e.g. high cycle time, backlogs, high variability, error rate)
- Concepts to understand: Capacity & utilization, cycle time, throughput time, Little's Law, bottlenecks (buffer, parallel process, speeding up)

Application Examples

- Solve operational issues (e.g. increasing speed of machine or purchasing new ones, reducing queues, increasing output)

- Identify cost reduction initiatives

Reorganization framework involves quantitative and qualitative analysis of an organization.

Reorganization Framework

Current state diagnosis

- By business unit or by function
  - No. of FTE (full-time equivalent)
  - Average salary & benefit per FTE
  - Productivity KPIs per BU
- Organization structure
  - Minimize teams reporting layers
  - Each manager should limit to 7 direct reports

Levers for improvement

- Identify levers to optimize structure
  - Benchmark against competitors
  - Benchmark against best in class team/BU

Operational plan

- Relocate, change scope of teams, or layoff
- Calculate opportunity costs of each option
- Weight risks and benefits of each option

Application Examples

- Company/organizational restructuring

- Apply as a part of post-merger/acquisition strategies

Porter's Five Forces is used to assess industry dynamics and competitive landscape.

Porter's Five Forces Framework

Threat of new entrants
- Regulation
- Capital requirement
- Economy of scale
- Network effects

Supplier power
- Supplier concentration
- Supplier switching cost
- Supplier differentiation

Competitive rivalry
- No. of competitors & market share
- Product similarity
- Switching cost

Customer power
- Customer concentration
- Price sensitivity
- Information availability

Threat of substitutes
- Potential substitutes
- Ease of substitution
- Customer propensity to substitute

Application Examples

- Analyze industry and competitive environment for existing companies or new entrants (market entry cases)

- Justify decisions whether to enter a new market

Mapping a firm's activities to its value chain reveals opportunities for value creation.

Value Chain Framework (Simplified)

Input	Production	Output
• Suppliers	• Manufacturing	• Sales channels
• Origination	• R&D	• Logistics
• Design		• Marketing and services

Application Examples

• Break down firm's activities and processes

• Analyze specific activities through which companies can create value and competitive advantages
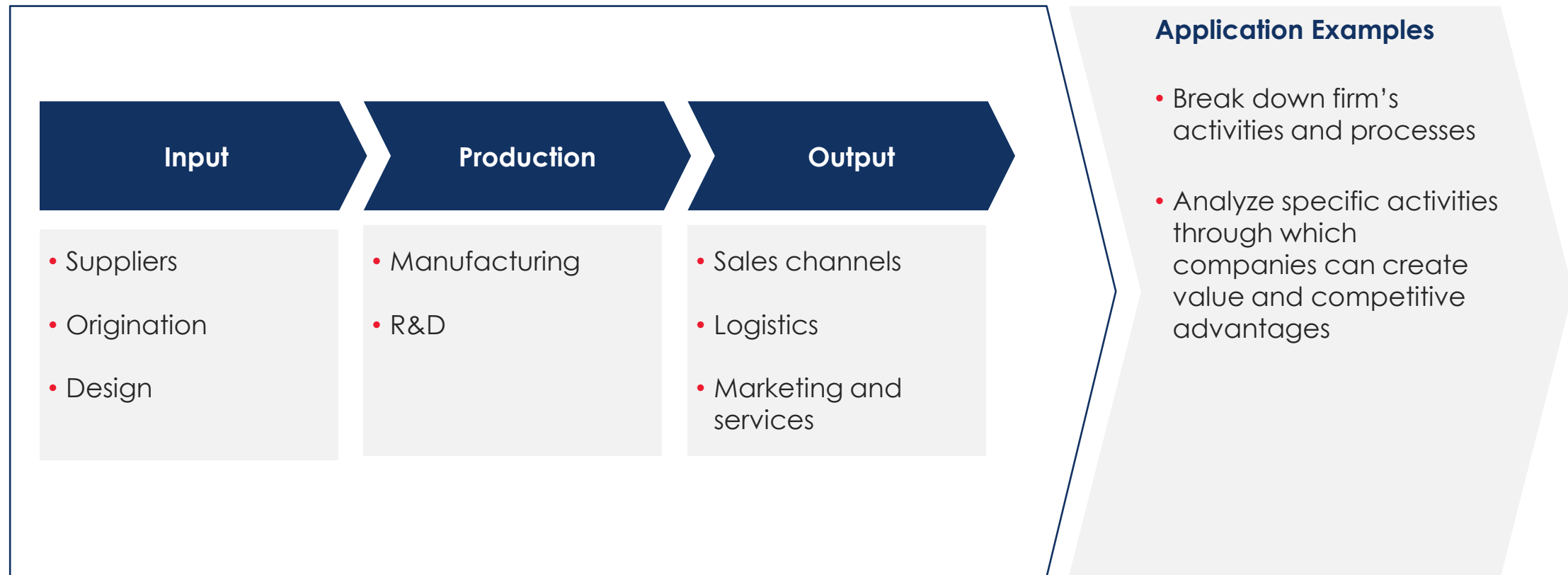
Industry Profiles

Understanding common industries allows forming more specific and comprehensive frameworks.

List of Common Industries

Business-to-Business (B2B)

- Fast-Moving Consumer Goods
- Pharmaceuticals and Medical Devices
- Information Technology
- Transportation and Logistics

- Banking and Finance
- Oil and Gas
- Manufacturing and Durable Goods
- Private Equity/Venture Capitalism

Business-to-Consumer (B2C)

- Retail
- Healthcare Providers
- Media and Entertainment

- Airline and Passenger Transportation
- Insurance
- Hospitality and Tourism

Industry Profile: Fast-Moving Consumer Goods (FMCG)

Also known as Consumer-Packaged Goods (CPG), this industry focuses on items of low value, high turnover, and quick consumption, with non-durable household goods as the archetypical example.

Revenue Drivers

- Price
- Volume
- Complementary products

Cost Drivers

- Manufacturing and packaging
- Storage/warehousing and logistics
- Marketing (incl. discounts/rebates)
- Spoilage

Suppliers

- Agricultural producers
- Chemical manufacturers
- Raw material refiners

Customers

- Wholesalers
- Retailers
- Direct to consumers

Other Industry Metrics

- Stock-keeping units (SKUs)
- Out-of-stock (OOS) rate
- Inventory turnover

Major Regional Players in Asia

- Yili Group
- Want Want
- Master Kong
- Lotte Group
- Indomie

Key Industry Trends

- Economic downturn has consumers seeking lower-cost options, compressing margins.
- Rapid commoditization of brands seen due to new private labels of same functionality.
- High concentration of power among distributors as gatekeepers to end markets.
- "Shrinkflation" observed where less product given at same prices as alternative cost-cutting measure to preserve margins.

Industry Profile: Pharmaceuticals & Medical Devices

The industry is involved in products and services that provide a diagnostic or therapeutic benefit. Firms can operate in any or all parts of the value chain, i.e. R&D, manufacturing, distribution, sales.

Revenue Drivers
- Population incidence (e.g., of disease or condition, Income)
- Frequency of diagnosis
- Dosage and dosing frequency
- List price of drug/treatment

Cost Drivers
- R&D, including clinical trials
- Manufacturing and packaging
- Marketing and distribution
- Rebates

Suppliers
- Specialty chemical manufacturers
- Contract research organizations (CROs)
- Contract development/manufacturing organizations (CDMOs)

Customers
- Healthcare providers
- Pharmacies
- Retail (for over-the-counter (OTC) drugs and some Class I medical devices)

Other Industry Metrics
- Safety and efficacy
- % likelihood of regulatory approval (e.g., from Phase I/II/III clinical trials)
- Patent duration
- Quality-adjusted life years (QALY)

Major Regional Players in Asia
- Takeda Pharmaceuticals
- Sinopharm
- Sun Pharma
- Olympus Corporation
- Terumo Corporation

Key Industry Trends
- "Feast or famine": high upfront R&D cost with high rate of failure from clinical trials, but products usually target a lucrative end market.
- Price pressure from generics and copycats that flood market once patents expire.
- In- and out-licensing of pipeline products common to share R&D costs and mitigate portfolio risks while navigating clinical trial phases.
- Off-label uses (e.g. semaglutide for weight loss) providing additional markets while constricting supply for treating original indications.

Industry Profile: Information Technology (software)

The industry, as a subset of Information Communication Technology (ICT), focuses on the software aspect of IT, and is predicated by the hardware sector that more closely matches a durable good.

Revenue Drivers
- Purchases (licenses, physical media)
- Subscriptions and upgrades
- Advertisements (for free services)
- Customizations
- After-sales service and maintenance

Cost Drivers
- R&D (e.g. coding)
- Hardware infrastructure
- Maintenance
- Commissions and royalties

Suppliers
- Hardware manufacturers
- Web/cloud hosting services
- Outsourced developers
- Assurance/security providers
- Database providers and web scraping

Customers
- Other commercial businesses
- Institutional users
- Direct to individual consumers

Other Industry Metrics
- Service level (e.g. planned uptime, bandwidth)
- Service life/maintenance and support period

Major Regional Players in Asia
- Tencent
- Tata Consultancy Services
- Baidu
- Infosys
- Wipro

Key Industry Trends
- As-a-service pricing models for infrastructure, platform, or software (i.e. IaaS, PaaS, SaaS) popular to shift fixed costs into variable costs and ensure recurring revenue.
- Generative AI and Large Language Models (LLMs) as popularized by ChatGPT driving significant investment towards creating in-house equivalents and seeking monetizable use cases.
- Virtual and Augmented Reality applications being used by retailers, engineers and designers across industries.

Industry Profile: Transportation & Logistics

The industry, typically comprised of freight forwarders, carriers, and couriers, is responsible for managing the acquisition, storage, and transportation of resources and cargo to their destination.

Revenue Drivers

- Capacity
- Load Factor
- Price

Cost Drivers

- Fuel
- Maintenance
- Insurance and security
- Lease/depreciation
- Port/gate fees and tariffs

Suppliers

- Vessel/vehicle manufacturers
- Vessel/vehicle leasing companies
- Outsourced maintenance crews
- Ports of call
- Warehousing facilities

Customers

- Manufacturers
- Wholesalers
- Retailers
- Direct to individual consumers

Other Industry Metrics

- On-time percentage
- Fulfillment accuracy
- Cycle time
- Product damage rate

Major Regional Players in Asia

- Nippon Express
- Sinotrans Limited
- Hitachi Transport System
- Agility Logistics
- SF Express

Key Industry Trends

- Supply chain resiliency a key consideration due to multiple recent disruptions, from pandemic, active conflict, piracy, etc.

- New entrants focus on niche plays, such as last-mile delivery, extensive data analytics or asset-light operation models like vessel sharing.

- Increased focus on sustainability leads to more scrutiny on how industry contributes to carbon.

Industry Profile: Banking & Finance

The industry comprises of firms and institutions that provide financial services, such as lending, investment, deposit and withdrawal services, currency exchange, and safeguarding assets.

Revenue Drivers
- Interest from loans
- Fees charged to customers
- Premiums
- Investment returns

Cost Drivers
- Borrowing costs
- Labour and compliance
- IT and security
- Bad debt and loss on investment
- Rent and lease for real estate

Suppliers
- Central, commercial, retail banks
- Customer deposits
- Money markets

Customers
- Institutions & other businesses
- Retail customers
- High-net-worth individuals (HNWI)
- Other banks

Other Industry Metrics
- Earning asset yield (EAY)
- Cost of funds (COF)
- Net interest margin (NIM)
- Return on assets (ROA)
- Return on equity (ROE)

Major Regional Players in Asia
- Bank of China
- Agricultural Bank of China
- China Construction Bank
- Mitsubishi UFJ Financial Group

Key Industry Trends
- Global economic downturn leading to multiple central banks lowering overnight lending rates, with more cuts forecasted.

- Asia remains the global leader in fintech adoption, driven by a new openness to innovation by regulators.

- Decentralized banking (e.g., via cryptocurrencies) offer additional flexibility as value store but also price volatility; regulations are pending.

Industry Profile: Oil & Gas

The industry deals with hydrocarbon extraction (upstream), transportation (midstream), and refinement (downstream), providing the most common precursors for fuel, plastics, and other petroleum products.

Revenue Drivers
- **Upstream**: Crude oil prices
- **Midstream**: Sales and purchase agreement contracts
- **Downstream**: Refined products (gas, fuel, oils, plastic, lubricant, etc.)

Cost Drivers
- **Upstream**: Exploration/extraction
- **Midstream**: Crude oil, storage/transport costs
- **Downstream**: Crude oil, PP&E

Suppliers
- Land Surveyors
- Government (for exploration permits)
- Rig/equipment manufacturers

Customers
- Finished goods manufacturers
- Energy and fuel distributors
- Power generators for transmission
- Logistics and vehicle operators

Other Industry Metrics
- Production (barrels)
- Attainable reserve (barrels)
- Depletion rate
- Carbon footprint and emissions

Major Regional Players in Asia
- Sinopec
- Saudi Aramco
- China National Petroleum Corp.
- China National Offshore Oil Corp.
- ENEOS Corporation

Key Industry Trends
- Shifts to sustainability and climate change awareness putting pressure on industry.

- Introduction of renewable energy can substitute certain use cases, but still face technical challenges (e.g. energy density for jet fuel, chemical composition for plastics) for other specific applications.

- Significant price impact on oil futures due to post pandemic recovery, Ukraine invasion, OPEC decisions, and more.

Industry Profile: Manufacturing & Durable Goods

This industry focuses on the value chain of high-value goods that provide economic utility over an extended period and are characterized by multi-year purchasing intervals of the finished good.

Revenue Drivers

- Price
- Volume
- Product customizations

Cost Drivers

- Raw materials (usu. commodities)
- Labour
- Utilities and overhead
- PP&E/depreciation
- Storage/warehousing and logistics

Suppliers

- Raw material providers/refiners
- Intermediate parts manufacturers

Customers

- Finished goods assemblers
- Distributors and wholesalers
- Retail and dealers
- Direct to consumers

Other Industry Metrics

- Production capacity utilization
- Lead time
- Service level (e.g. on-time delivery)
- Durability of goods
- Inventory turnover

Major Regional Players in Asia

- Foxconn (Hon Hai Precision Ind.)
- Huawei
- Samsung Group
- Toyota Motor Corporation
- SAIC Motor

Key Industry Trends

- Highly sensitive to macroeconomic factors; commodity prices can have outsize role in dictating profitability.

