



# MasterTheCase.com

TOP CONSULTING INTERVIEW PREP



# Illinois Consulting Academy 2015-2016 Case Book

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# Introduction

Dear Reader,

Welcome to the first edition of the Illinois Consulting Academy's Case book. This case book, as a portion of the Illinois Consulting Academy initiative seeks to prepare stronger candidates for any consulting position. We do this through enhancing our students' business acumen, as well as critical thinking – skills integral to success in any career. In the consulting interview process, skills are evaluated through a case interview, and consequently, succeeding in the case interview is one of the most important aspects of earning a job as a consultant.

The case book presents the reader with various business scenarios that need diagnosing then solving; in short, cases. The cases covered in this book span across many industries, and just as many business problems. These cases were written entirely by the staff of the Illinois Consulting Academy, based on fictional and historical business cases. Within this book, we cover the interview styles of many major consulting firms and we hope this prepares you for interviews with any major consulting firm.

If you have questions concerning the cases found in this book, please send an email to [casetraining@illinoisconsultingacademy.com](mailto:casetraining@illinoisconsultingacademy.com) or if you have general questions about the Illinois Consulting Academy send an email to [info@illinoisconsultingacademy.com](mailto:info@illinoisconsultingacademy.com). If you are interested in furthering your consulting skills and case interviewing skills beyond this case book, please go to <https://www.illinoisconsultingacademy.com> for more information on what you can do during the school year.

Good luck, and happy interviewing!

Illinois Consulting Academy Team

# How to Use This Case Book

There are many different types of cases within this case book. The two primary types, interviewer led (for example, McKinsey) and interviewee led (for example, Bain), each have their own formatting for both the case and the guide.

## Interviewee Led Cases:

An interviewee led case comes with an interviewer guide that includes the following:

- **Case Background** – The industry and overview of the case
- **High Level Answer** – A walkthrough of the main points of analysis the interviewee should hit
- **Potential Framework** – An example of the framework that an interviewee could use
- **Math Answers** – Calculations required to finish the case

It is recommended that any students giving a case to read over all slides and the guide before the actual interview. If attempting to go through these cases alone, try to solve the case without looking at the guide slides and then only use them to check work at the end.

## Interviewer Led Cases:

An interviewer led case is different in that there are typically no slides to hand out, but rather the case is in a Word document. These cases are entirely composed of the interviewer guide. Interviewers should push interviewees for answers both on the guide and above and beyond. The answers listed under brainstorming questions are suggestive but not exhaustive, nor are market sizing frameworks the only way to finish a question but rather an example. A student attempting to practice an interviewer led case on their own should take care to cover up anything following the immediate question they are working through and challenge themselves to come up with as many ideas as possible before moving on.

# ICA Sponsors & Case Styles

## Bain & Company

**Description:** Bain & Company is a Big 3 consulting firm that emerged out of the motto “results, not reports”. Started in 1973 by Bill Bain and six other Boston Consulting Group partners, the firm quickly rose to eminence by investing directly in its clients’ success through policies such as performance based fees, and by working with only a single client in each industry. Today, Bain has over 50 offices, in over 30 countries, with over 3500 consultants and does consulting work in almost all industries and functions. The firm is especially known as a leader in the Private Equity consulting space.

**Case Style:** The interview process for Bain & Company consists of a first and second round. The first round consists of two interviewee-led case interviews, with a quick fit-portion before the case. The second round consists of three interviewee-led case interviews, with a quick fit-portion before the case, as well as one experience based interview, where you will be asked several behavioral questions based on your resume. The cases range in industry focus and topic, however commonly do cover the private equity industry, and deal with issues related to profitability. The ability to drive the case forward, as well as a results-oriented focus throughout the interviews will differentiate a candidate.

## Deloitte

**Description:** As the largest consulting firm by revenue in the world, Deloitte offers a broad range of services, to a myriad of clients. Deloitte’s consulting practice is segmented into three practices – Strategy and Operations, Technology Strategy, and Human Capital. Each practitioner also has a service line within their practice, and Deloitte has positions in all three of these capacities. Deloitte emphasizes the importance of providing clients work in all three of these practices in order to have the best experience.

**Case Style:** Deloitte’s interview process has two stages after the resume drop. If invited to interview, the first round is a brief case interview, and a behavioral interview. If invited back, the second round interview is a combined 45 minute experience with both a behavioral and case portion. Deloitte’s interview style is primarily interviewer-led, and they look for a strong structure; Deloitte interviews rarely emphasize quantitative analysis. It should be noted that the actual type of interview does vary based on the service line that is being interviewed for.

## EY

**Description:** EY is a Big Four financial services firm that focuses on Assurance, Tax, Advisory, and Transaction Advisory Services. Within Advisory there are four subservice lines: Actuarial, IT Risk and Assurance, Risk, and Performance Improvement. With an overall focus on finding the balance and improving the performance, EY is able to provide its clients with measurable, sustainable results. Additionally there is a major focus on industry and business performance.

**Case Style:** The EY Advisory interview process consists of multiple rounds. If someone is offered a first round interview, they will be asked to complete an online writing assessment to test business knowledge and critical thinking. This is taken before the first round interview. Before the first round interview there is also a social night or pre-night to meet your interviewers. The next day is the first round interview which will be behavioral based. If one is invited to the final round interview, they will be invited to the office for a visit. During the visit there will be another behavioral interview that is considered to be very casual. During this final round there is potential to be asked technical questions that relate to experience and career goals, as well as some sort of brief case-related prompt.

## Healthscape Advisors

**Description:** HealthScape Advisors is a private healthcare management consulting firm. They serve clients ranging from insurance providers, to private equity groups in many fields such as operations improvement, growth strategies, valuation advising, and more. Located in Chicago, IL with less than 100 employees, HealthScape is a boutique firm serving clients across the country since their founding as the healthcare landscape continues to see dynamic changes and rapid growth.

**Case Style:** HealthScape's case style is similar to McKinsey and Company, but with a slightly stronger focus on math. It would be a good idea to do basic research on how health insurance works in the US, as well as look into recent news in the healthcare space over the past five years. HealthScape will be looking for the ability to brainstorm creatively in addition to well thought out ideas specific to the theoretical client and problem posed.

## Hitachi Consulting

**Description:** Hitachi Consulting is the offspring of Japanese behemoth multinational corporation Hitachi, a unique relationship in the consulting industry. A collection of acquisitions over the past 15 years, Hitachi now operates in six continents and has over 7000 employees serving both Fortune 500 and middle market clients. Even though Hitachi began as an IT consulting firm, the firm has grown its capabilities to include management consulting as well, with a fast growing sustainability practice.

**Case Style:** The interview process for Hitachi consists of two rounds, usually an on-campus, and an on-site round. The on-campus round consists of two behavioral interviews looking for past accomplishments, as well as knowledge of Hitachi. The on-site round consists of more behavioral interviews looking for culture fit, as well as an individual or group case study. The group case study tests your ability to work in teams, as well as your analytical ability.

