

# Case In Point

## First Steps

1. Summarize the question
  2. Verify the objectives (are there any additional goals)
  3. Ask clarifying questions
  4. Lay out your structure
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## Strategy Scenarios

### 1) Entering a New Market [Market]

Step I.	<b>Strategic fit</b> – why?
Step II.	<b>Investigate Market</b> : now and future
Step III.	<b>Review; so does it make good business sense?</b>
Step IV.	<b>Best approach</b> to enter? <ol style="list-style-type: none"> <li>a. Start from scratch</li> <li>b. Acquisition</li> <li>c. Joint venture</li> </ol>

### 2) Industry Analysis [Market]

Step I.	<b>Investigate Market</b> overall
Step II.	What <b>future outlook</b> of the industry

### 3) Mergers & Acquisitions [Market & Product]

Step I.	<b>Goals and objectives</b>
Step II.	<b>Purchase price</b> and <b>Financing</b>
Step III.	<b>Venture Capital due diligence</b>
Step IV.	<b>Exit strategies</b> <ol style="list-style-type: none"> <li>a. How long to hold?</li> <li>b. Break up and resell</li> <li>c. Integrate into core / stand alone</li> </ol>

### 4) Developing a New Product [Product]

Step I.	<b>Investigate Product</b> ; remember advantages <u>and</u> disadvantages
Step II.	<b>Market strategy</b> : existing product line
Step III.	<b>Customers / Target Market</b>
Step IV.	<b>Financing</b>

**5) Pricing Strategies** [Product]

Step I.	<b><u>Investigate Product</u></b> ; remember advantages <u>and</u> disadvantages
Step II.	<b>Pricing Strategy:</b> a. Cost based [appreciate but do not apply, as per <i>Peter Drucker</i> ] b. Price based c. Competitor pricing; including substitutes
Step III.	<b><u>Supply &amp; Demand</u></b>

**6) Growth Strategies** [Market]

Step I.	Growing a product, division or the company; perform <b><u>Investigate Market</u></b>
Step II.	<b><u>Growth Strategy</u></b>

**7) Starting a New Business** [Market]

Step I.	<b><u>Investigate Market</u></b>
Step II.	<b><u>Venture Capital</u></b> analysis

**8) Competitive Response** [Market]

Step I.	<b><u>Investigate Market</u></b> focusing on any changes
Step II.	<b><u>Growth Strategy</u></b> responses

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**Operations Scenarios****9) Increasing Sales** [Market]

Step I.	<b><u>Investigate Market</u></b> focusing on any changes Competitor pricing, trends, recent changes
Step II.	Approach a. Increase volume – as per <b><u>Growth Strategy</u></b> b. Increase amount of each sale c. Increase prices d. Create seasonal balance

**10) Reducing Costs** [Costs]

Case A.	<b>Rising Costs</b> a. <b><u>Internal Costs</u></b> & <b><u>External Costs</u></b>
Case B.	<b><u>Review Costs</u></b>

### 11) Improving the Bottom Line [Profits]

Step I.	<b><math>E(P = R - C)M</math></b> –examine the <i>Economy</i> and then the <i>Market</i>
Step II.	Analyze revenue streams, percentages and trends
Step III.	<u><a href="#">Review Costs</a></u>
Step IV.	<u><a href="#">Increase Volumes</a></u>

### 12) Turnarounds [Market & Product]

Step I.	<b>Gather information</b> a. <u><a href="#">Venture Capital</a></u> analysis b. Publically or privately held
Step II.	<b>Provide recommendation</b> a. Review <u><a href="#">Venture Capital</a></u> elements b. Secure sufficient funding/finance c. Review talent, removing deadwood d. Determine short and long-term goals e. Devise business plan, with some quick successes for morale f. Visit clients, suppliers and key customers/distributors to reassure them