- Risk of supply disruptions common due to trade wars, active conflict, natural disasters, and other macro sources of instability; supply chain resiliency initiatives sought with multiple manufacturing locations or alternate suppliers.

Industry Profile: Private Equity & Venture Capital

Private equity and venture capital is an alternative asset class using capital not available in public markets, using investment funds to buy and restructure companies to be later resold for a profit.

Revenue Drivers
- Carried interest
- Management fee
- Actions that increase value of portfolio companies (e.g., identify efficiencies, new management)

Cost Drivers
- Investment expenses/debt servicing
- Labour
- Legal and technical assistance
- SG&A, including travel
- Taxes

Suppliers (i.e., Pipeline)
- Startups
- Firms with exponential growth potential
- Underperforming firms
- Distressed firms

Customers
- High-net-worth individuals (HWNI)
- Pension funds
- Endowment funds
- Private family trust funds

Other Industry Metrics
- Assets under management (AUM)
- Internal rate of return (IRR)
- Distributions to paid-in (DPI)
- Total value to paid-in (TVPI)
- Residual value to paid-in (RVPI)

Major Regional Players in Asia
- MBK Partners
- Affinity Equity Partners
- RRJ Capital
- Baring Private Equity Asia
- CDH Investments

Key Industry Trends
- Relatively high interest rate from US Federal Reserve reducing amount of attainable leverage for buyouts.

- Environmental, social, and governance (ESG) investing likely to take on greater recognition as an alternative metric nearer to the 2030 deadline of the Paris Climate Change Agreement.

- Global economic downtown may increase the number of available firms that can be targeted for takeover.

Industry Profile: Retail

A preamble about the industry goes here. Include examples of business types, examples of goods/ services, examples of customers and segments, or value chain. Do not exceed these two lines.

Revenue Drivers
- Traffic (foot or online)
- Conversion rate (visits vs purchases)
- Basket size (# items purchased)
- Average item price
- Purchasing frequency

Cost Drivers
- Cost of goods sold
- Labour
- Lease and overhead
- Storage/warehousing and logistics
- Returns/replacements/shrinkage

Suppliers
- Finished goods manufacturers (e.g. FMCG, capital goods)
- Agricultural producers
- Wholesalers

Customers
- Direct to consumers
- Resellers and secondary market

Other Industry Metrics
- Same-store sales
- Sales per store area (e.g. per m^2)
- Out-of-stock (OOS) rate
- Inventory turnover

Major Regional Players in Asia
- Alibaba Group
- JD.com
- Seven & i
- AEON
- Lotte Group

Key Industry Trends
- Seasonality plays a large factor; sales spike during events or intentionally commercialized days (e.g. Singles' Day, Black Friday, Boxing Day).

- Omnichannel strategy commonly pursued (offline moving to online, but also online including offline).

- Increasing use of data analytics to very granular customer segmentation for targeted advertising and promotion.

Industry Profile: Healthcare Providers

The industry comprises of organizations that maintains or improves health outcomes through prevention, diagnosis, treatment or recovery of disease, injury, or any other health condition.

Revenue Drivers
- Third-party payer collections (e.g. from insurance or government)
- Patient co- or direct payments
- Government reimbursements

Cost Drivers
- Physician/nurse salaries
- Medical supplies and consumables
- Insurance
- SG&A and overhead
- PP&E/depreciation

Suppliers
- Pharmaceutical manufacturers
- Medical device manufacturers
- Outsourced physicians and/or specialists

Customers
- Health insurance providers
- Governments
- Direct to patients
- Group health insurance plans (e.g. paid by employers)

Other Industry Metrics
- Length of stay
- Bed occupancy rate
- Readmission rate
- Patient wait time
- Staff-to-patient ratio

Major Regional Players in Asia
- IHH Healthcare Berhad
- Bangkok Dusit Medical Services
- Raffles Medical Group
- Fortis Healthcare
- Nichii Gakkan

Key Industry Trends
- Each country has its own payer model; can range from public (e.g. NHS in UK) to private (e.g. insurers in US)
- Payment models moving away from fee-for-service to cost control models like capitation; incentivizes wellness/preventative care and minimizes use of expensive treatments
- Adopting technology-based solutions increasing, e.g. telemedicine to provide remote care, AI-assisted decisions for standardising diagnoses across physicians.

Industry Profile: Media & Entertainment

The industry traditionally consists of film, television, radio, and print, but has since expanded to include online, gaming, live entertainment, and other ways for consumers to interact with content.

Revenue Drivers
- Advertisements (for paid & free)
- Subscriptions
- Purchases (per-view, physical media)
- Content/IP Licensing
- Merchandising

Cost Drivers
- Talent recruitment & management
- Production and editing
- Marketing
- Distribution
- Commissions and royalties

Suppliers
- Content creators & developers
- Production & Publication houses
- Venue owners

Customers
- Broadcasters and content distributors
- Direct to individual consumers
- Advertisers

Other Industry Metrics
- Engagement (e.g. viewership, readership, impressions)
- Ratings
- Target Rating Point (TRP), Reach

Major Regional Players in Asia
- Sony
- Tencent
- ByteDance
- Nintendo
- Garena (Sea Ltd.)

Key Industry Trends
- Industry is consolidating around intellectual property (IP) and creating potentially dominant platform such as Disney+, Discovery+ putting pressure on traditional distributor and streaming services globally.
- Industry is still fairly-fragmented at a regional level with regional language content a huge play, especially in Asia.
- New media formats still being actively explored with Metaverse and Web 3.0 in consideration.

Industry Profile: Airline & Passenger Transportation

The industry focuses on passenger travel commonly split through business and leisure segments and primarily through commercial passenger aircraft, but also includes train, cruise, bus, and taxi/rideshare.

Revenue Drivers
- Capacity
- Load Factor
- Passenger yield (e.g., ticket prices)
- Cargo shipments
- Fees for ancillary services

Cost Drivers
- Fuel
- Labour
- Lease/maintenance/depreciation
- Gate/port fees
- Insurance

Suppliers
- Original Equipment Manufacturer (OEM)
- Maintenance, Repair, Overhaul (MRO)
- Vehicle/vessel leasing companies
- Caterers
- Airports, ports, stations

Customers
- Direct to passengers
- Travel agencies
- Corporate travel
- Travel rewards programs
- Logistics and cargo transportation

Other Industry Metrics
- Available seat-kilometer (ASK)
- Revenue per available seat-km (RASK)
- Cost per available seat-km (CASK)
- On-time percentage

Major Regional Players in Asia
- China Southern Airlines
- China Eastern Airlines
- Air China
- IndiGo
- Air Asia Group

Key Industry Trends
- Air travel has largely returned to pre-pandemic levels fueled by pent-up demand of leisure travel with loosening of Covid-19-related travel restrictions.

- Business travel remains stunted with proliferation of videoconferencing technologies, requiring pivoting of offers and value propositions.

- Increased usage of analytics for optimizing customer experience and enhancing operational efficiency.

Industry Profile: Insurance

Insurance involves the provision of policies detailing conditions under which the insurer would compensate the policyholder. Major distinction exists between life & non-life (general) insurance.

Revenue Drivers
- Demand for risk mitigation
- Pricing of risk
- Investment returns (via premiums)
- Value-added services (consulting, risk advisory, wealth management)

Cost Drivers
- Frequency & severity of claim losses
- Commissions / acquisition costs paid to support sales channels
- Expenses & overhead

Suppliers
- Reinsurers
- Third-party service providers across insurance value chain

Customers
- Individuals (life & health, motor, home, travel, etc.)
- Organizations & entities (business loss, payroll, etc.)

Other Industry Metrics
- Solvency margin/capital requirement
- Claims reserving practice
- Underwriting (risk selection) appetite
- Service level / claims turnaround time
- Claims fraud detection levels

Major Regional Players in Asia
- AIA
- Ping An Insurance
- Tokio Marine Holdings
- FWD Group
- China Life

Key Industry Trends
- Insurers traditionally relied on intermediaries (e.g. brokers, agents) & partners (e.g. bancassurance), but are branching into digital & direct relationships.

- Risk coverage is becoming more innovative (e.g. pay-as-you-drive auto, silent cyber, HIV life covers)

- Increasing focus given to automation and digitalization (including AI/ML) to improve customer experience & efficiency while reducing cost to serve.

Industry Profile: Hospitality & Tourism

The industry primarily focuses on hotels and lodgings, but also includes meetings, incentives, conventions, and exhibitions (MICE) and attractions management along with food services.

Revenue Drivers
- Average daily rate
- Available room-nights
- Occupancy rate
- Additional spending (e.g. concierge room service, laundry, etc.)

Cost Drivers
- Labour and consumables
- Maintenance and insurance
- SG&A
- Internal loyalty rewards
- Franchise fees

Suppliers
- Property owners
- Food and beverage suppliers
- Cleaning equipment suppliers

Customers
- Direct to guests
- Travel agencies
- Corporate travel
- Travel rewards programs

Other Industry Metrics
- Revenue / available room (RevPAR)
- Marketing cost per booking (MCPB)
- Customer review ratings
- Market penetration index (MPI)

Major Regional Players in Asia
- OYO Rooms
- Home Inns Group
- Jinjiang International
- Ascott Limited
- Shangri-La Hotels and Resorts

Key Industry Trends
- Post-pandemic recovery largely driven by domestic markets (e.g. "staycations") and release of pent-up demand (e.g. "revenge travel").

- Global economic downturn and rightward political shifts to foreigner hostility in major tourism markets expected to reduce tourism demand.

- Digitalisation and burgeoning use of analytics expected to provide hyperpersonalisation of customer experiences.

Cheat Sheet

Fit/Behavioural Interview

Fit questions

Sample questions	Answers should include:
Tell me about yourself	Three main traits/themes about you (Professional, educational, personal)
Walk me through your resume	Experience with project management, client engagement, data analysis
Why consulting?	Drive & passion for consulting, why invest in your training
Why this firm?	Firm's position, compare w/ peers, specific career paths + specialties

Behavioural questions

CAR Framework	**Stories** include context, action, results
Sample topics	Example questions
General qualities	Leadership, entrepreneurship, teamwork
Project mgmt.	Work priority, time mgmt., ppl mgmt.
Client engagemt	Bad client, challenged expertise
Quant analysis	Modelling, bad data, uncertain source
Internal operations	Managing up, getting help, feedback

Case Interview

Prompt & Clarify

Prompt	Ask who/what/when/where/why.
Key question	Ask for scope, metrics, timeframes, acceptance thresholds.

Structure

Framework	Keep categories relevant and **MECE**.
Depth	Ensure context according to prompt.

Analysis

Structure	Note assumptions.
Calculations	Track units and rounding accuracy.
Insight	Highlight key result to identify later.
Context	Sanity check: does it make sense?

Solutions

Brainstorm	Maintain structure within framework.

Conclusion

Recommendation	Be **answer first** and quantify.
Rationale	State assumptions and key insights.
Risks	List unknowns or uncertain data.
Next steps	List what would a client do next.

Practice Cases

Practice Cases

01 Choi Sun is Here

02 Qinghai Telecom

03 Riyadh Airport Metro

04 Locker Up!

05 Fragrant Harbour

06 Oriental Media

07 Firebird Sports

08 In You to Give

09 Bern Energy

10 Jiabao Meals

11 Fantasy to Reality

12 Teleflix to TeleFIX!

Case 1: Choi Sun is Here

Case 1: Choi Sun is Here (1/5)

For Interviewer only

Case Overview
Case type: Profitability
Industry: Retail F&B, Fintech
Difficulty: Easy
Concepts tested: Operations management, financial modelling

Interviewer Guide
The case asks for a relatively straightforward yes/no decision but is intentionally incomplete to allow for creativity from the candidate.

Case Prompt
Our client, Leung Kee, is a popular lunch-service-only *cha chaan teng* (Hong Kong-style café) in Quarry Bay, serving mostly office workers and locals in the area. As a recently-established venue, Leung Kee is currently accepting only cash transactions. Leung Kee has been approached by Choi Sun Financials, a fledgling fintech company focusing on providing streamlined financial transactions to small and medium enterprises, with an offer to use their services.
Is Choi Sun's offer a good idea?

Goal (to be asked by candidate): Leung Kee wants to know if the additional revenue generated in one year exceeds the annual costs of using Choi Sun's services.

Case 1: Choi Sun is Here (2/5)

For Interviewer only

Interviewer Guide

Good candidate:
- Establishes a basic profitability framework.
- Understands different customer types should be handled separately.

Better candidate:
- Identifies key drivers for revenue and costs in a framework customized to payment services.
- Realizes Choi Sun's value proposition is useful only to the take-out customer segment.

Additional Information

Leung Kee:
- Opening hours 12 pm–2 pm, Mondays to Fridays, 50 weeks a year.
- Despite its short opening hours, the café is very popular, with queues forming before the café is opened each day and many disappointed customers still in queue turned away at closing.

Choi Sun's services:
- Integrated point-of-sale terminal accepting major credit cards, EPS (Electronic Payment Services), Octopus, Alipay, WeChat Pay, etc.
- Promises faster transaction speeds, convenience for customers.

Customers: Two major segments are served.
- Eat-in: Groups of 4–6 people seated at larger tables.
- Take-out: Typically office workers taking lunch back to eat in office.
- Given the choice, all customers will pay using non-cash methods (i.e. they will use the services provided by Choi Sun).

Case 1: Choi Sun is Here (3/5)

Interviewer Guide

Key insights:
- The candidate should quickly realize that 2% ($10) is used for eat-in while $5 is used for take-out.
- Choi Sun's services help our client generate additional revenue by acquiring uncaptured customer demand. If time permits, ask the candidate to brainstorm other ways this demand can be captured.

Required Data

Current operations:
- Eat-in: Tables are seated for an average of 20 minutes.
- Eat-in: There are 10 tables available for eating in.
- Take-out: Average transaction time is 60 seconds.

Choi Sun's service specifications:
- Trials at a similar *cha chaan teng* in Kwun Tong shows transaction times can be reduced by 15 seconds on average.
- Choi Sun will charge the greater of 2% or HK$5 per transaction.
- There is an annual fee of HK$50,000 that covers all necessary training, hardware, and maintenance.

Average customer spend:
- Eat-in: The average table bill is HK$500.
- Take-out: The average customer order is HK$100.