## KPMG

**Description:** KPMG is a Big Four accounting firm that offers financial services in three key areas: Audit, Advisory, and Tax. Advisory is financial sector focused on improving business performance, similar to consulting. KPMG offers positions in management consulting, risk consulting, deal advisory, and strategy. The firm works to balance opportunity and risk for all clients with a better understanding of various market dynamics. The Advisory program is known for its rotational opportunities.

**Case Style:** KPMG has two stages for their interview process. It first begins with a pre-night or social evening followed by a first round interview the next day. The first round interview is a 30-minute behavioral interview that allows the interviewer to fully understand the candidate's resume and basic information. It is very conversational and casual. After the first round interview, candidates can be offered a second round interview. During this round, the candidate is usually invited to the local office for a tour. During the tour there will also be time set aside for two 30 minute interviews. While the interviews will be mainly focused on behavioral interviews, there is also opportunity for technical questions to ensure accurate knowledge is displayed. It is likely this final round is with two different partners of the firm.

## McKinsey & Company

**Description:** McKinsey & Company is a global management consulting firm that serves leading private and public businesses, governments, non-governmental organizations, and not-for-profits. McKinsey works in over 20 industries across eight functional practices and has a number of other capabilities and services that augment the solutions provided to their clients. McKinsey is guided by their core values and measure success in terms of the impact on the performance and long-term health of their clients. McKinsey has a long history of success and continues to serve repeat clients with over 70% of its work being with clients they have had for over 10 years.

**Case Style:** McKinsey & Company interviews consist of both a behavioral and case aspect. The behavioral portion of the interview is aimed at doing a deep-dive into a specific experience to garner a holistic understanding of the situation. The interviewer will ask you to describe a situation pertaining to the characteristics they want to see and then will ask follow-up questions, looking for more details or clarification. The case portion of the interview is aimed at understanding your ability to think critically, actively engage with your interviewer in a problem-solving session, and assess your poise while solving a problem. The cases that you will



encounter are based on consulting projects that McKinsey has completed in the past and are meant to be a back-and-forth discussion between the interviewee and interviewer.

## PwC

**Description:** As a Big Four firm, PwC does over \$30 billion in revenue each year (of which roughly 30% is from consulting engagements). PwC's clients represent both the public and private sector, and are both large and small. PwC also operates in almost every industry out there. A key part of PwC's growth has been its commitment to "strategy through execution" as it allows PwC to not only come up with a strategy, but implement it for a client as well. PwC's consulting roles are broken up into management, technology, and strategy, and then segmented by industry. PwC's presence in the consulting industry has been helped by its acquisition of Booz & Company in 2014.

**Case Style:** PwC's interview process is a little different from traditional consulting interviews, specifically with regards to the case portion. On-campus interviews will include a behavioral portion and the potential for a small case question or brain-teaser. Candidates advancing to the second round will experience several interviews in the office, one of which will be a case interview. The case interview materials will be given to the candidates about 48 hours before their interview. Candidates should go through the materials that they receive and do some industry research to understand the situation. Upon arriving at the office, candidates will be given several questions based off of the materials they review and will have a short period of time to put together a handwritten PowerPoint deck to help answer these questions. The deck will then be used to present to a PwC employee.

## Stax

**Description:** A mid-size management consulting firm, Stax has locations globally, and a large portfolio of clients. Their solutions stress integration with the existing ecosystems of their clients, and Stax has more than 20 years of experience in the industry. Stax provides a great deal of resources to private equity clients with an emphasis on M&A work.

**Case Style:** Stax's Interview process has multiple stages of behavioral interviews, as well as one case. The company likes to focus on experiences that you have had and really get to understand what you did in that experience and what you learned from that experience. There are also some reports that the interview has an Excel test.

# Case 1 - Starchaser

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# Starchaser Interview Guide

## Case Background

**Industry:** Space Travel

**Overview:** Starchaser is a private firm that specializes in developing and launching space shuttles, but have run into a cost issue with building each rocket.

## High-Level Answer

1. This is a cost issue, so the interviewer will need to ask about costs, all other profitability aspects are null.
2. The cost structure is mainly composed of Transportation & Logistics and this is where the issue lies.
3. Looking at the different components and calculating the cost of transporting them to the launch site, it can be seen that the factories in Gulfport and Jackson have significantly higher transportation costs for where they are located.
4. After brainstorming, they should get the fact that the company is handling all their own logistics and comparing it to Third-Party services, it is much cheaper to contract the logistics out.
5. Looking at the potential suppliers and focusing on price without giving up too significantly on the other metrics, Towing Trailers is the best option.

## Potential Framework

1. Profitability
  1. Revenue
    1. Price
    2. Quantity
  2. Costs
    1. Variable Costs
    2. Fixed Costs

Author

Jack Kalanik



# Starchaser

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Management Style Case

A Bain & Company Practice Case



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# Starchaser Background

## Situation

- Starchaser is a private company focused on developing a sustainable solution for achieving travel to space and different planets. Their current rocket, dubbed the Eagle-S, has been making scheduled flights to the International Space Station delivering goods to its crew.

## Complication

- Due to the high-cost nature of space travel, the company has been plagued with large replacement costs to rebuild the rockets each time a new mission is scheduled.

## Key Question

- The CEO of Starchaser would like a strategy to reduce the overall costs associated with the construction of the Eagle-S rocket.



# Cost Distribution



# Logistics Costs

Factory Location	Provider	Part Produced	Distance to Launch Site	Cost / Mile
Carlsbad, New Mexico	Red Rocket's Fuel	Fuel	1,600	\$5
Edmond, Oklahoma	Lone Wolf Manufacturing	Booster Rockets	1,350	\$6
Gulfport, Mississippi	Airtruck Construction	Main Engines	625	\$12
Jackson, Tennessee	Orbital Enterprises	Main Vessel	850	\$10

# Brainstorming: Logistics Cost Root Cause

Why are Starchaser's logistics costs so high for locations that are closer to the launch site?

*Do not hand the interviewee this slide.*

Push them for creative answers and see what different ideas they can come up with. Then once they have exhausted everything, give them the next slide.