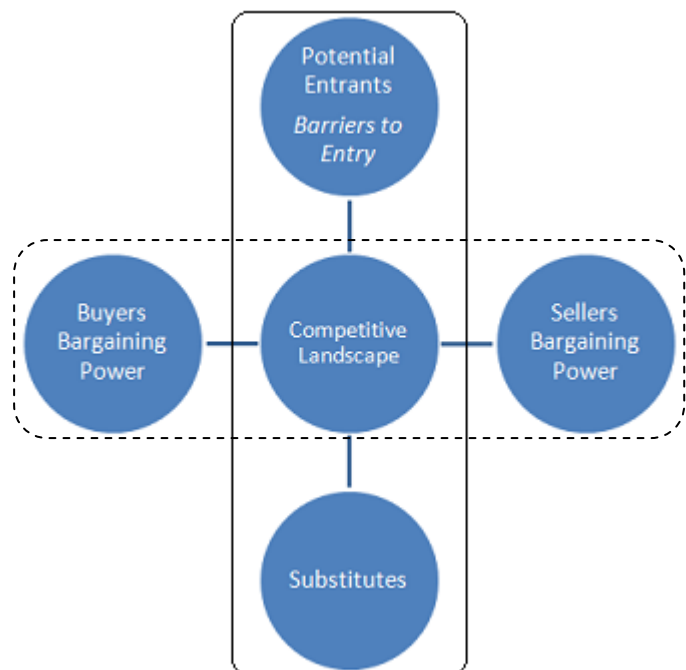
## Frameworks

### Investigate Product

- i. Fit with current products
- ii. Place in *Product Life Cycle* (*Emerging, Growth, Maturity, Declining*)
- iii. Customer Value Proposition
  - a. Advantages and disadvantages
- iv. R&D costs
- v. [Investigate Market](#)

### Investigate Market

- i. *Analyze the five forces*
- ii. \* *Barriers to entry*
  - a. Patents
  - b. Proprietary
  - c. Regulatory
- iii. \* *Competitor pricing / analysis*
- iv. Market share of each
- v. \* *Substitutes* (Price comparison)
- vi. Supplier analysis



## Venture Capital

<b>Management</b> <ul style="list-style-type: none"> <li>• Who are the management team? <ul style="list-style-type: none"> <li>○ Have they worked together before?</li> </ul> </li> <li>• Core competencies</li> <li>• Is there an advisory board</li> </ul>	<b>Financing</b> <ul style="list-style-type: none"> <li>• How to finance?</li> <li>• What is best allocation of funds?</li> <li>• Can debt be supported; what if rates change or economy sours?</li> </ul>
<b>Market &amp; Strategic Plans</b> <ul style="list-style-type: none"> <li>• <a href="#">Investigate Market</a></li> <li>• Competitive response</li> </ul>	<b>Products</b> <ul style="list-style-type: none"> <li>• <a href="#">Investigate Product</a></li> </ul>
<b>Customers</b> <ul style="list-style-type: none"> <li>• Who? <i>Target Market</i></li> <li>• How to <b>reach and retain</b>?</li> </ul>	<b>Distribution Channels</b>

### Growth Strategy

- i. Increase distribution channels
- ii. Diversify product offerings
- iii. Marketing campaign
- iv. Increase sales force
- v. *Competitor growth* knowledge
  - a. Acquire competitor
  - b. Merge with competitor
  - c. Copy
  - d. Hire their management

### Supply and Demand

- i. What's the supply and demand
- ii. How will pricing affect the equilibrium
- iii. Matching competition
- iv. Competitive response
- v. What is the price of substitutes

### Review Costs

- i. Identify major costs (FC & VC)
- ii. Detect any anomalies, looking at trends too
- iii. Benchmark with competitors
- iv. Seek any labour saving technologies

### Increase Volumes

- i. [Growth Strategy](#)
- ii. Reduce prices
- iii. Improve (customer) services

### Internal Costs

- i. Union wages
- ii. Suppliers
- iii. Materials
- iv. Economies of scale
- v. Support systems

### External Costs

- i. Economy
- ii. Interest rates
- iii. Government regulation
- iv. Transportation
- v. Strikes

## Bibliography

Cosentino, M. P. (2010). *Case in Point: Complete Case Interview Preparation - 10th Anniversary Edition*. Burgee Press.