For Interviewer only

Example potential calculation by customer segment

Eat-in	Avg spend	Fee/trans	Tables/day	Daily	Annual
Base rev	$500		60	$30k	$7500k
Var cost		$10		$0.6k	$150k
Net				$29.4k	$7350k

Take-out	Avg spend	Fee/trans	Orders/day	Daily	Annual
Base rev	$100		120	$12k	$3000k
New rev	$100		160	$16k	$4000k
Var cost		$5		$0.8k	$200k
Net				$15.2k	$3800k

Total					Annual
Base rev					$10500k
New rev					$11500k
Var cost					$350k
Fix cost					$50k
Net					**$600k**

Interviewer Guide

- The scope of the project only provides costs related to running Choi Sun's services; no other operating costs have been provided.
- It is acceptable for a candidate to use terminology such as "net profit", "operating margin", etc., however remind the candidate that typically other operating costs such as cost of goods sold, salaries, etc. should be factored in for those terms to be accurate, even if that data has not been provided.

Case 1: Choi Sun is Here (5/5)

For Interviewer only

Recommendation

e.g. "My recommendation is for Leung Kee to accept Choi Sun's offer. Leung Kee would be able to generate an additional HK$1,000,000 in revenue over HK$400,000 in costs, providing a net difference of HK$600,000."

Rationale

e.g. "Using Choi Sun's services would speed up takeout transactions to capture unmet customer demand of up to 40 more orders per day. The additional revenue generated less fees would pay back the annual subscription cost in 16 days."

Risks

e.g. "We don't know what the operating margin of Leung Kee is; although additional revenue can be generated, we don't know how the overall profitability would be affected. In addition, we are assuming there are 40 additional customers we could serve each day; this might not be the case."

Next Steps

e.g. "For next steps, we could perform a margin analysis to assess the impact on Leung Kee's overall profitability. In parallel, since there are unserved customers each day, we could look at extending opening hours or expanding the restaurant as other methods to capture these customers."

Case 2: Qinghai Telecom

Case 2: Qinghai Telecom (1/6)

For Interviewer only

Case Overview
Case type: Profitability
Industry: IT, Telecom
Difficulty: Medium
Concepts tested: Profitability, new business, financial modeling

Interviewer Guide
There are many potential ways the revenue stream can be set up. Let the candidate brainstorm possibilities through their frameworks before providing the details.

Case Prompt
Our client is a local land developer in Xining, the capital of Qinghai province in western China. The latest project is a residential complex in a relatively affluent area where the client has partnered with Qinghai Telecom, a local affiliate of a national telecom conglomerate that has offered to provide cables into each residential unit for providing internet access. Residents of the complex would thus be "locked" into becoming customers for Qinghai Telecom. Our client and Qinghai Telecom have agreed to evenly split both the costs of cable installation and the revenues of the internet service. Qinghai Telecom is willing to provide different types of cables to install, each that provides different quality service. Our client wants to ensure they invest their capital wisely. **Which type of cable should our client pick?**

Goal (to be asked by candidate): Our client will pick the cable that can provide the highest ROI over 3 years.

Case 2: Qinghai Telecom (2/6)

For Interviewer only

Interviewer Guide

Good candidate:
- Asks clarifying questions to better understand the structure of the partnership and revenue streams

Better candidate:
- Has a framework to know exactly what numbers are needed for calculation
- Does not spend too much time with irrelevant information (e.g. technical specifications)

Additional Information

Cable choices
- Twisted pair: Data transmissions speeds of up to 1 gigabits per second. Most economical choice.
- Coaxial cable: Data transmission speeds of up to 80 gigabits per second. Highest performance choice.
- Installation time for all choices are negligible, but the whole complex must use the same type of cable.

Residents
- There are 500 residential units in the complex.
- All residents have an assigned hukou and are unlikely to move out.
- Although the partnership ensures there are no competitors for landline connections, adoption is not 100% guaranteed; residents that are dissatisfied with the service (either too expensive or too slow) can choose not to register and instead access internet by simply tethering off their smartphone plans instead.

Case 2: Qinghai Telecom (3/6)

For Interviewer only

Interviewer Guide

Key insights:
- The candidate should be able to easily find the information they need via the profitability equation.
- All plans are viable; the candidate should remember the key metric is ROI rather than NPV.
- The candidate should use the cost of capital as the discount rate; steer the candidate back if the candidate tries something more complicated.

Required Data

Internet plans
- As residents are "locked in", all units that register are charged a flat fee for the whole year at the beginning of the year for unlimited use.
- If twisted pair cables are used, fee would be 4500 RMB / unit / year.
- If coaxial cables are used, fee would be 8500 RMB / unit / year.
- Assume 500 RMB / unit / year variable cost regardless of type.

Registration rate
- If twisted pair cables used, 50% of residents will register.
- If coaxial cables used, 75% of residents will register.

Installation costs
- Installing twisted pair cables in the building will cost 2 million RMB.
- Installing coaxial cables in the building will cost 5 million RMB.
- The bank will help structure financing to attain 10% cost of capital.

For Interviewer only

Interviewer Guide

Good candidate:

- Is not rattled by the sudden new prompt, does not lose composure with the introduction of additional information.

Better candidate:

- Seamlessly incorporates the new information into the existing framework and calculations to arrive at a conclusion.

New Prompt

Note: Prompt may be given anytime in the middle of calculations instead of at the end for additional challenge for candidate composure.

Qinghai Telecom just received word that they have been selected as a technology leader in the province by China's Ministry of Industry and Information Technology. As part of the Belt and Road Initiative, the MIIT would like to bring fiber optic cable technology to the region and has invited Qinghai Telecom to deploy it wherever it makes financial sense. Fiber optics has speeds up to 26,000 Gbps and will require 7.5 million RMB of initial investment for installation payable immediately. However, it will take one year to physically get sufficient quantities of cables into Qinghai. If used in the residential complex, each unit will be charged 20,500 RMB per year with an expected 60% registration rate. As part of Belt and Road Initiative, the bank will help structure financing to achieve 5% cost of capital if the client would like to deploy fiber optics.

Case 2: Qinghai Telecom (5/6)

For Interviewer only

Example potential calculation by entire revenue stream

Cable type	Init. invest	Reg. rate	Price	VC	Profit	D/c rate	Year 1	Year 2	Year 3	NPV	ROI
Twisted pair	2,000k	50%	4.5k	0.5k	4k	10%	1,000k	900k	810k	710k	**36%**
Coaxial	5,000k	75%	8.5k	0.5k	8k	10%	3,000k	2,700k	2,430k	3,130k	**63%**
Fiber optic	7,500k	60%	20.5k	0.5k	20k	5%	0	5,700k	5,415k	3,615k	**48%**

Interviewer Guide
- The calculations should be tolerant to some rounding if the candidate feels is necessary. If the candidate rounds, ask the candidate to track the magnitude of the rounding error as he or she proceeds through the calculations.
- Discount rate calculations may be simplified to multiplying by 0.9 and 0.95 instead of dividing by 1.1 and 1.05.
- Astute candidates will note that, as both revenue and costs are split evenly between the client and Qinghai Telecom and the target is ROI, when the costs and revenues split is factored in (if at all) will have no impact on the final recommendation.

Case 2: Qinghai Telecom (6/6)

For Interviewer only

Recommendation
e.g. "My recommendation for the client is to use coaxial cables for the residential building. The structure of the partnership with Qinghai Telecom will allow our client to generate an ROI of 63% over 3 years."

Rationale
e.g. "The higher number of users in the building will make coaxial cable service better than twisted pair service, while fiber optics, despite its appeal, takes too long to deploy before it can generate a comparable ROI."

Risks
e.g. "Given the speed at which technology moves, there may be future innovations that can bring down the cost of fiber optics in the future, or alternatively, 5G improvements as a substitute may render land line cable internet obsolete."

Next Steps
e.g. "I would proceed with installing coaxial cables but will look for ways to segment residents to reach the last 25% of residents using differential pricing. I would also monitor technological trends such as 5G deployment that might disrupt the business model between our client and Qinghai Telecom."

Case 3: Riyadh Airport Metro

Case 3: Riyadh Airport Metro (1/9)

For Interviewer only

Case Overview
Case type: Investment Analysis
Industry: Infrastructure
Difficulty: Medium
Concepts tested: Estimation Question, Investment Analysis, Payback Period

Interviewer Guide
The candidate should understand, since the upfront investment is given, that payback period will require revenues/costs associated with the infrastructure.

Case Prompt
Our client is the Saudi Arabia Ministry of Infrastructure. They are planning the construction of a metro direct link connecting the international airport to the Riyadh city center.
They already estimated the upfront investment for the engineering, procurement and construction to be USD 2 billion, of which 60% to be funded by the Saudi Arabia Sovereign Fund and 40% to be funded by the Ministry of Infrastructure.
They called us to help them evaluate this potential investment.

Goal (to be asked by candidate): The Client wants to base their decision on the payback period of their part of the investment (the 40%), and they aim at a payback lower than 25 years.

Case 3: Riyadh Airport Metro (2/9)

For Interviewer only – General Framework

Interviewer Guide

Good candidate:
- Understands that needs to calculate the yearly FCF (and profits can be a good proxy for that)
- Understands that needs a metric to evaluate the investment (NPV, payback…)

Better candidate:
- Has a framework which already goes one level down and lists the main areas of analysis, like shown on the right

Additional Information

The appropriate plan of action should include the following:

Calculate Revenues
- Number of passengers using the metro
- Price of a metro ticket

Calculate Fixed and Variable Costs
- Salaries
- Maintenance
- Utilities
- Other, like ticketing, train cleaning, stations management
- Trains can be leased (operational cost) or bought (upfront investment). In this case they will be bought, so shall be excluded

Evaluate Investment
- If candidate mentions other metrics (for example NPV), direct candidate towards payback period

Case 3: Riyadh Airport Metro (3/9)

For Interviewer only – Estimation of People Using the Airport

Interviewer Guide

Key insights:
- Candidate should realize that the supply of people for the metro is given by people who use the airport, so should start by estimating that number

Good candidate:
- Before starting to make assumptions and calculations, creates a tree with all the information needed

Required Data

Candidate should identify the following tree for the estimation; if not, lead candidate to that. Ask to estimate numbers for each item, to check if reasonable, but then recommended numbers in parenthesis:
- Number of flights per day
  - Number of runways (4)
  - Frequency of flights per runway (1 every 5 mins)
  - Daily hours of operations (20)
- Passengers per flight (250)

Flights per day = 4 runways ✘ 12 flight per runway per hour ✘ 20 hours of operations per day = 960. Can round to 1000 flights per day

Passengers per day = 1000 flights per day ✘ 250 passengers per flight = 250k passengers per day.

Case 3: Riyadh Airport Metro (4/9)

For Interviewer only – Estimation of People Using the Metro Link

Interviewer Guide

Key insights:
- Only a fraction of the people using the airport would use the metro.

- The candidate should be able to brainstorm where the people that use the airport could go and which transportation mean they could use.

Required Data

After candidate has brainstormed most of the means of transportation passengers using the airport could use, provide the following estimation by the Ministry of Transportation:

Means of transportation	Percentage
Taxi	20%
Bus	20%
Private car	10%
Connecting flights	10%
Rent a car	10%
Pick up by family/friend	?
Metro	?

Case 3: Riyadh Airport Metro (5/9)

For Interviewer only – Estimation of People Using the Metro Link

Interviewer Guide
- Next is to estimate the number of people picked up by family/friend
- Brainstorm with candidate potential ways to estimate; easiest way is observe the cars using the short stay parking

Good candidate:
- Before starting to make assumptions and calculations, creates a tree with all the information needed

Required Data
Candidate should identify the following tree for the estimation; if not, lead candidate to that. When the candidate has identified it, recommend to use the numbers in parenthesis:
- Number of short-stay parking slot (150)
- Utilization of the short-stay parking lot (80%)
- Duration of stay (15 min)
- Number of people picked up (2)
- Daily hours of operations (20)

People picked up by family/friend per day = 150 parking slots ✖ 80% utilization ✖ 4 cars per slot per hour ✖ 2 people picked up by one car ✖ 20 hours of operations per day = 19,200 people/day. Can round to 20k/day.

Case 3: Riyadh Airport Metro (6/9)

For Interviewer only – Estimation of People Using the Metro Link

Interviewer Guide
- At this point the candidate can easily calculate the number of people that would use the metro
- After that candidate can calculate the annual revenues
- When asked, say to the candidate that unit price of a ticket is USD 5 and that can assume 300 days per year for ease of calculation

Example calculations

Means of transportation	Number of daily users
Taxi	20% × 250k = 50k/day
Bus	20% × 250k = 50k/day
Private car	10% × 250k = 25k/day
Connecting flights	10% × 250k = 25k/day
Rent a car	10% × 250k = 25k/day
Pick up by family/friend	(calculated previously) 20k/day
Metro	**55k/day**

Annual revenues

55k/day × USD 5 × 300 days/year = **USD 82.5M**; can be rounded to **USD 80M**.

Case 3: Riyadh Airport Metro (7/9)

For Interviewer only

Interviewer Guide
- Candidate should move to costs and finally to payback calculation

Good candidate:
- Should notice that she/he is calculating profits and clarify that will use them as proxy for Free Cash Flow

Required Data

Tell the candidate that, based on their experience, the Ministry expects that the metro would have a profitability of 20%.

Yearly Profits = USD 80M × 20% = USD 16M/y, which can also approximate the Free Cash Flow generated by the metro line.

Payback = USD 800M initial investment / 16M yearly FCF = 50 years of payback (being USD 800M the 40% of the total upfront investment, as stated in the prompt).

Case 3: Riyadh Airport Metro (8/9)

For Interviewer only

Interviewer Guide

Key insights:
- Candidate realizes that the payback period is well beyond 25 years

Good candidate:
- Takes initiative and starts to brainstorm ways to reduce payback period

Better candidate:
- Realizes that 20% profit is based on Ministry experience, so costs cannot be reduced much, need to act on revenues

Required Data

Brainstorm with candidate about ways to reduce payback period:
- If candidate mentions about upfront investment, sat that Ministry is confident of their estimate;
- If candidate mentions about costs, say that Ministry has a clear understanding of operational costs, not much can be done there;
- If candidate mentions about price of ticket, say that Ministry cannot change price to be competitive with other means of transportation;
- If candidate mentions about increasing volume of passengers, say that this is an interesting area to explore: how to increase the number of people using the metro?