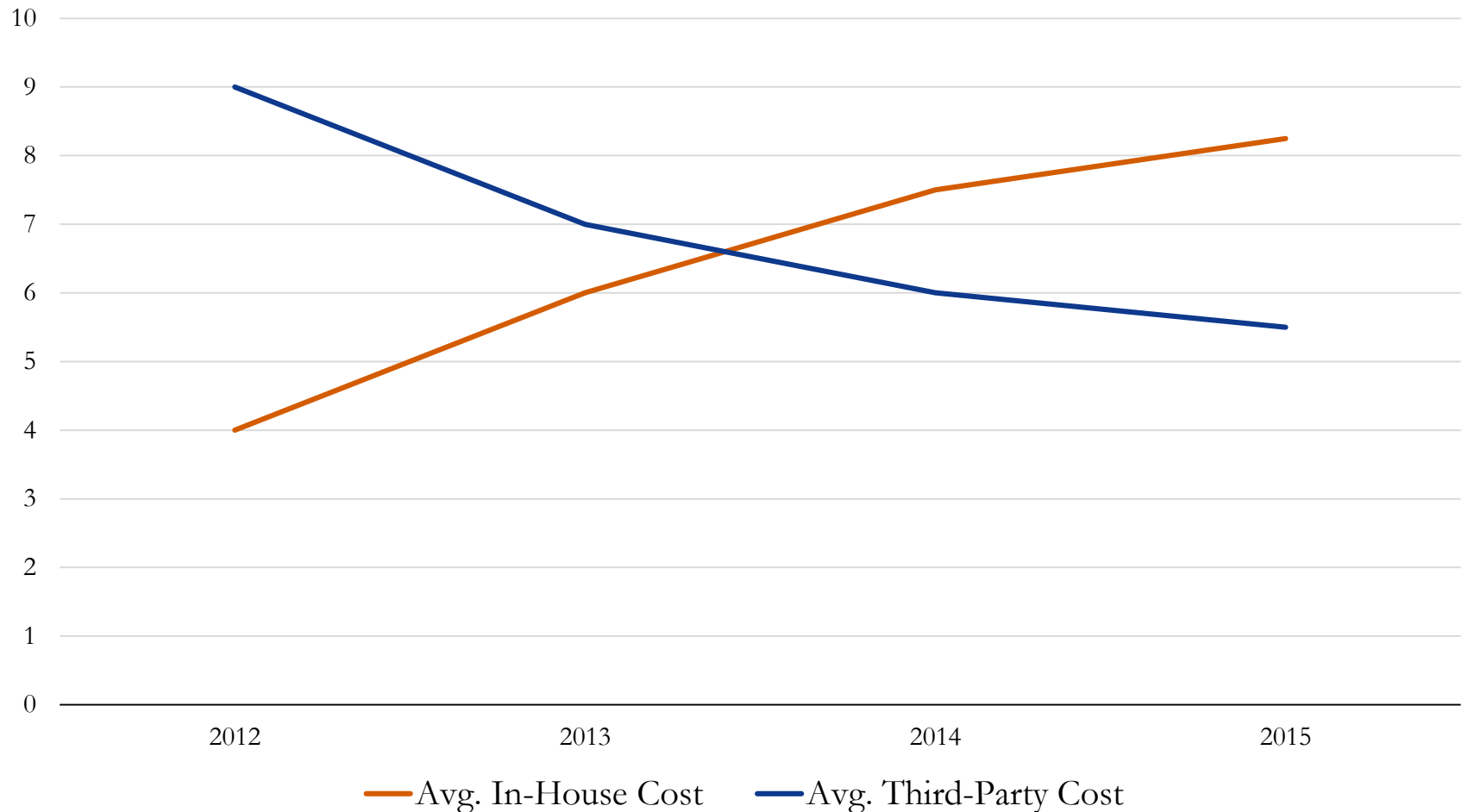
*Guide for next slide:*

Interviewee should investigate the provider of the transportation. Provide them with the information that Starchaser currently handles all of its own logistics. Ask them for potential ways to mitigate this cost driver and when they mention contracting move on to the next slide.



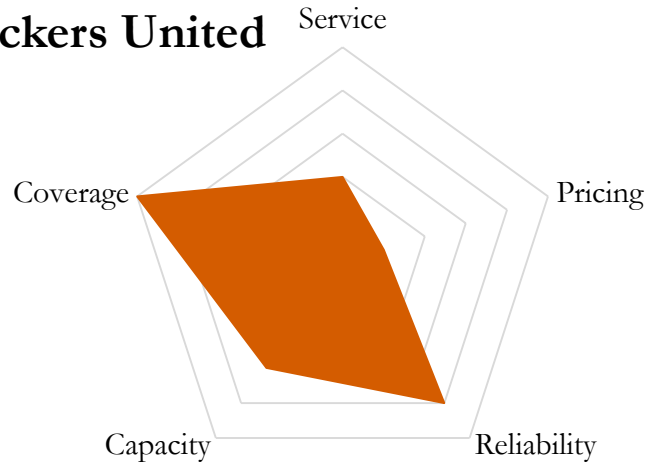


# In-House vs. Third-Party Logistics

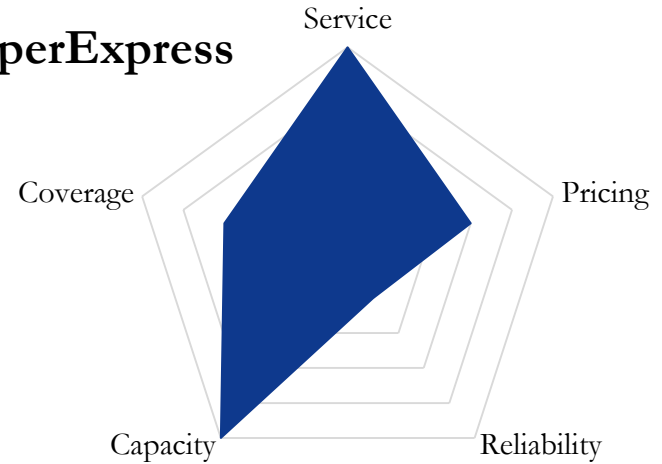


# Supplier Profiles

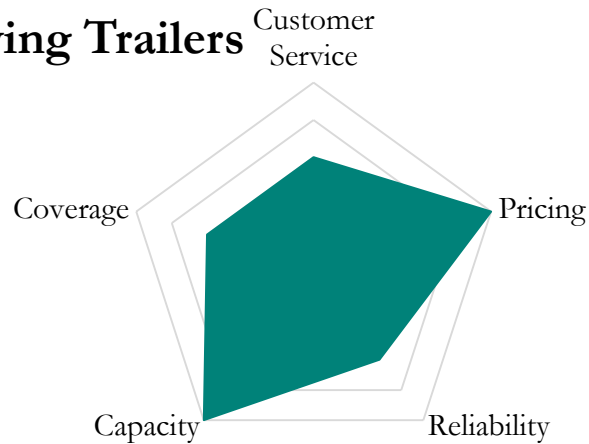
## Truckers United



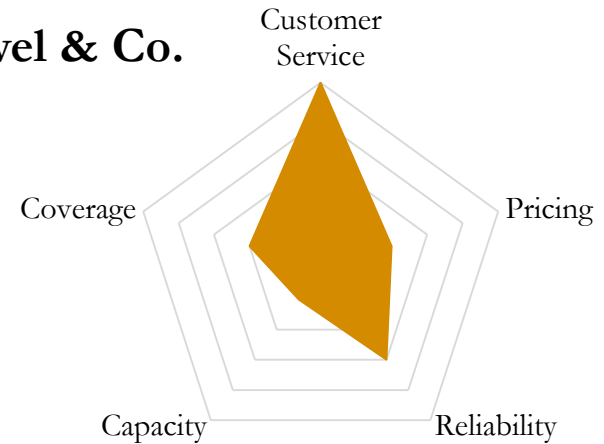
## SuperExpress



## Towing Trailers



## Travel & Co.



# Case 2 – Noble Metals

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# Noble Metals Interview Guide

## Case Background

**Industry:** Mining

**Overview:** Noble Metals is seeing a decline in overall profit, how can they cut their costs to become profitable again?

## High-Level Answer

1. The interviewee should take a **Profitability Approach**
2. Identify that cost is the issue – Commodities cannot increase prices
  1. Silver has fallen 20% for the past two years, Gold almost 10%
3. See that utilities costs are highest
4. They should ask for a breakdown of utilities
5. See Water, Waste, & Electric are highest – Brainstorm ways to fix
6. Calculate First Year ROI for each option (using CM per month is easiest)
7. Determine Water even though EE Equip is also >40% since water costs are rising faster

## Potential Framework

1. Profit Equation
  1. Price
  2. Cost
  3. ROI
2. May start with Industry and Market Analysis

Author

Robert Lampros



# Math: Interviewer Guide

## ROI Equation

$$\text{Year 1 ROI} = \frac{((\text{Monthly Savings} - \text{Monthly Cost}) \times 12 - \text{Initial Investment})}{\text{Initial Investment}}$$

	Equipment	Waste	Water
<b>Initial Investment</b>	\$160,000	\$300,000	\$350,000
<b>Monthly Cost</b>	\$3,500	\$3,000	\$1,000
<b>Monthly Savings</b>	\$23,500	\$28,000	\$46,000
<b>Contribution Margin</b>	\$20,000	\$25,000	\$45,000
<b>First Year ROI</b>	50%	0%	54%
*Ensure they convert to yearly cost and savings			



# Noble Metals

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Management Style Case

A Bain & Company Practice Case



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# Noble Metals Background

## Situation

- Noble Metals is a Colorado-based mining company
- NM specializes in buying old mines and clearing out the remnants of useful resources and metals left behind by prior, less effective mining companies
- Noble Metals has multiple mines across the western United States procuring gold, silver, and copper, among other commodity metals
- The price of gold and silver has been falling in recent years, leading to lower profitability for Noble Metals

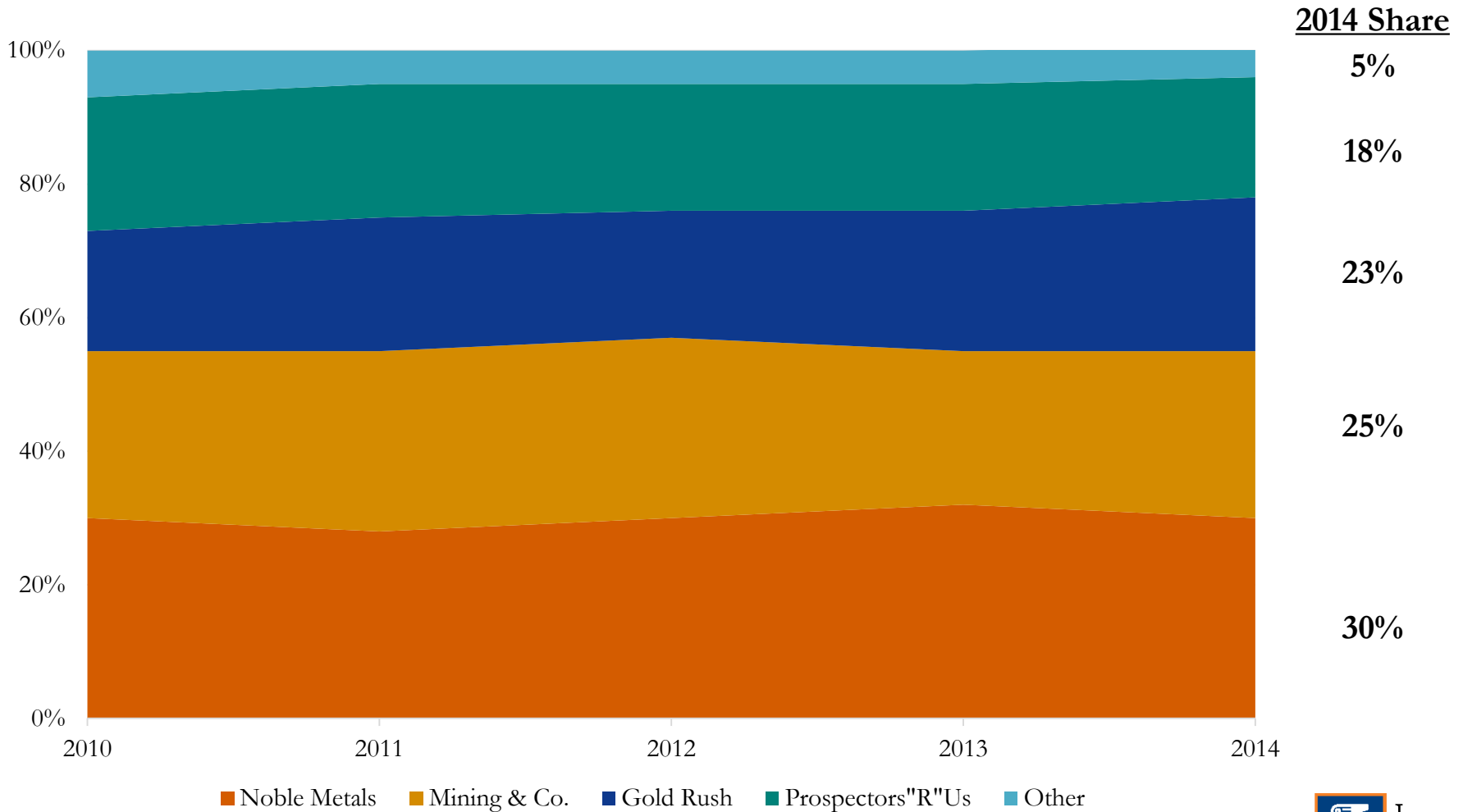
## Complication

## Key Question

- The CEO of Noble would like you to come up with a strategy to improve their profitability from their current state