Candidate should realize, or be helped to realize, that number of passengers using airport and fraction using metro is difficult to control. The key is that the airport-city link is **direct**. The only way to increase passengers is to build intermediate stations in between.

Case 3: Riyadh Airport Metro (9/9)

For Interviewer only

Recommendation
e.g. "My recommendation for the Ministry is NOT to proceed with the construction of a **direct** metro link from the Airport to Riyadh city center. Instead, the construction of a line with few intermediate stations should be investigated and evaluated."

Rationale
e.g. "The payback period for a direct link is 53 years, well above the limit of 25 years imposed by the Ministry. Upfront investment, operational costs and ticket price cannot be changed much, so we need to act on volume of passengers using the metro by adding a few new stations."

Risks
e.g. "Potential risks could be a less attractive metro link if it is not direct anymore; overestimation of passengers using the metro; delays in the construction, postponing the opening of the line."

Next Steps
e.g. "Next steps should be confirmation of the estimated assumptions and an investigation of how many and where to build the new stations, consequent reassessment of the upfront investment needed and additional revenues generated."

Case 4: Locker Up!

Case 4: Locker Up! (1/8)

For Interviewer only

Case Prompt
Our client is a real estate developer in Hong Kong owning several shopping malls with high foot traffic in Central and Sheung Wan. The client wishes to build six banks of lockers in various locations for use by local residents, tourists, and business owners in the malls owned by the client. The client has asked us to **maximize the profitability that can be gained from these lockers.**

Goal (to be asked by candidate): The client is interested in ensuring the space for the lockers are best used to maximize the revenue that can be generated from them.

Case 4: Locker Up! (2/8)

For Interviewer only

Interviewer Guide

Good candidate:
- Can construct a basic profitability tree from the information provided.

Better candidate:
- Understands that for locker banks, there is likely to be little variable costs associated and that increasing profitability would be mostly driven by revenue.

Additional Information

Banks of lockers
- The six banks of lockers are essentially identical in size and capacity.
- Individual locker sizes vary, but are charged at the same rate.
- Little variation is expected in usage patterns between locations.
- There are 2000 lockers spread more or less evenly across the six locations.

Competition
- There are no nearby hotels that offer concierge services, gyms, or any other commercial lockers available in the area, or entities that offer temporary storage solutions.

Case 4: Locker Up! (3/8)

For Interviewer only

Key Insights

- The candidate would be able to calculate a straightforward revenue estimate.

- The expected usage of 700 lockers is far lower than the 2000 locker capacity of the combined 6 locations.

Interview Guide

Ask the candidate how they would segment users of the lockers (e.g. hourly or monthly) and how they might produce relevant pricing (e.g. benchmarking from other locker services, customer surveys, etc.) before showing them Exhibit 1.

After a revenue figure is calculated, ask the candidate to brainstorm any additional ways there could be to generate revenue.

Case 4: Locker Up! (4/8)

For Candidate when requested

Exhibit 1: Locker rates and user behaviour by duration of use

Duration	Expected users	Rates	Usage
Hourly	Tourists Infrequent use residents	$2 / hour ($10 maximum)	600 lockers / day 75% use less than 5 hours (3 hour average)
Monthly	Frequent use residents Business owners	$240 / month	100 monthly users

Case 4: Locker Up! (5/8)

For Interviewer only

Example calculation for total daily revenue

Duration	Calculation	Subtotal
	600 lockers / day	
Hourly	75% use 3 hrs = 450 lockers / day ✕ 3 h / lockers ✕ $2 / h =	$2,700 / day
	25% use 5+ hrs = 150 / day ✕ $10 / locker =	$1,500 / day
Monthly	100 monthly passes ✕ $240 per pass / 30 days =	$800 / day
Total		**$5,000 / day**

Interviewer Guide

- Calculations should be kept as a daily revenue as much as possible.

Case 4: Locker Up! (6/8)

Interviewer Guide

Key insights:
- Although the revenue per locker is reduced, the locker validation system can increase the total revenue generated.
- Businesses that use the locker validation will see their business increase, allowing more rent to be collected by the client.
- Although locker usage will go up, the new total is still nowhere near the capacity of the 6 banks

Prompt 2

The client is considering using a locker validation system, where people who patronize businesses in the commercial buildings can obtain validation to use the lockers without additional cost to the user. 1000 users will be expected to use this new lockers validation system. Such a system will cost the business $5 per validation, and will not only replace the hourly system, but also reduce the monthly passes by 50. **Is this a good idea?**

After the calculation is complete: Ask the candidate to brainstorm other ways to use the locker space that would be considered excess capacity. Any commercial use (e.g. converted into storefronts or kiosks, advertising space, etc.) would immediately raise revenue while also potentially increasing usage of the remaining lockers.

Case 4: Locker Up! (7/8)

For Interviewer only

Example calculation for new total daily revenue

Duration	Calculation	Subtotal
Validation	1000 validations ✕ $5 / validation =	$5,000 / day
Monthly	50 monthly passes ✕ $240 per pass / 30 days =	$400 / day
Total		**$5,400 / day**

Interviewer Guide
- Calculations should be kept as a daily revenue as much as possible.
- After the calculation is complete: Ask the candidate to brainstorm other ways to use the locker space that would be considered excess capacity. Any commercial use (e.g. converted into storefronts or kiosks, advertising space, etc.) would immediately raise revenue while also potentially increasing usage of the remaining lockers.

Case 4: Locker Up! (8/8)

Recommendation
e.g., "The banks of lockers can switch to a locker validation system; this will generate $5400 daily revenue. Two banks of lockers can also be sold and repurposed to other commercial use such as storefronts or advertising space that can help provide additional usage to the remaining lots."

Rationale
e.g., "The capacity now is far larger than the number of users needing locker space. Switching to the validation system will get more users overall and give us an extra $400 daily revenue. Even then, there are two banks' worth of excess capacity that can be used for other commercial purposes for more additional revenue."

Risks
e.g., "We would need to be sure that the current infrastructure for lockers can accept changing to a validation system and ensure there are enough interested businesses willing to offer locker validation to produce the necessary volume of the lockers."

Next Steps
e.g., "I would look into identifying the businesses in the area selling bulky or heavy items that stand to gain from using the validation system, as well as seeing if there are new businesses that are willing to invest in advertising or using a new storefront for their commercial operations."

Case 5: Fragrant Harbour

Case 5: Fragrant Harbour (1/8)

For Interviewer only

Case Overview
Case type: Turnaround
Industry: Banking
Difficulty: Medium
Concepts tested: Operations management, root cause analysis, process improvement

Interviewer Guide
This case takes a deep dive specifically into process improvement. Questions about competition, customers, etc. should be deflected.

Case Prompt
Fragrant Harbour (FH) Bank is a small bank operating in Hong Kong serving mostly local consumers. It had recently found that the credit card line of business had been losing a lot of customers. FH Bank suspects the credit card application process may be to blame. The COO of FH Bank has asked us to investigate this further: **What in the credit card application process is causing the most issue?**

Goal (to be asked by candidate): FH Bank is specifically looking for the root cause of the issue within the credit card application process and potential solutions that may address them.

Case 5: Fragrant Harbour (2/8)

For Interviewer only

Interviewer Guide

Good candidate:
- Can list out several potential reasons for the problem without asking for irrelevant information such as revenue.

Better candidate:
- Neatly categorizes potential causes into a mutually exclusive and collectively exhaustive framework.

Additional Information

Process:
- The steps required for an application are provided in Exhibit 1.
- Each step is required and cannot be performed in parallel.
- If applications have incorrect or missing information, they are sent back to the branch for an employee to call the customer to resubmit an application.
- Regulations prohibit the digitization of applications for transferring.

Measurements:
- The average application at FH Bank takes 30 days to process.
- The average application without errors or omissions takes 15 days to process; this appears to be the industry average.
- 90% of first applications have at least one error or omission found during the "Check application" step.

People:
- All employees are following protocol for submitting applications.
- Branch employees are incentivised to maximize applications sent.

Case 5: Fragrant Harbour (3/8)

For Interviewer only

Interviewer Guide

- The information provided on this slide helps provide a consistent answer to a framework that might be too broad.

- Candidates that consider these categories should realize very quickly there is little data to support exploring further into them

Additional Information

Customer:
- Customers are pre-selected for invitation to apply based on past relationship with bank; effectively anyone who is invited in the first place will be approved, given that applications sent are complete.
- Customers leave because they are frustrated with the bank service; this can happen anytime after the application is first rejected.

Competition:
- Competitors have essentially identical application processes; the only discernable difference is that they can complete it faster.
- Competitors are subject to the same regulations as FH Bank.

Product:
- The credit card offered is essentially a commodity; there is nothing unique about its credit limit, rewards programs, annual fees, etc.
- All phone or online channels for application invitations funnel back to branch applications for regulatory purposes.

Case 5: Fragrant Harbour (4/8)

For Interviewer only

Key Insights

- Applications are not checked for accuracy/ completeness until mid-way into the process.
- Branch employees are not incentivised to send complete/error-free applications to head office.
- Increased application time is likely due to applications being sent back and forth from the branch to head office due to errors or omissions.

Interview Guide

Potential recommendations:
In general, potential recommendations should align with addressing an identified root cause.

- Have applications checked prior to sending them to head office, e.g. by re-training branch staff to check for application completion through an updated protocol, or by having specialist staff at each branch to verify applications.

- Align incentives so that branch staff are rewarded based on increasing percentage of applications that do not need to be resubmitted, or at minimum eliminate incentive based on volume of applications sent to head office.

Case 5: Fragrant Harbour (5/8)

For Candidate when requested

Exhibit 1: Process flow for credit card application at Fragrant Harbour Bank

Invitation to apply at branch office → Complete application → Mail application to head office → Check application → Make decision → Notify decision by mail → Send credit card by mail
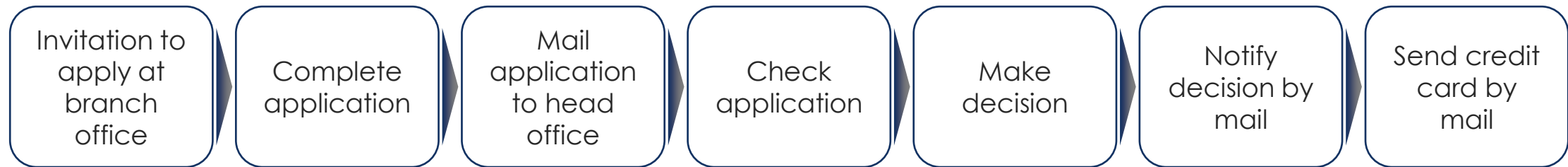
Case 5: Fragrant Harbour (6/8)

For Interviewer only

Interviewer Guide

Good candidate:
- Derives the answer through all the necessary available data. Makes little to no calculation errors.

Better candidate:
- Walks through the calculations verbally to ensure the steps are clearly communicated. Moves to calculation only after the necessary approach is set up.

New Prompt

The current average decision time for one application is 25 minutes. If the proposed changes can reduce the average decision time by 30 percent, and FH Bank receives 1300 applications per month, **how many hours of work time could be freed up for working on other tasks in one year**?

Case 5: Fragrant Harbour (7/8)

For Interviewer only

Example potential calculation of hourly savings per year

Improvement:

$$25 \ \frac{\text{minutes}}{\text{application}} \times 30\% = 7.5 \ \frac{\text{minutes}}{\text{application}}$$

Hourly savings per year:

$$7.5 \ \frac{\text{minutes}}{\text{application}} \times 1300 \ \frac{\text{applications}}{\text{month}} \times 12 \ \frac{\text{months}}{\text{year}} \times \frac{1}{60} \ \frac{\text{hour}}{\text{minutes}} = \mathbf{1950} \ \frac{\textbf{hours}}{\textbf{year}}$$

Interviewer Guide
- The candidate should pay attention to the units given and the units required.
- The calculation is not meant to be difficult but may be overwhelming unless the candidate looks for shortcuts to simplify the required math.

Case 5: Fragrant Harbour (8/8)

Recommendation

e.g. "I recommend tweaking the credit card application process to check documents prior to sending to head office and retrain/incentivitise staff to send only complete applications. These changes will save at least 1950 work hours annually, helping reduce our current 30-day application process closer to the 15-day average.

Rationale

e.g. "The process now shows an error rate of 90%, where incomplete applications are sent back to branches and significantly delaying approvals. The proposed changes will both reduce the number of erroneous applications sent to head office, while also making sure fewer erroneous applications are created in the first place."

Risks

e.g. "There may be significant costs and time required with retraining relevant branch staff or placing qualified specialists in all branches to check applications. In addition, the changing of the incentive structure may cause turnover among branch staff."

Next Steps

e.g. "I would investigate the incentive structure that would keep the average total compensation of the branch staff to be similar but refocused towards sending completed applications only. I would also investigate the additional costs required to retrain staff to implement the proposed process change."

Case 6: Oriental Media

Case 6: Oriental Media (1/7)

For Interviewer only

Case Overview
Case type: Profitability
Industry: Entertainment
Difficulty: Medium
Concepts tested: Diagnosis, deal making, financial analysis

Interviewer Guide
This case would take a candidate through diagnosis, problem solving and finally, decision making. Creativity and sound judgement are required to excel in this case.

Case Prompt
Our client is Oriental Media (OM) Corporation, an entertainment media group in Mainland China. In its most recent financial year, OM has a stable revenue of RMB 50 billion, however it has experienced a 20% drop in profits. The client is concerned that this trend would continue into the current year and has engaged our firm to **help chart a path back to future growth**.

Goal (to be asked by candidate): The client would like to diagnose the root cause of the drop in profits and identify ways to remedy the problem.

Case 6: Oriental Media (2/7)

For Interviewer only

Interviewer Guide

Good candidate:
- Use of a profit-tree would help the candidate diagnose the drop in profits.

Better candidate:
- Recognize that all costs factors have been explained, and therefore focus on revenue. (i.e. Costs have increased in the past year, but revenue has not grown.)

Clarifying Information

Business: Oriental Media is in the business of TV media production. OM produces Chinese language serial dramas, infographics, and variety shows for sales and distribution to TV stations in China and Int'l.

Revenue, Cost of sales (COS), and Profits: COS increased by 5% in the past year, in line with industry expectations, but sales revenue has flat-lined. Net profit decreased 20% in the past year.