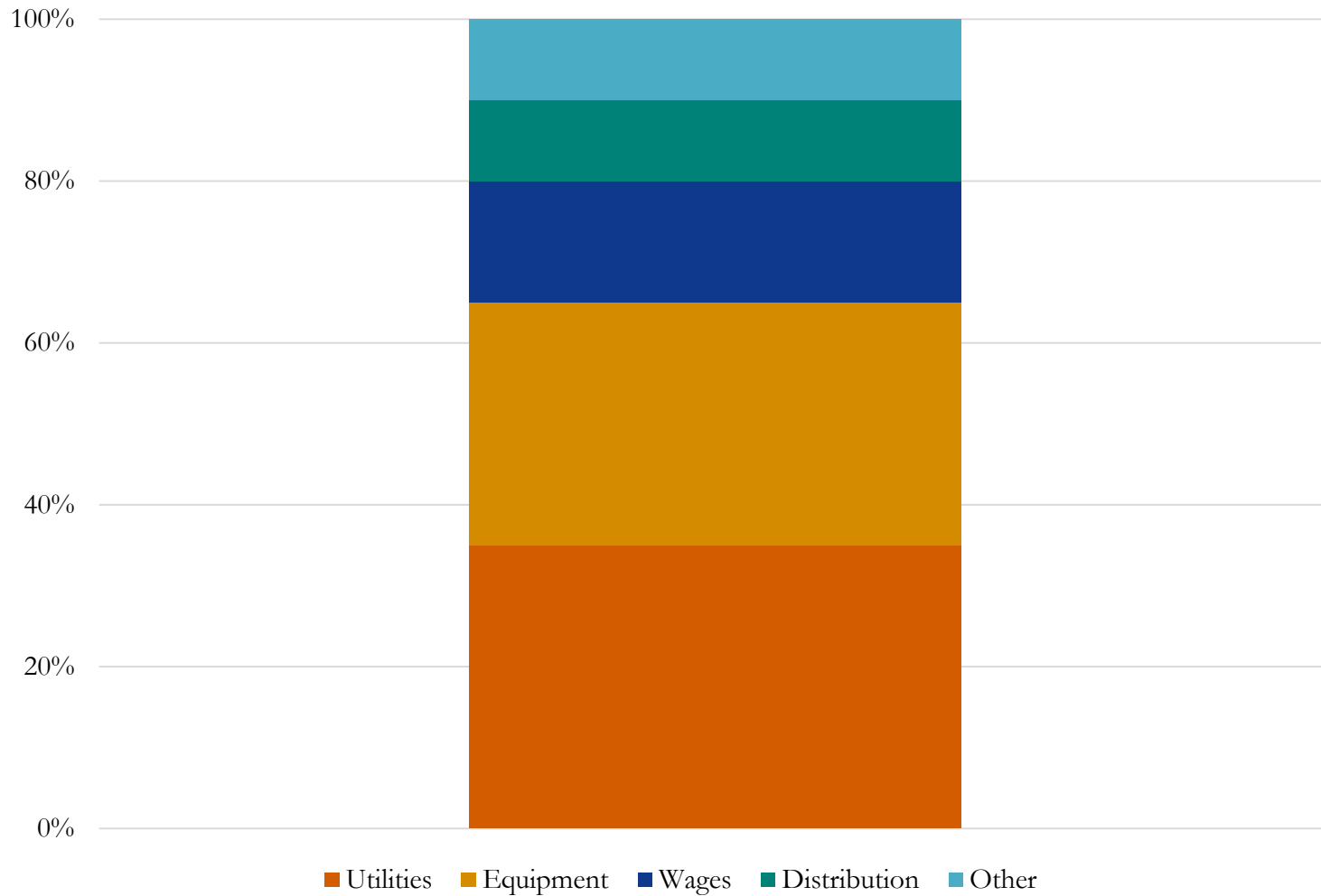


# Mining Market Share

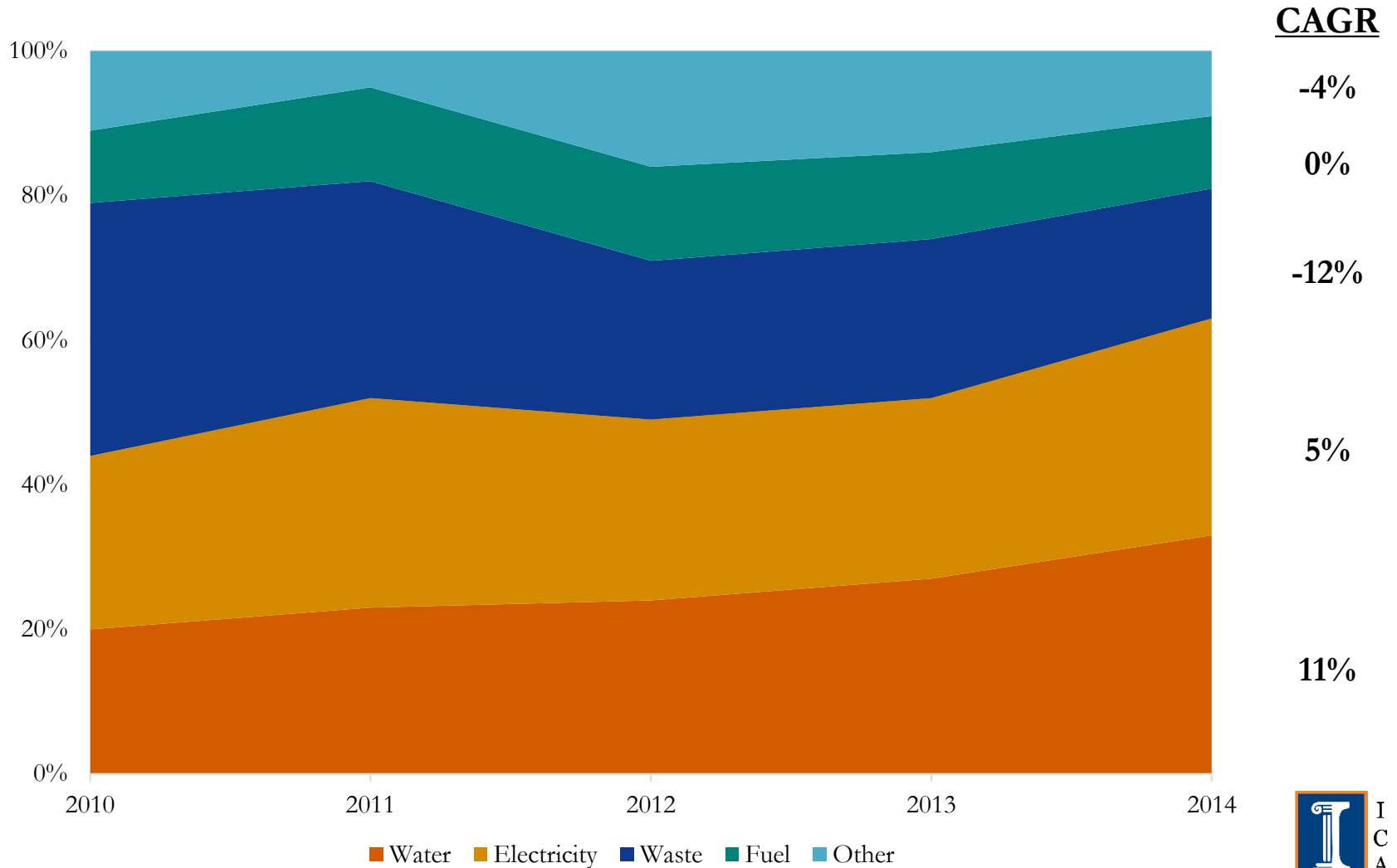




# Noble Metals Cost Structure



# Utilities Cost Breakdown



# Brainstorming: Utility Cost Reduction

What are some ways that Noble Metals could reduce their utilities costs?

*Do not hand the interviewee this slide.*

Push them for creative answers and see what different ideas they can come up with. Then once they have exhausted everything, give them the next slide.

*Guide for next slide:*

Interviewee should ask for potential initiatives or investments opportunities that would reduce costs or improve profitability. Inform them that Noble management is looking for a return on investment of no less than 40%.