Sales & Marketing (S&M), and Admin. Exp.: In the past year, OM authorized a 10% increase in S&M budget and implemented a cost-cutting strategy that successfully kept admin. costs at the same level.

Competition: Due to competition from online content (i.e. BiliBili & iQiyi), peers of OM have all reported lower profits in the past year.

Case 6: Oriental Media (3/7)

For Interviewer only

Interviewer Guide

Financial performance can be given if asked but is not required to solve the case.

Brainstorming:
Ask the candidate to identify driver(s) behind drop in profits and suggest reasons to explain changes in revenue, COS, S&M and Admin. Exp..

Next, suggest strategies to grow revenue (i.e. M&A, Int'l expansion, online media).

Additional Information

Figures in RMB billions

Year:	20x8	20x9	%
Revenue:	50	50	0.0
Cost of sales:	(20)	(21)	5.0
Gross Profits:	30	29	(3.3)
Sales & Marketing:	(10)	(11)	10.0
Administrative:	(10)	(10)	0.0
Profits before Tax:	10	8	(20.0)
Taxation:	(2.5)	(2)	(20.0)
Net Profit:	**7.5**	**6**	**(20.0)**

Case 6: Oriental Media (4/7)

For Interviewer only

Interviewer Guide

There is no right answer, but candidate should be able to explain their rationale.

Retain control: maintain ownership and security

Entrust to ABC.co: leverage on partner's expertise

Share control: ideal for both parties to value-add but can lead to potential impasse

Profit-sharing: better align interests of both parties; shared risks and profits

Additional Prompt (1)

The CEO has suggested that he would like to enter the online media industry in order to reach end-viewers directly, and he has identified a potential partner (ABC.co) to help him launch Oriental Media Online (OMO). ABC.co will provide tech. and infrastructure, while OM will provide content. A deal team has been assembled to enter discussions.

For each key term, do you propose that OM retain control, entrust to ABC.co, or share control (i.e. joint or 50/50). Explain the rationale.

- Marketing & Advertising
- Customer ownership and information
- Platform interface and experience

How should OM share profits of this new venture with ABC.co (if at all)?

Case 6: Oriental Media (5/7)

For Interviewer only

Interviewer Guide

This is a calculation question, the candidate should draw their own conclusion on whether to "partner" or "build" after they have compared net profits under both scenarios.

Better candidate:
- Financially inclined candidates would ask for WACC or Discount Rate to calculate incremental NPV.

Additional Prompt (2)

After discussion, both parties have agreed to joint decision making on all major aspects of the partnership and 50/50 profit sharing

The CEO would like your help to evaluate whether to proceed with this partnership. The deal team has estimated that OM would require an investment of RMB 1.5 billion to build OMO on their own.

Both scenarios:	Annual revenue of RMB 5 billion
Partnership:	Net profit margin of 10%
Build:	Net profit margin of 8%

WACC / Discount Rate (if asked): 10%

Timing of cash flow (if asked): assume once-a-year at year-end

Case 6: Oriental Media (6/7)

Interviewer Guide

The two scenarios can be compared in terms of "breakeven" or "NPV", however the candidate should recognize that neither result supports the "build" decision.

Optional: ask the candidate to suggest whether there are any qualitative non-financial factors that might affect the final decision. (i.e. speed to market, implementation risks, customization, etc.)

Example Calculations

Method 1: Breakeven analysis
Annual Profit (Partnership) =   5b x 10% x 50% = RMB 250m
Annual Profit (Build) =   5b x 8% = RMB 400m
Incremental Annual Profit =   400m – 250m = RMB 150m
Investment required (Build) =   RMB 1.5b
Breakeven period =   1.5b / 150m = 10 years

Method 2: NPV (perpetuity method)
NPV (Partnership) =   250m / 10%   = RMB 2.5b
NPV (Build) =   400m / 10% - 1.5b = RMB 2.5b
Incremental NPV =   2.5b - 2.5b = RMB 0

The candidate should conclude that breakeven of 10 years is too long or that 0 NPV cannot justify a RMB 1.5 billion investment.

Case 6: Oriental Media (7/7)

For Interviewer only

Recommendation

e.g. "I recommend that Oriental Media partner with ABC.co to launch OM Online. The partnership can potentially help OM to increase its profits by RMB 250 million per annum without an initial outlay of investments."

Rationale

e.g. "Partnership is the more prudent approach to launch OMO. In comparison, it would take 10 years to recover the cost to build OMO on our own. Moreover, OM can build its own platform at a later stage should OMO prove to be successful, but not vice-versa."

Risks

e.g. "OM should consider whether OMO would cannibalize the existing sales in TV media."

e.g. "OM should consider whether its existing content is appropriate or whether they would need to create new content for OMO."

Next Steps

e.g. "OM can conduct a consumer survey to gage viewer reception towards OMO."

e.g. "Customary due diligence on the finance and technology of ABC.co to ensure that they are able to delivery on the proposed partnership."

Case 7: Firebird Sports

Case 7: Firebird Sports (1/6)

Case Overview
Case type: Market Entry
Industry: FMCG, Sports
Difficulty: Hard
Concepts tested: Market entry, growth strategy, customer segmentation

Interviewer Guide
There is a lot of data given in the case. Let the candidate figure out what information is important and why.

Case Prompt

Our client, Firebird Sports, is a sports equipment manufacturer headquartered in Hong Kong specializing in manufacturing shuttles used for playing badminton, with production plants in various strategic locations across the globe. Shuttles can be made with either feather or nylon to give its characteristic tapered shape. Firebird currently manufactures only feather shuttles and is considering the introduction of nylon shuttles to grow its business. **Should Firebird produce nylon shuttles, and how should they be introduced?**

Goal (to be asked by candidate): Firebird Sports wishes to determine which markets can produce a positive NPV in one year.

For Interviewer only

Interviewer Guide

Good candidate:
- Understands this is a market entry question, will need data on market size and competitors.
- Understands the purpose of segmenting customers

Better candidate:
- Understands that in a mature market, growth can only come at the expense of competition
- Understands that customers react to new product offerings.

Additional Information

The Product
- Consider all feather shuttles identical and all nylon shuttles identical.
- Feather shuttles come in tubes of 10, nylon come in tubes of 6.
- Shuttles are played with until worn and discarded afterwards.
- Professional competitions exclusively use feather shuttles.
- Customers may switch to nylon but will never switch based only on brand.

The Company
- Firebird can retrofit their current feather shuttle plants to additionally make nylon shuttles and can produce as many nylon shuttles as they can sell.
- Firebird's plants can introduce the nylon shuttle into their markets immediately if given the go-ahead.

The Market
- Competitors are constrained at their current production capacity.
- Assume all markets are stable and approaching maturity.

For Interviewer only

Interviewer Guide

Key insights:
- Feather shuttles provide far more returns than nylon shuttles by 25-fold.
- Case is not just about filling unmet demand, but also about avoiding cannibalization. Candidate should only focus on Firebird's Regular/Casual players and Competitor's Casual players using feather shuttles as only they will switch.

Required Data for Exhibit 1

The Product
- **1x feather shuttles tube**: COGS and distribution $5, retail $15. Lasts 1 session.
- **1x nylon shuttles tube**: COGS and distribution $5, retail $25. Lasts 50 sessions. Assume perfectly inelastic demand. Won't affect feather shuttle production.
- If a region begins nylon shuttles, all plants in the region are retrofit and will serve all customer groups. Retrofitting the entire region will cost $10 million.

The Market
- There are 3 major customer segments:
  - **Professional**: Plays 300 sessions/year. Loyal to the brand and shuttle material. (*0% switch rate, 0% cannibalization rate*)
  - **Regular**: Plays 100 sessions/year. Loyal to brand, agnostic to shuttle material. (*0% switch rate, 50% cannibalization rate*)
  - **Casual**: Plays 50 sessions/year. Agnostic to both brand and shuttle material. (*50% switch rate, 50% cannibalization rate*)
- Assume unserved markets to be captured will be captured completely.

Case 7: Firebird Sports (4/6)

For Candidate when requested

Exhibit 1: No. of Customers by region, segment, shuttle material, and brand of choice

		Feather Shuttles			Nylon Shuttles		
		Firebird	**Competitors**	**Unserved**	**Firebird**	**Competitors**	**Unserved**
APAC	Professional	1,600,000	200,000	0	0	500	0
	Regular	20,000,000	5,000,000	0	0	10,000	0
	Casual	15,000,000	20,000,000	0	0	50,000	0
EMEA	Professional	500,000	1,000,000	0	0	1,000	0
	Regular	5,000,000	5,000,000	0	0	1,000,000	7,500,000
	Casual	1,000,000	10,000,000	0	0	5,000,000	12,000,000
AMER	Professional	200,000	500,000	0	0	1,000	0
	Regular	0	4,000,000	0	0	2,000,000	500,000
	Casual	0	6,000,000	0	0	15,000,000	1,500,000

For Interviewer only

Exhibit 1: Analysis Methodology & Calculation Approach

Analysis Methodology

Exhibit 1: No. of Customers by region, segment, ... of choice

		Feather		**Ur**		**Unserved**
		Firebird	**Competitors**			
APAC	Professional	1,600,000	200,000			0
	Regular	20,000,000	5,000,000			0
	Casual	15,000,000	20,000,000			0
EMEA	Professional	500,000	1,000,000	00		0
	Regular	5,000,000	5,000,000	00		7,500,000
	Casual	1,000,000	10,000,000	000		12,000,000
AMER	Professional	200,000	500,000	,000		0
	Regular	0	4,000,000	,000		500,000
	Casual	0	6,000,000	0,000		1,500,000

50% here will shift to nylon shuttles   +   100% of unserved will be captured

Example of 1yr NPV calculations

NPV = **(A)** New profits – **(B)** Cannibalized profits – **(C)** Retrofitting

Note: Given nylon's durability, feather shuttles give 25x the profits. Offsetting cannibalization therefore isn't feasible in any market.

AMER would have no cannibalization. Here, **(A)**
= 50% of Competitors' feather segment + 100% of Unserved
= (6m Cas. x 50% x 1 tube/yr x $20)
+ (0.5m new Reg. x 2 tubes/yr x $20)
+ (1.5m new Cas. x 1 tubes/yr x $20) = $110m

NPV (AMER) = (A) – (B) – (C) = $110m – $0m – $10m = **+$100m**

NPV (APAC) = –$13,010m ; NPV (EMEA) = –$2,010m

Case 7: Firebird Sports (6/6)

For Interviewer only

Recommendation
e.g. "I recommend that Firebird produces the nylon shuttle and launch it only in the AMER market. The data shows that we can earn $110 million per year against a $10 million investment both from filling unmet demand and taking customers in the Casual segment using feather shuttles from competitors."

Rationale
e.g. "Launching the nylon shuttle in either the APAC or EMEA markets will result in unacceptably high amounts of cannibalization, as our own customers in the Regular and Casual segments will switch from using feather shuttles to nylon shuttles, which last much longer and will reduce our overall sales."

Risks
e.g. "As our primary new customers come from competitors, there may be pushback from competitors who may introduce a nylon shuttle in APAC to steal our Casual segment customers using feather shuttles. They will need time to first build production capacity before they can do so."

Next Steps
e.g. "I recommend a deeper analysis of direct competition, as current data lacks insight into individual strategies. Evaluating product substitutes (like racquetball) and indirect competitors may also help Firebird Sports better gauge the market's potential, reducing the overall risks for the investment."

Case 8: In You to Give

Case 8: In You to Give (1/8)

For Interviewer only

Interviewer Guide
The candidate will require understanding the value chain before a suitable price based on what the customer values can be determined.

Case Prompt
HemoTrue is a start-up working out of San Francisco in the US. Its sole product is a blood product containing red blood cells (RBCs) manufactured using in vitro stem cells that are otherwise functionally identical to RBCs from donated blood. As a revolutionary new product, HemoTrue believes their product can completely disrupt and take over the blood market in the US. The product is still two years away from commercialization, but investors are interested to know what plans HemoTrue has already made towards that goal. HemoTrue has hired us to determine: **What is a suitable price for their manufactured blood product?**

Goal (to be asked by candidate): HemoTrue would like to charge the highest price for their product that their target customers would be willing to pay when their product launches two years later.

For Interviewer only

Interviewer Guide
The candidate should spend time clarifying exactly what the product does relative to what the market has. Exhibit 1 can be shown even before a framework is made to help clarify where value can be added, and what the target customer is looking for. The candidate can brainstorm who is the customer before revealing as hospitals/clinics. **Do not explicitly tell the candidate what the customer cares about.**

Additional Information
Current product (e.g. donated blood):
- Blood has several major serotypes types according to the ABO system (A, B, AB, O) and Rhesus system (positive or negative). Despite O-negative type blood being the most versatile as the "universal donor" type, all donated RBC blood products are priced the same regardless of blood type.
- Blood has a shelf life of 42 days; expired blood is discarded.
- Identifying and recruiting suitable donors (e.g. with O-negative blood) from specific geographies is typically very time-intensive.

HemoTrue's Product:
- The product is 100% functionally equivalent to donated biological blood; it is bona fide blood, not just a blood substitute.
- Blood is produced from an immortalized stem cell line from a donor with O-negative blood type; this allows any amount of blood to be created from anywhere with a short lead time.

Case 8: In You to Give (3/8)

For Interviewer only

Interviewer Guide

Good candidate:
- Understands and quantifies the value-add that HemoTrue's product has to the value chain for both blood centers and hospitals/clinics.

Better candidate:
- Realizes only the value-add to customers (e.g. hospitals and clinics) are relevant to pricing considerations.

Additional Information

Market:
- The US blood market is mature with consolidation in blood centers and healthcare providers (e.g. hospitals and clinics). Cost reduction initiatives are common, and the entire process is operating lean.
- Current blood products are priced using a cost-plus model; blood is provided free from donors, and costs are added from testing, administration, and storage plus a small markup.

Competition and substitutes:
- There are no other products on the market with the same function; blood substitutes typically target niche uses such as resource-limited settings without full hospital support.

Value-Add:
- Although blood is a commodity typically donated free of charge, HemoTrue believes its product removes the costs of all testing, of oversupply, and of undersupply that makes it attractive to customers.

Case 8: In You to Give (4/8)

For Interviewer only

Interviewer Guide

Key insights:
- HemoTrue's product is positioned as a supplier for hospitals and clinics, therefore a competitor to blood centers.

Exhibit 1 Description

Donation:
- Recruitment: Donors are contacted for giving blood donations.
- Eligibility screening: Donors are tested for general health (e.g. wasn't sick recently, did not engage in risky behaviours).

Production:
- Testing: Blood type is determined and tested for pathogens.
- Processing: Blood is separated into RBCs, plasma, platelets, etc.
- Storage: Blood is stored on-site until used or expired. Ownership (and thus cost responsibility) stay with blood centers until used.

Recipient:
- Compatibility testing: Recipient's blood type is determined.
- Administration/monitoring: Blood is used, and results monitored.

Transfusion Outcome:
- Trace-back: Results are traced back according to source.
- Blood utilization review: Blood use is optimized for future operation.

Case 8: In You to Give (5/8)

For Interviewer only/For Candidate when requested **(delete whichever is inapplicable)**

Exhibit 1: Product flow for blood from donation to transfusion

Donation
- Recruitment
- Eligibility screening

Collection

Production
- Testing
- Processing

Blood centers

Storage until decision to transfuse

Recipient
- Compatibility testing
- Blood administration
- Monitoring and follow-up

Hospitals and clinics

Transfusion outcome
- Trace-back
- Blood utilization review

Location

Ownership
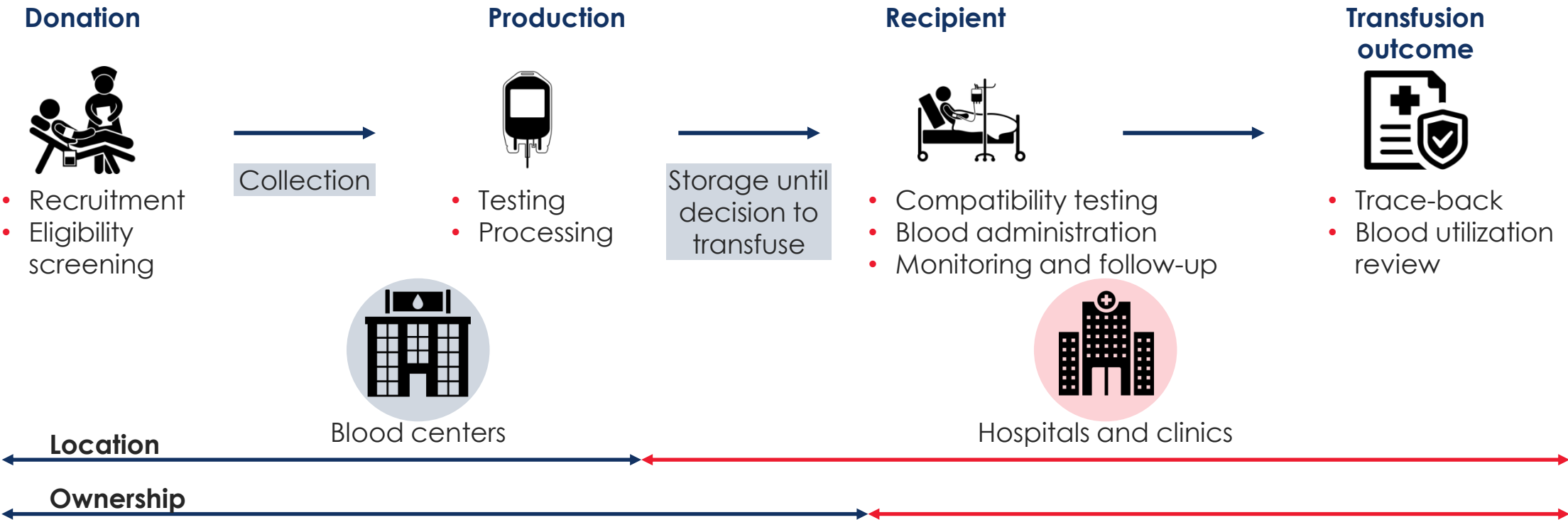
Case 8: In You to Give (6/8)

For Interviewer only

Interviewer Guide

Key insights:
- As the customer, hospitals and clinics do not care about savings related to Donation, Production, or Storage (e.g. cost of oversupply). Only cost of undersupply (e.g. causing delayed surgeries) and compatibility testing (blood type only) are relevant

Required Data

Current market:
- A unit of blood on average costs $200, with regional variability.
- There were 16 million units of transfused blood in the US last year.

Cost of oversupply:
- Costs for expired blood effectively needs to be subsidised by the remaining blood.
- There were 400,000 units of expired blood in the US last year.

Cost of undersupply:
- Undersupply incurs a delayed elective surgery opportunity cost.
- There were 5000 delayed elective surgeries last year from insufficient blood.
- Each delayed surgery incurs an opportunity cost of $80,000.

Cost of testing:
- All tests performed by blood centers cost a combined $50.
- The blood type test performed at hospitals and clinics costs $10.

For Interviewer only

Example potential calculation of each value-add per unit of blood:

Market data			Cost of undersupply	
Cost of blood unit	**$200**		Delayed surgeries	500
Units of transfused blood	16,000,000		Cost of a delayed surgery	$80,000
Cost of oversupply			Cost of all delayed surgeries	$40,000,000
Units of expired blood	400,000		**Cost subsidized per transfused unit**	**$2.50**
Cost of all expired blood	$80,000,000			
Cost subsidized per transfused unit	$5		**Recommendation**	
Cost of Testing			Market price, cost of blood unit	$200
Cost of typing and pathogen test	$50		Cost of undersupply	$2.50
Cost of typing only	**$10**		Cost of blood typing	$10
			Recommended price per unit	**$212.50**

Case 8: In You to Give (8/8)

For Interviewer only

Recommendation
e.g., "I would recommend a final price of up to $212.50 for HemoTrue's product. This price captures the additional value from the costs associated with undersupply of blood and compatibility testing that can be prevented using HemoTrue's product."

Rationale
e.g., "Certain other advantages of HemoTrue's product, such as the cost of oversupply and costs related to pathogen testing, are not the responsibility of our customers, therefore it would not make sense to include them into the value-based price that we would charge."

Risks
e.g., "The product is launching two years from now, assuming it can pass all necessary regulatory hurdles. It would make sense to re-evaluate the value of the benefits offered by HemoTrue's product closer to launch to account for market changes that might occur such as consolidation or further cost-savings by customers."

Next Steps
e.g., "HemoTrue could explore the price variability in different US regions; this could allow HemoTrue to enact differential pricing and capture higher margins from the regions that are willing to pay more for HemoTrue's product."

Case 9: Bern Energy

Case 9: Bern Energy (1/10)

Case Overview
Case type: Investment analysis
Industry: Energy, Oil & Gas
Difficulty: Easy
Concepts tested: Logistics Planning, Profitability, Cost-Benefit Analysis

Interviewer Guide
The candidate should pinpoint and understand the correct factors required to calculate setup costs and expected revenues to choose where to build the customer's next rig.

Case Prompt
Your client, Bern Energy, is based in Southeast Asia and is one of the world's largest producers and suppliers of natural gas to major markets in Asia Pacific. It has recently discovered two untapped natural gas reserves in Bintuni Bay, Indonesia, isolated from the rest of the Tangguh gas fields. The client can only secure rights to extract from one of these reserves.

One of these reserves can be reached via an on-shore rig, while the other can only be reached via an off-shore rig. Bern Energy needs a recommendation on which one will serve them better. **Which one should they go with?**

Goal (to be asked by candidate): Bern Energy would like to determine whether an on-shore or off-shore rig will yield them higher profit potential

Case 9: Bern Energy (2/10)

For Interviewer only

Interviewer Guide

Good candidate:
- Understands a) what to consider in setting up and commissioning a rig; b) how energy is priced and measured; and c) getting expected revenue based on a) and b).

Better candidate:
- Recognizing the need for time value of money when calculating expected revenue
- Understanding that CSR is important

Additional Information

Natural gas is a flammable gas, consisting largely of methane and other hydrocarbons, occurring naturally underground and used as fuel. Once extracted, it requires storage in appropriate facilities before it is purchased, transported, and used as fuel.

Regulatory hurdles permit the client to extract from only one of the identified reserves all the way to depletion.

Bern Energy prides itself in its ability to setup and decommission rigs in negligible timeframes; it can also recycle and resell key rig components to make decommissioning occur at a net negligible cost.

As policy to minimize revenue variability and aid in decision making, Bern Energy sells its natural gas as forward contracts to lock in prices.

Case 9: Bern Energy (3/10)

For Interviewer only

Interviewer Guide

Key insights:
- Candidate should understand that the decision is based on what net revenue will be considering all the costs required for both options.
- Candidate should conclude that there will be annual costs and one-time costs.

Required Data

The standard unit of measurement for natural gas is in **BCF** – Billion cubic feet. 1 BCF = 1,000,000 MCF (thousand cubic feet)

"Attainable reserve" is the total amount of natural gas that can be extracted from the reserve.

"Annual production capacity" is the amount of natural gas that can be extracted in one year.

For Candidate when requested

Exhibit 1: Map of potential sites for establishing a natural gas rig around Bintuni Bay

Onshore option
Attainable Reserve: 15 BCF
Annual Production: 3 BCF

Offshore option
Attainable Reserve: 50 BCF
Annual Production: 10 BCF

Case 9: Bern Energy (5/10)

For Interviewer only

Interviewer Guide

Key insights:
The candidate should start to form an idea of the key calculations required to make the decision:

1) Revenue calculations
2) Set up costs
3) Relocation Costs

Required Data

The discount rate (if asked by the candidate) can be taken as 0% for the purpose of this case.

The on-shore rig site is also positioned close to a remote centuries-old Bintuni tribe that is highly opposed to having the on-shore rig built close to their sacred land. However, Bern Energy has rights to the land right next to the tribe and carries no legal or financial responsibility for the well-being of the tribe. Bern Energy may choose to allocate funds to help relocate the tribe further north, away from the proposed site of the rig to maintain the tribe's longevity. The necessary funds required is expected to be USD $3,500,000.

Case 9: Bern Energy (6/10)

For Interviewer only

Revenue Calculations

Description	On-shore option	Off-shore option	Relevance to Case
Total amount of Nat Gas that can be extracted	15 BCF	50 BCF	To be given
Amount of Nat Gas that can be extracted per year	3 BCF	10 BCF	To be given
Amount of time that reserve is fully extracted	5 years	5 years	To be calculated
Price of Nat Gas (USD $ per MCF)	$5.00	$5.00	To be given
Revenue (USD)	**$75,000,000**	**$250,000,0000**	**To be calculated**

Case 9: Bern Energy (7/10)

For Candidate when requested

Exhibit 2: Expected costs (figures in USD)

Description	On-shore option	Off-shore option
Rig setup costs	$10,000,000	$150,000,000
Labor	$1,200,000	$1,200,000
Security	$100,000	$200,000
Insurance	$2,000,000	$2,500,000
Nat Gas Storage and Transportation Costs	$3,000,000	$10,000,000
Environmental Assessment	$2,000,000	$2,500,000

Case 9: Bern Energy (8/10)

For Interviewer only

Operating Cost Calculations (figures in USD)

Description	On-shore option	Off-shore option	Relevance to Case
Rig setup costs	$10,000,000	$150,000,000	To be given
Environmental Assessment	$2,000,000	$2,500,000	To be given
Total one-time costs	**$12,000,000**	**$152,500,000**	**To be calculated**
Annual Labor costs	$1,200,000	$1,200,000	To be given
Annual Security Costs	$100,000	$200,000	To be given
Annual Insurance Costs	$2,000,000	$2,500,000	To be given
Nat Gas Storage and Transportation Costs	$3,000,000	$10,000,000	To be given
Total Annual Operating Costs	**$6,300,000**	**$13,900,000**	**To be calculated**
Total Operating Costs over 5 years	**$43,500,000**	**$222,000,000**	**To be calculated**

Case 9: Bern Energy (9/10)

For Interviewer only/For Candidate when requested **(delete whichever is inapplicable)**

Profitability Calculations (figures in USD)

Description	On-shore option	Off-shore option	Relevance to Case
To Account for Time value of Money	0%	0%	Assume is 0% but bonus points for recognizing its importance
Monetary Compensation for nearby village	$3,500,000	$0	To be given, considered as an option
Profitability Calculation (incl. compensation)	**$28,000,000**	**$28,000,000**	**To be calculated**
Profitability Calculation (excl. compensation)	**$31,500,000**		**To be calculated**

Interviewer Guide

Three possible recommendations are possible; it is up to the candidate to pick one and defend it accordingly, e.g.:
- **On-shore with compensation to tribe**: promotes goodwill, minimizes environmental risk, maximizes ROI
- **On-shore without compensation to tribe**: maximizes profit potential according to client's initial stated goal
- **Off-shore**: Sidesteps social issue of dealing with tribe entirely

Case 9: Bern Energy (10/10)

For Interviewer only

Recommendation

e.g., "I would recommend Bern Energy go with the on-shore option and compensate the native tribe. This option is expected to generate a USD $28 million profit for Bern Energy over the 5 years of operation for the reserve before it gets depleted."

Rationale

e.g., "Although this option is not monetarily superior to the off-shore option, it requires a much lower capital investment of only $10 million as opposed to $150 million for the off-shore option. In addition, inherent drilling risks are more readily contained by remaining on-shore, such as potential leaks causing environmental damage."

Risks

e.g., "As natural gas prices tend to fluctuate, there could be significant upside missed by selling natural gas at a fixed forward contract. In addition, bad publicity could be generated from displacing a native tribe even if Bern Energy is legally permitted to do so."

Next Steps

e.g., "Bern Energy should consider finding buyers at the predetermined forward contract price for natural gas to ensure revenues can be locked in. In addition, Bern Energy should determine what programmes can use the $3.5 million allocated to the tribe to ensure its best use and minimize bad publicity."

Case 10: Jiabao Meals

Case 10: Jiabao Meals (1/6)

Case Overview
Case type: Market entry
Industry: Logistics, food prep
Difficulty: Medium
Concepts tested: Market sizing, brainstorming, customer segmentation

Interviewer Guide
This is an **interviewer-led** case and will require significant brainstorming and market sizing from the candidate.

Case Prompt
Our client is Alading (阿拉丁), an e-commerce behemoth based in Suzhou operating within China and beyond. It has recently expanded its domestic operations providing groceries under its Huanghe (皇盒) brand, taking advantage of its large-scale logistics to offer delivery in parallel to storefront services. Alading is considering leveraging its existing Huanghe's superior supply chains and distribution networks to expand into meal kit delivery with a new service called Jiabao (家宝).