# Energy Savings Options

## Potential Sustainability Investments

Type	Energy Efficient Equipment	Waste Management	Water Recycling
Initial Investment	\$160,000	\$300,000	\$350,000
Monthly Cost	\$3,500	\$3,000	\$1,000
Monthly Savings	\$23,500	\$28,000	\$46,000

# Brainstorming: Future Effects

What additional factors, beyond ROI may influence Noble Metals decision?

*Do not hand the interviewee this slide.*

Push them for creative answers and see what different ideas they can come up with. Then once they have exhausted everything, give them the next slide.

*Example Answers:*

- Are there any regulatory changes that may mandate energy efficiency over water or vice-versa?
- Does Noble Metals have the capital to support a large purchase like improved water recycling?
- What is the long term life of each improvement? Can these improvements be moved from mine to mine given Noble repurposes old mines?



# Case 3 – Fancy Fishery

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# Fancy Fishery Interview Guide

## Case Background

**Industry:** Fishing

**Overview:** Fancy Fishery is a commercial fishing and processing company that is currently facing declining sales orders and is looking for a strategy to overcome this loss in profitability.

## High-Level Answer

1. Fancy Fishery's cost structure is not changing over the past 5 years, so this seems to not be an issue with costs.
2. Fancy Fishery seems to be the low-cost provider, as well, which ideally should lead to an increase in demand (i.e. more sales orders)
3. Customer orders from restaurants are declining heavily
4. Looking more deeply into the customer needs for their current restaurant customers, Fancy Fishery is catering to the wrong characteristics (Price, Portion Size rather than taste)
5. Fancy Fishery must adjust its current customer base from High-Tier restaurants to Mid or Low Tier Restaurants

## Potential Framework

1. Profitability
  1. Revenue
    1. Price
    2. Quantity
  2. Costs
    1. Variable Costs
    2. Fixed Costs

Author

Jack Kalanik



# Fancy Fishery

Management Style Case

A Bain & Company Practice Case



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# Fancy Fishery Background

## Situation

- Fancy Fishery is a mid-sized commercial fishing and processing company that focuses on wild-fish capture in the Western Atlantic Ocean. They are known for their excellent catches of Blackfin Tuna and are the leading provider of this fish to the eastern Americas. Specifically, they are known as one of the few commercial fishing operations that follow sustainable fishing practices.

## Complication

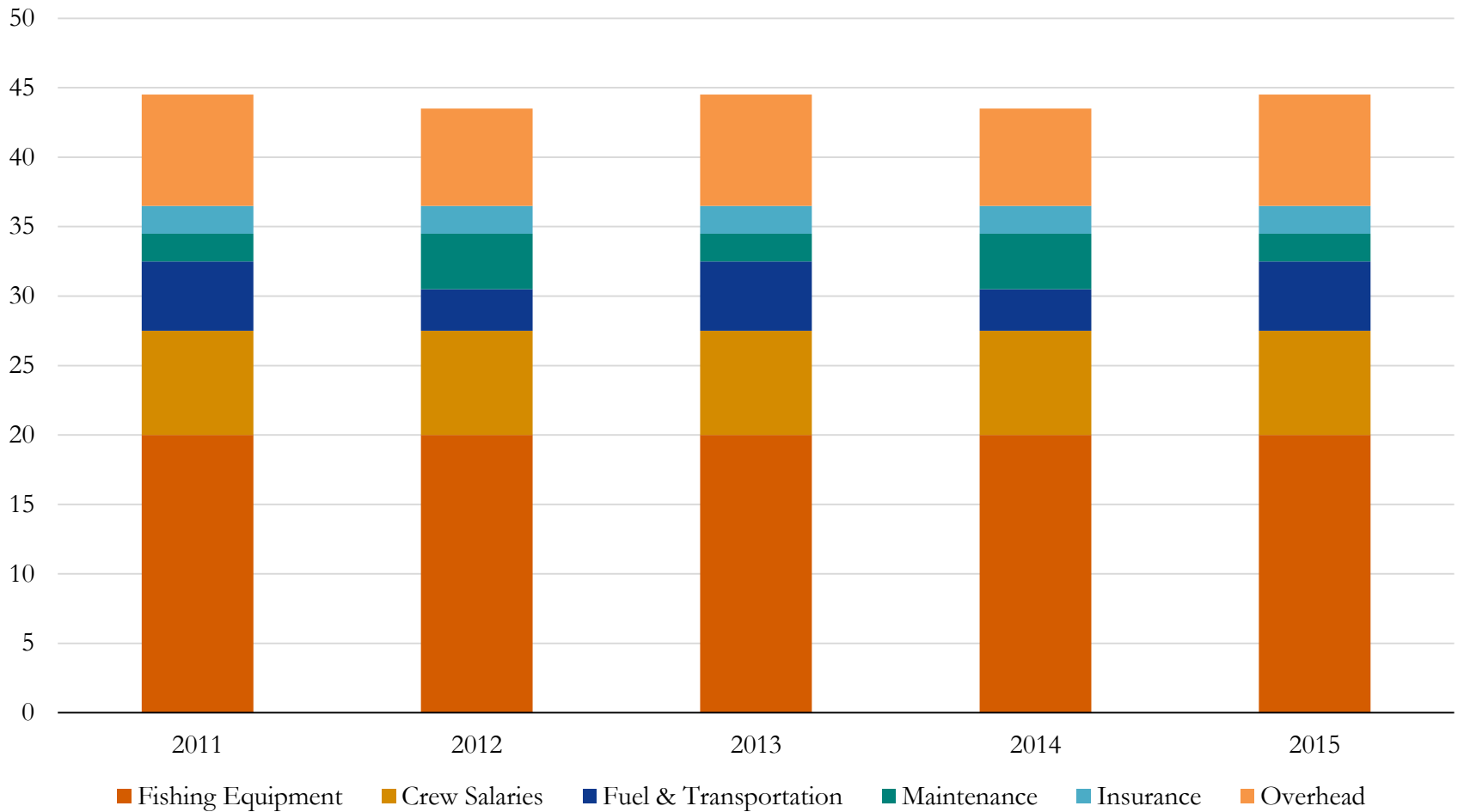
- Over the past two years, Fancy Fishery has seen declining sales orders from its customers resulting in lower overall profitability.

## Key Question

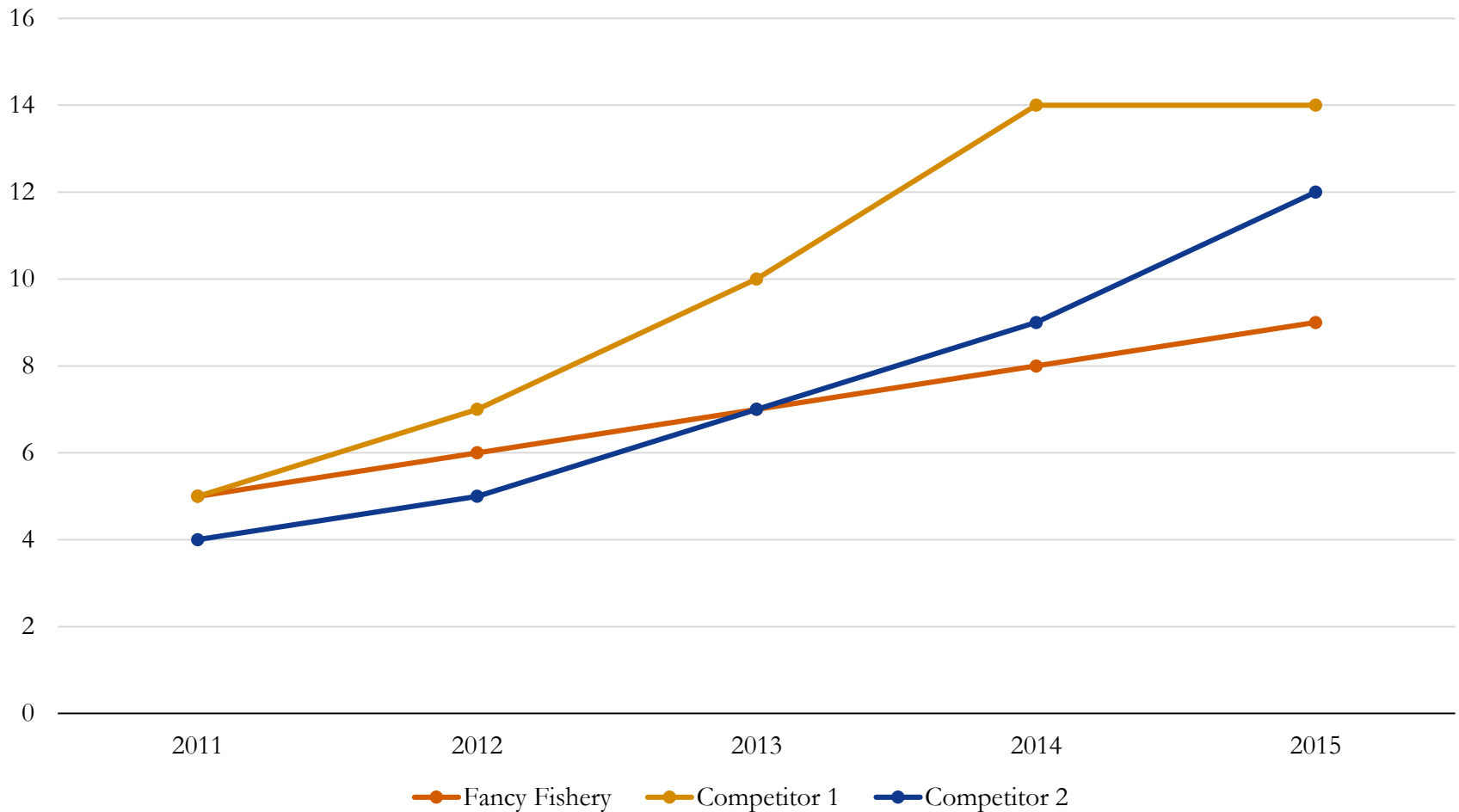
- The CEO would like you to identify the root cause of the declining profitability and a course of action to overcome this issue.