Meal kits made by Jiabao contain fresh or semi-cooked ingredients as well as cooking instructions for a full meal serving either 2 or 4 people. Customers can sign up for either of these meal kits that deliver 2 or 4 times a week. Alading wants to use Shanghai as a test market. Several competitors are already in this space that charge on average 50 RMB per meal per person with no dominant player. **What would be the revenue potential for Jiabao to launch in Shanghai?**

Case 10: Jiabao Meals (2/6)

For Interviewer only

Interviewer Guide

Good candidate:
- Can list basic frameworks relating to market entry or business situation

Better candidate:
- Can apply frameworks with specific consideration to the case needs (e.g. large player entering fragmented market, addressing tech-savvy consumers, etc.)

Prompt 1

What are general business considerations that you would want to explore as you develop a go-to-market plan?

Possible considerations include:

Product: Meal options? Dietary (e.g. allergies) or religious (e.g. Halal) restrictions? Also target 2- or 4-person meal kits, 2 or 4 times a week?
Price: Suitable pricing model? Above or below or match benchmark?
Place: Distribute through Huanghe, dedicate new lines, or find partner?
Promotion: Push with Alading or Huanghe? Discounts or incentives?

Company: What are core strengths for Alading/Huanghe to leverage?
Competition: What are they offering? Why is the market fragmented?
Customers: How to segment them and how large is each segment? What are their needs and how does Jiabao match them?

Case 10: Jiabao Meals (3/6)

For Interviewer only

Interviewer Guide

Good candidate:
- Should be able to list the types of pricing strategy and evaluate the pros and cons of each approach

Better candidate:
- Would make a comparison unprompted, and would make a recommendation on the best approach based on the candidate's best judgment

Prompt 2

Among pricing and revenue opportunity, why are they important, and how would they be evaluated?

Pricing:
- Key component of determining revenue opportunity along with number of sales. Used to send a signal to market on quality of product.
- Three main approaches:
  - **Competitive benchmarking**: Can be priced above (to signal quality and for higher profit potential), below (for fast growth or pass on savings), or to match (using non-tangibles such as brand for differentiation) market average of 50 RMB
  - **Value-based pricing**: Based on customer willingness to pay
  - **Cost-based pricing**: Cost plus markup or margin

Case 10: Jiabao Meals (4/6)

Interviewer Guide

Good candidate:
- Would be able to make reasonable assumptions to segment the market before coming up with a market size

Better candidate:
- Would present the structure for verifying assumptions before proceeding with calculations

Prompt 3

If we match the competition at 50 RMB per meal per person, what is the revenue opportunity for launching Jiabao in Shanghai?

Key market data:
- Assume population of Shanghai is 25 million.
- Assume 5 million households in Shanghai.
- Either number can be used as starting point, as long as candidate can justify the purchasing behaviour of the target customer.
- For example:
  - Segmenting by income or age to match take rate
  - Segmenting by number of people in household to match product offering

Case 10: Jiabao Meals (5/6)

For Interviewer only/For Candidate when requested **(delete whichever is inapplicable)**

Example Market Sizing

5 million households in Shanghai, evenly split between 1/2/3/4/5+ people per household, at 50 RMB per meal per person

Segment	No. of HHs	Assumed take rate	HHs taking	Meals/week	Weeks	Meals/year	RMB/year
2-person hh (2x/week)	1 million	5%	50k	4	50	10 million	0.5 billion
2-person hh (4x/week)	1 million	5%	50k	8	50	20 million	1 billion
4-person hh (2x/week)	1 million	5%	50k	8	50	20 million	1 billion
4-person hh (4x/week)	1 million	5%	50k	16	50	40 million	2 billion

Total addressable market	**4.5 billion**
Assumed market share	40%
Revenue potential	**1.8 billion**

Interviewer Guide

The final number for revenue potential is not important; the candidate should instead approach with good structure:
- The candidate **segments the market from top-down**, using information already provided in the case.
- The candidate **makes reasonable assumptions**, or presents approach, asks about assumptions, then adjusts.
- The candidate **presents approach and equations** before going into the calculations.

Case 10: Jiabao Meals (6/6)

For Interviewer only

Recommendation
e.g., "The revenue potential for Jiabao to launch into Shanghai is 1.8 billion RMB per year. This is an attractive market to launch into, assuming a 5% take rate and 40% market share, and that we match both the pricing and the service offerings of competitors already in the market."

Rationale
e.g. "Alading should have a competitive brand positioning that can lead to a dominant market share in a fragmented market, although the many food options available in Shanghai would likely lead to a low take rate."

Risks
e.g., "Additional time and costs will be incurred for ramping up Jiabao in Shanghai. Cannibalization into Huanghe's profits may happen, as both sell foodstuff. Also, Jiabao should ensure its product and service offerings are differentiated to competitors, otherwise risk commoditizing the market and/or starting a price war."

Next Steps
e.g., "Alading may consider seeking customer feedback and see if there could be other food options or service options available to capture unserved portions of the market, taking advantage of Huanghe's superior supply chain and distribution channels to ensure operational efficiency."

Case 11: Fantasy to Reality

Case 11: Fantasy to Reality (1/12)

Case Overview
Case type: Turnaround
Industry: Gaming (TTRPGs)
Difficulty: Medium
Concepts tested: Root Cause Analysis, Data Prioritization, Financial Analysis, Strategy

Interviewer Guide
This is an **interviewee-led** case requiring quick understanding of an unfamiliar sector. *It can also, alternatively, be run as an **interviewer-led** case to reduce the difficulty.*

Case Prompt

A local business owner has been operating a gaming company ("Daring Mazes & Monsters", or DM&M) selling products and services for role-playing games. Despite 3 years of effort and significant investments, he is struggling financially to keep his business afloat. **What should he should do?**

Case 11: Fantasy to Reality (2/12)

For Interviewer only

Interviewer Guide

Key insights:
The candidate should focus on gathering a good basic understanding of the niche TTRPG sector as well the company's portfolio.

A strong start with pointed clarifying questions is key to solving this case.

Additional Information

The Business
- Client sells TTRPG stories (books) pan India and runs paid games in Chennai.
- TTRPGs (**Table-Top Role-Playing Games**) are easy-to-learn group story-building games with rules and dice (think: similar to board games). Players either build their own stories or use pre-made ones (like in DM&M's books).
- Client creates and sells all stories and artwork himself but has admin staff.
- Client outsources distribution and faces no problems with the supply chain.
- Client is a YouTube sensation in India and well-known locally for their events.
- **Goal: Client seeks a deep dive into the business and advice on next steps.**

The Market
- TTRPG hobbyists are a relatively smaller market but spend money frequently.
- No specific persona targeted – caters to families, school groups, adults, etc.
- No new competitors have entered the market since DM&M began.
- Prices across competitors are similar since customers are price conscious.

Case 11: Fantasy to Reality (3/12)

For Interviewer only – General Framework

Interviewer Guide

Key insights:
The structure should focus on a step-by-step root cause analysis to drive actionable recommendations. The key question is, "What aspects of the business could be causing it to underperform?"

Afterward, the candidate should prioritize checking market obstacles as a strong product fit is fundamental.

Recommended Structure for Root Cause Analysis (*Example*)

- Check for Market Obstacles:
  - Product-related problems: Poor product-market fit
  - Customer-related problems: Poor customer education, poor loyalty
- Check for Financial Obstacles:
  - Thin margins: Low rev, high costs, price sensitivity
  - No cash: Mismanagement (payables, receivables), wrong investments
- Check for Competitor Obstacles:
  - Products in market are too similar
  - New competitor strategies at play
- Build **Actionable "Go-forward" Strategy** to solve problem

Case 11: Fantasy to Reality (4/12)

For Interviewer only

Interviewer Guide

Key insights:
Exhibit 1 sets the foundational context for the case, hinting at a product-market fit issue.

Independently, it offers few conclusions, and the candidate must integrate insights from other exhibits for a full picture.

Prompt 1

DM&M surveyed approximately 6000 people (existing and potential customers, assume all are regular gamers) through their website last year. **The client wants your help interpreting the customer survey.**

Exhibit 1 Takeaways

- There are problems with current categories:
  - DM&M's books are well received but customers might not buy much.
  - DM&M's poor artwork possibly makes their products feel less valuable.
  - DM&M's events are also liked; probably helpful to building local brand.
- Customers don't seem to want to explore new gaming rule systems.
- **Although customers seem price sensitive, they seem excited to explore newer product categories such as supplies, accessories, and apparel.**

Case 11: Fantasy to Reality (5/12)

For Candidate when requested (*or with question prompt if interviewer-led*)

Exhibit 1: Website Traffic Survey (*Year -1*)

■ Yes   □ No

Q1 Are you satisfied with our…
A   **Pre-made Stories** (books)
B   **Artwork** (posters, notebooks)
C   TTRPG Event Experiences
D   YouTube Media Content

Q2 DM&M's products have
A   Unique stories / content
B   High-quality art
C   Diverse Game Mechanics
D   Collector's Value

Q3 Customers generally want…
A   Pre-made Stories
B   High-quality art
C   New rule systems
D   Low prices

Q4 Other merch you would buy
A   Apparel (t-shirts)
B   Supplies (dice, dice trays)
C   Accessories (mugs, stickers)
D   Collectibles

Case 11: Fantasy to Reality (6/12)

Interviewer Guide

Key insights:
Exhibit 2 shows not just the attractive markets but also the unattractive ones ('artwork' and 'apparel'), and candidate should work towards deriving this insight.

Candidate can assume stable markets in terms of total addressable segment as well as market players.

Prompt 2

What products can DM&M consider introducing to their portfolio to grow?

Exhibit 2 Takeaways

- **Market Players**:
    - After (A), DM&M is the next biggest player and leads in books.
    - Portfolios seem grouped as: books + events, supplies + accessories.
- **Market Categories**:
    - 'Artwork' and 'apparel' seem unattractive (smaller markets with thin margins). DM&M should **consider shutting down 'artwork'**.
    - **'Supplies' and 'accessories' seem to be promising larger markets**.

For Candidate when requested (*or with question prompt if interviewer-led*)

Exhibit 2: Competitors' Market Share[2] by Category (*Year -1*)

	Alchemists of the Coast	Basements and Bears	Crimson Lion Games	Daring Mazes & Monsters	Etsy-Betsy Spiders	Fringe's Magic Stories	Uncaptured market	Market Size in India	Industry Margins[3]
Books	20%	15%		**35%[1]**		30%	-	Large	90%
Events	**50%[1]**	20%		15%		15%	-	Medium	20%
Artwork	**10%[1]**			5%			85%	Small	20%
Game Supplies	**25%[1]**		15%		15%		45%	Large	90%
Accessories	10%		**15%[1]**		10%		65%	Medium	60%
Apparel	10%				**20%[1]**		70%	Small	5%

*(1) Category leaders highlighted in **bold**. (2) Assume nominal market growth rate. (3) Industry benchmarks are derived from competitor averages.*

Case 11: Fantasy to Reality (8/12)

Interviewer Guide

Key insights:
Exhibit 3 presents the client's initial concerns regarding the company's financials. Given the company's negative equity, 'events' likely emerges as a costly issue.

The candidate should focus on deriving key trends without getting lost in the details.

Prompt 3

The client is seriously considering launching products for "Supplies" and "Accessories" after a year, given the market's feedback. However, based on their previous experience, they estimate that the overall collective launch and rebranding **costs could reach approximately INR 1,000k**.

Given their current limited revenue generation, they are concerned about where these funds might come from. **How would you suggest they secure this capital?**

Case 11: Fantasy to Reality (9/12)

For Candidate when requested (*or with question prompt if interviewer-led*)

Exhibit 3: Client Financials (*Year -1*)

INR k		Year -3	Year -2	Year -1
Revenue		5,600	5,850	5,800
TTRPG Books		2,500	2,500	3,000
Artwork		1,500	1,750	1,500
Events		1,500	1,500	1,200
YouTube Ad Rev		100	100	100
Cost		3,500	3,700	3,750
TTRPG Books	COGS + Site + Delivery	-250	-250	-300
Artwork	COGS + Site + Delivery	-1,200	-1,400	-1,200
Events	Rent + Party Expenses	-2,000	-2,000	-2,000
YouTube Videos	Content Creation	-50	-50	-50
Ops P&L		2,100	2,150	2,050
SG&A	Salaries + Ads	-2,000	-2,000	-2,000
Loan Interest Payments	10yr loan @ 20%	-300	-300	-300
P&L		-200	-150	-250

INR k	Year -1
Assets	1,450
Website Assets	50
Inv. (Books + Art)	50
Event Equipment	450
Cash	900
Liabilities	-1,500
Loan (due in 7yrs)	-1,500
Short Term Liab.	-
Equity	-50

Note: *Assume it is currently the start of Year 0, and that Year 0 performance will be similar to that of Year -1.*

Case 11: Fantasy to Reality (10/12)

For Interviewer only

Interviewer Guide

Good candidate:
- Will do fast math.

Better candidate:
- Will prioritize numbers that will build a convincing argument. Not everything needs to be calculated, and some takeaways like margins and profits (or lack thereof for 'Events') should stand out under deeper observation.

Exhibit 3 Takeaways & Calculations

Primary highlights from reading the financial statements should include:

1. Events are at a loss consistently. (Losses, y-o-y = INR -500k, -500k, and -800k.)
2. Company has negative equity.
3. **Sunset / Close 'Events' to create INR 550k in profits and INR 450k in cash** from liquidating related assets. This INR 1,000k would pay for the launch and the loan.

Secondary insights can include:

4. TTRPG books have exceptional margins. (Profit margin **90%** every year)
5. Artwork seems to have thinner margins. (Profit margin **20%** every year)
6. Consider sunsetting 'Artwork', due to margins and historically poor quality.
7. Might be beneficial to renegotiate the high loan interest to save bottom-line.

Case 11: Fantasy to Reality (11/12)

For Interviewer only

Interviewer Guide

Key insights:
Candidate should be able to highlight that, despite initial data suggesting new categories, a thorough analysis is essential to validate this approach and determine if it is the optimal path forward.

The scope of the case is limited, and the full picture is not yet known.

Prompt 4 (Optional)

The client is seeking to understand the possible challenges associated with discontinuing some of their existing revenue categories while launching new ones. **What potential risks they should be mindful of during this transition?**

Recommended "Risk & Considerations" Structure (*Example*)

If the company indeed goes ahead with replacing certain product categories, they should proceed remaining cautious of the following potential risks:

- **Survey data risks**: Reponses filled incorrectly, biased selection (site only)
- **Operational risks**: Challenges building new supply chain, unusable inventory
- **Financial risks**: Cost to sunset, loss of topline, difficulties pricing new products
- **Marketing risks**: Mixed branding, unhappy customers, new competition

Case 11: Fantasy to Reality (12/12)

For Interviewer only

Recommendation

e.g., "DM&M needs to improve its product-market fit by introducing two new categories: gaming supplies and accessories. We recommend discontinuing events and artwork while maintain our leadership in 'books'. The new categories align with market demand and offer significant growth opportunities."

Rationale

e.g. " 'Books' are clearly DM&M's strongest product. 'Events', however, are loss-making, and 'artwork' is a small market with low margins. We should sunset 'events' and 'artwork'. Removing 'events' secures the funding to launch 'gaming supplies' and 'accessories', with INR 550k from new profits and INR 450k from liquidated assets."

Risks

e.g., "Potential risks could include bias in data (survey data, market data, etc.) as well as the challenge of developing an entirely new supply chain. We need to address these concerns by conducting a thorough risk assessment and mitigation plan before the transition."

Next Steps

e.g., "Our next steps should first include a deeper analysis of the data used for DM&M's new turnaround strategy. Once validated, we recommend the client to move forward by discontinuing 'events' and liquidating related assets to secure the capital for the transition."

Case 12: Teleflix to TeleFIX!

Case 12: Teleflix to TeleFIX! (1/8)

For Interviewer only

Case Prompt
Your client, Teleflix, is one of the largest subscription-based content streaming platforms and has enjoyed tremendous growth since its inception. While the company is based in the US, the platform operates globally across all major countries.

Last year, however, the number of subscribers fell for the first time which led to the stock price plummeting by 40% over the year. In light of this, the client has hired you to **reverse the trend of falling subscribers and return the company to a growth trajectory.**

Goal (to be asked by candidate): No quantitative goals. If asked:
- Teleflix streams movies and tv shows only on annual subscriptions.
- Content library comprises of both originals and licensed content.
- Highly competitive industry.

Case 12: Teleflix to TeleFIX! (2/8)

For Interviewer only

Interviewer Guide
Key insights:
- Problem statement is not confined to the business model; the broader solution needs to more comprehensively solve the issue of a depleting subscriber base and focus on drivers of subscriptions.
- Candidate will need to understand how to overcome pre-existing knowledge on the sector to not get 'boxed-in'.

Prompt 1
How would you approach this problem?

Content strategy:
- New monthly titles, titles by categories (original vs leased)
- Views vs Ratings for each title, average views per title
- Cost of production per title

Competitive Landscape
- Competition and competitive advantages
- Library size, additional features

Overall Business Model
- Pricing & distribution
- Promotional strategies
- Other revenue sources (Ads, renting out originals, new products)
- Revenue-sharing with content creators to cut costs

Case 12: Teleflix to TeleFIX! (3/8)

For Interviewer only

Interviewer Guide

Key insights:
- Candidate must dig out insights by tallying data across the two graphs presented to a create deeper analysis.
- A good candidate will calculate costs per title to see trends across years by category.

Prompt 2

The graphs (to be shown) display the content library composition over the last 5 years and the related costs. **What can you tell about the content strategy employed? What are the potential challenges?**

Key Insights:
- Increasing focus of production of own titles.
- No. of licensed titles have stalled – could be affecting subscriptions.
- Average production cost and average licensing fee increasing (Production cost increasing at a higher rate).
- Overall costs rising quickly due to higher ratio of production titles.

Potential Challenges:
- Cost of producing a title is much higher than leasing titles.
- Much easier to predict success and viewership of leased titles.
- Teleflix should ideally keep producing new titles to remain attractive.

Case 12: Teleflix to TeleFIX! (4/8)

For Candidate with Prompt 2

Exhibit 1: Annual Number of Titles per Category

	Y (-5)	Y (-4)	Y (-3)	Y (-2)	Y (-1)
Licensed	5000	5100	5050	5000	4750
Originals	1500	1650	1850	2130	2350

■ Originals   ■ Licensed
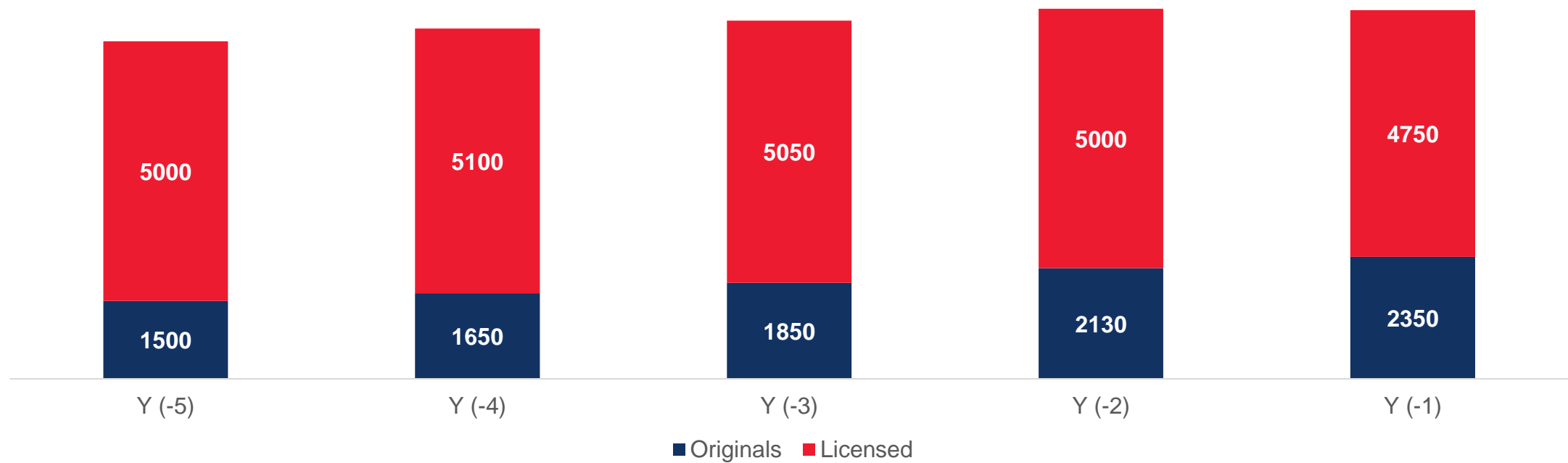
Case 12: Teleflix to TeleFIX! (5/8)

For Candidate with Prompt 2

Exhibit 2: Total Annual Library Costs per Category (USD million)

	Y (-4)	Y (-3)	Y (-2)	Y (-1)
License Fee	765	808	800	807
Production	300	440	728	682

■ Production ■ License Fee
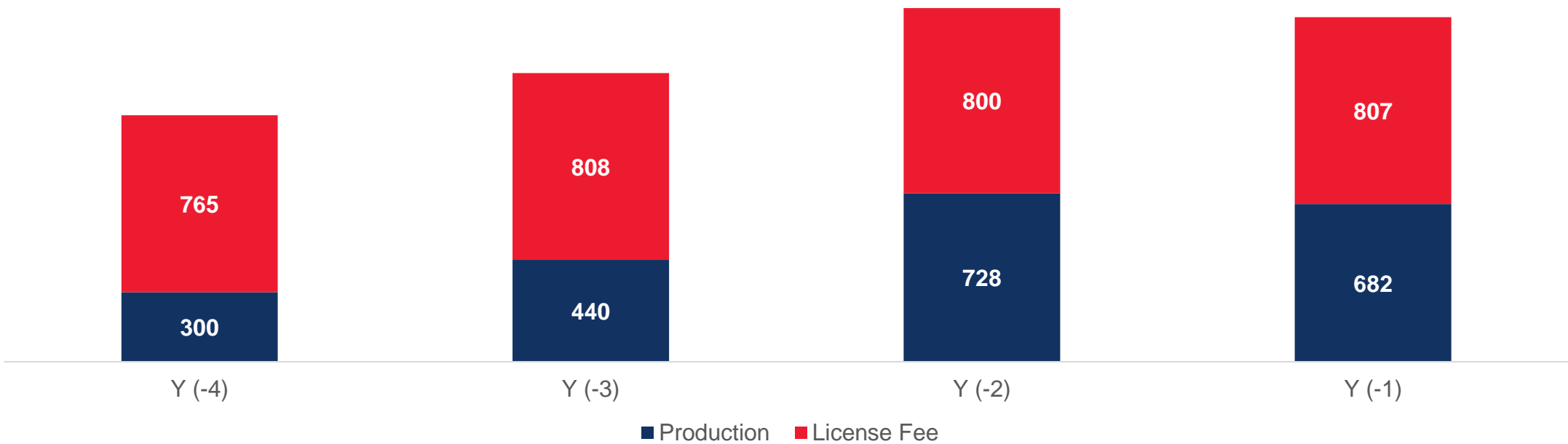
Case 12: Teleflix to TeleFIX! (6/8)

For Interviewer only

Interviewer Guide

Key insights:
- Candidate should choose either original titles or licensed content based on the calculations and show decisive reasoning as to why one strategy would trump the other.

Prompt 3

Compare the average annual cost of producing a new title vs average annual cost of leasing a title (Assume a life of 10 years for the produced title). **What would you suggest basis this comparison? Are there any additional factors to be considered?**

Avg Annual Cost of **producing** a title = 682 / (2350-2130) / 10 = 0.31
Avg Annual Cost of **leasing** a title = 807 / 4750 = 0.17 (costs in USDm)
Suggestion: Spend less on original content and focus more on leasing

Additional Points:
- Compare views and ratings to measure success of each title
- Produced titles can live longer than the 10-year period assumed
- They can further create brand equity and loyalty amongst fans
- Good exclusives more likely to get subscribers than leased content
- Re-licensing successful titles can be very expensive

Case 12: Teleflix to TeleFIX! (7/8)

For Interviewer only

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Interviewer Guide

Key insights:
- Candidate can and ideally should use real world knowledge on describing competitive landscapes and potential risks.
- If time permits, an excellent candidate could attempt a market sizing of the target demographic in the US to better estimate the market potential for the undertaking.

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Prompt 4

Teleflix is considering streaming e-sports on their platform for the US. **How would you recommend approaching this?**

Market Attractiveness
- Market Size (Potential Subscriber base) and Growth Rate
- Profitability

Competitive Landscape
- # of Competitors and Market Share
- Competitive Advantage or Core Competencies

Capabilities
- Software Compatibility
- Synergies with existing business

Risks
- Possibly high cost of implementation
- (Market fit) May be targeting a different segment

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Case 12: Teleflix to TeleFIX! (8/8)

For Interviewer only

Recommendation

e.g. "My recommendation is that **Teleflix should focus more on licensed content**. Original titles is extremely costly to produce at USD 0.31 million per title, as compared to USD 0.17 million for leasing a title. Teleflix should also cut costs to produce original content."

Rationale

e.g. "Original content, when successful, attracts subscribers, but it's a high-risk-high-reward model due to their high failure rate. Once good exclusive content brings subscribers to the Teleflix platform, their reason to stay is usually popular leased titles that they could binge watch."

Risks

e.g. "Potential challenges with readjusting this strategy globally could include partially losing a competitive advantage of owning more original titles. The affect of this change could vary geographically and can be mitigated by executing this strategy in increments across regions."

Next Steps

e.g. "For next steps, Teleflix should readjust their content strategy and invest in stronger marketing. It is important for them to re-engage their audiences across taste categories and demographics and sustaining that engagement will require responding to subscriber needs more actively."

The best candidates utilize multiple resources to synthesize the best approach for themselves.

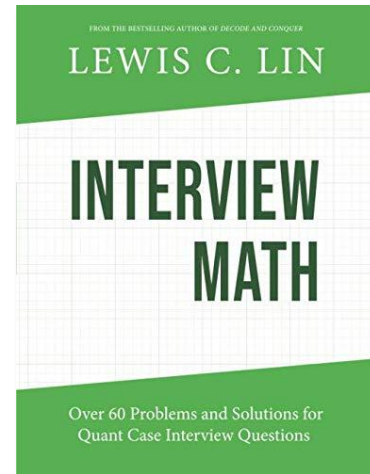Additional recommended resources (not exhaustive)
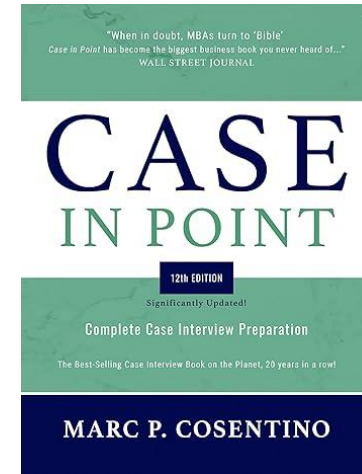
Case Interview Secrets
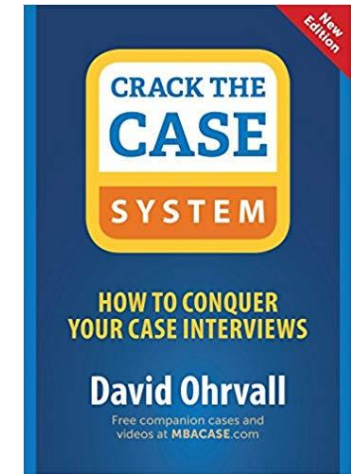Victor Cheng
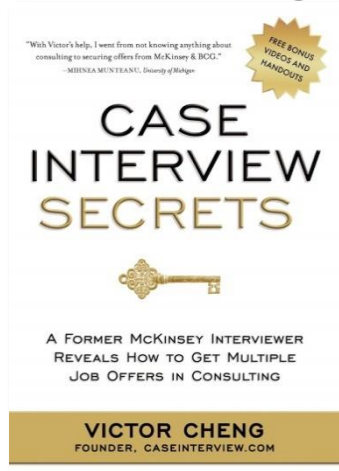
Interview Math
Lewis Lin

Case in Point
Marc Cosentino

Crack the Case
David Ohrvall

CPD, career coaches, alumni, and fellow students are good additional resources.

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Success is attained by building upon the contributions of many towards a common goal.

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Continuous improvement is achieved by iterating on past successes and lessons learned.

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Good luck!