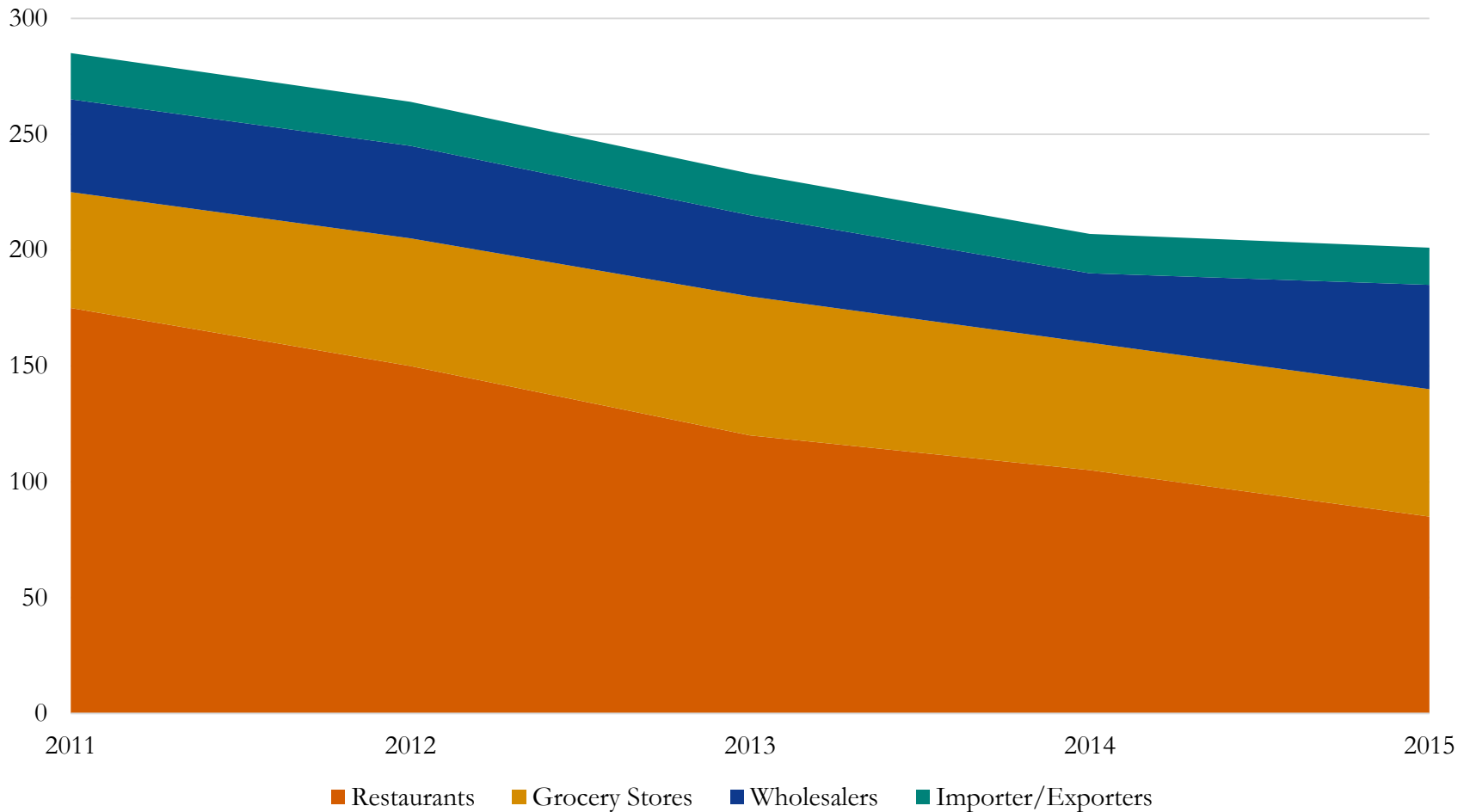
# Historical Cost Structure



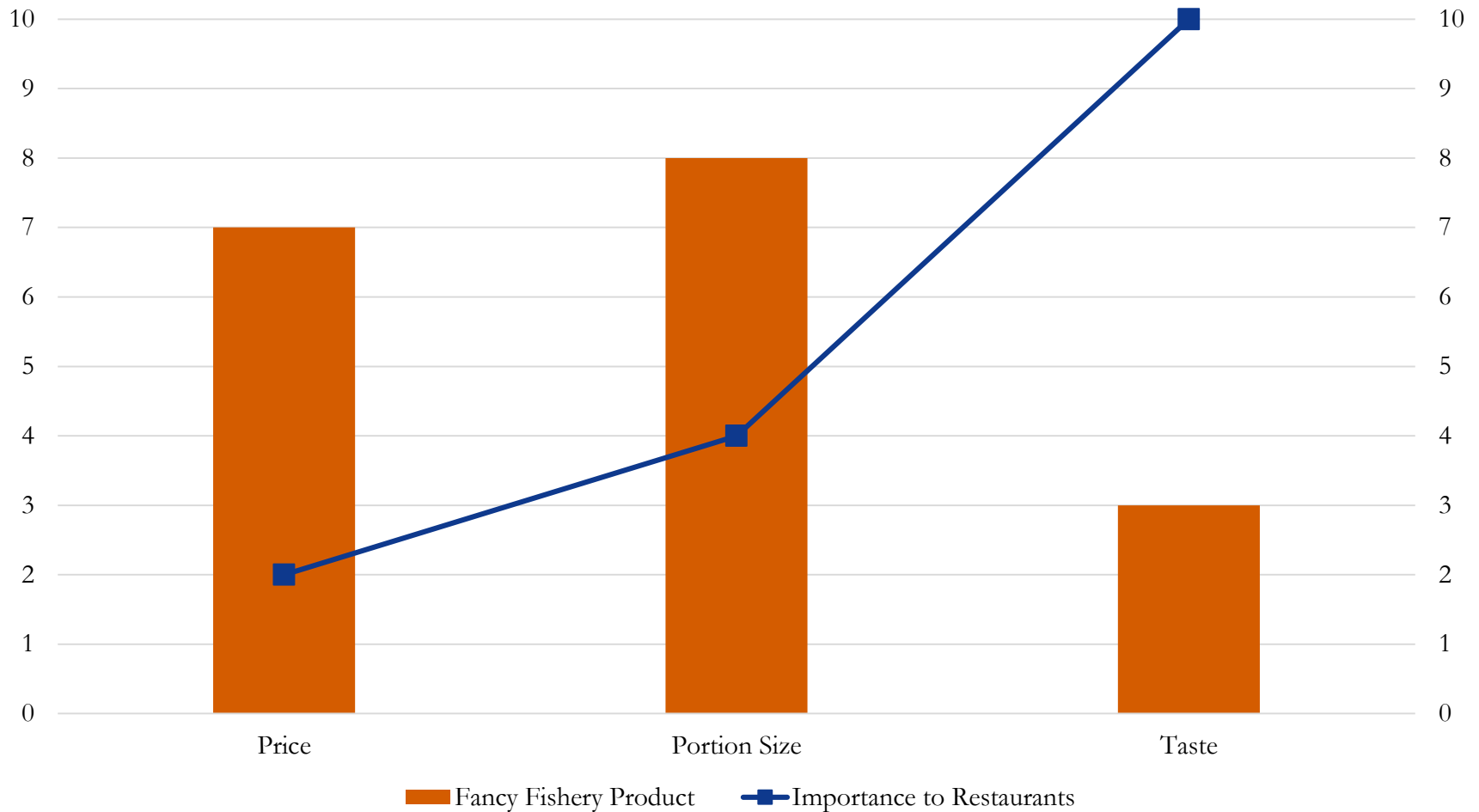
# Historical Prices (\$/lb)



# Fancy Fishery Sales Order Quantity



# Fancy Fishery's Customer Preferences

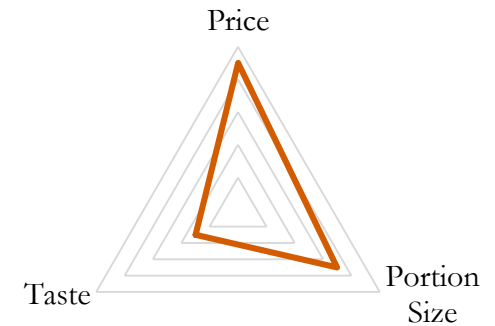
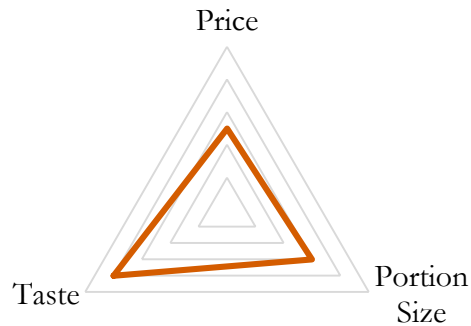
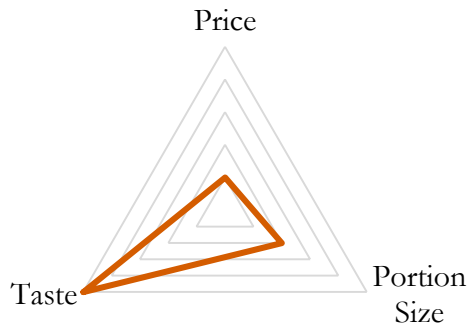


# Restaurant Profiles

High-Tier Restaurants

Mid-Tier Restaurants

Low-Tier Restaurants



Is Fancy Fishery's sales strategy of serving high-end restaurants appropriate?



# Case 4 – Screen Company

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# Screen Co. Interview Guide

## Case Background

**Industry:** Technology

**Overview:** Screen Co. has developed new intellectual property relating to the design of screens that can be used for televisions. Screen Co. needs help determining how best to go about bringing this new invention to market.

## High-Level Answer

1. Screen Co. sells each panel to manufacturers at \$100.
2. Total US TV market is estimated at 40 million TVs in 2015.
3. Royalty Deal: 1.92 billions =  $.4 * 40 \text{ million} * (100 + 20)$
4. Interviewer should choose either the royalty deal or the flat out sale of the patent. As long as the decision is appropriately defended, either answer could be accepted. The royalty is a good deal because of the increase in total revenue whereas the sale of the patent is acceptable because of the decreasing market size and the desire to exit the market.

## Potential Framework

1. Screen manufacturer market share
2. Screen manufacturer market trends
3. Potential patent uses

Author

Brandon Bencko





# Screen Co.

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Intellectual Property Case

A Bain & Company Style Practice Case



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# Screen Co. Background

## Situation

- Screen Co. is a new player in the screen manufacturer industry
- Recently, engineers at Screen Co. developed a new type of screen called Screen X which can be used on televisions
- Screen Co. applied for and received a patent for Screen X last year

## Complication

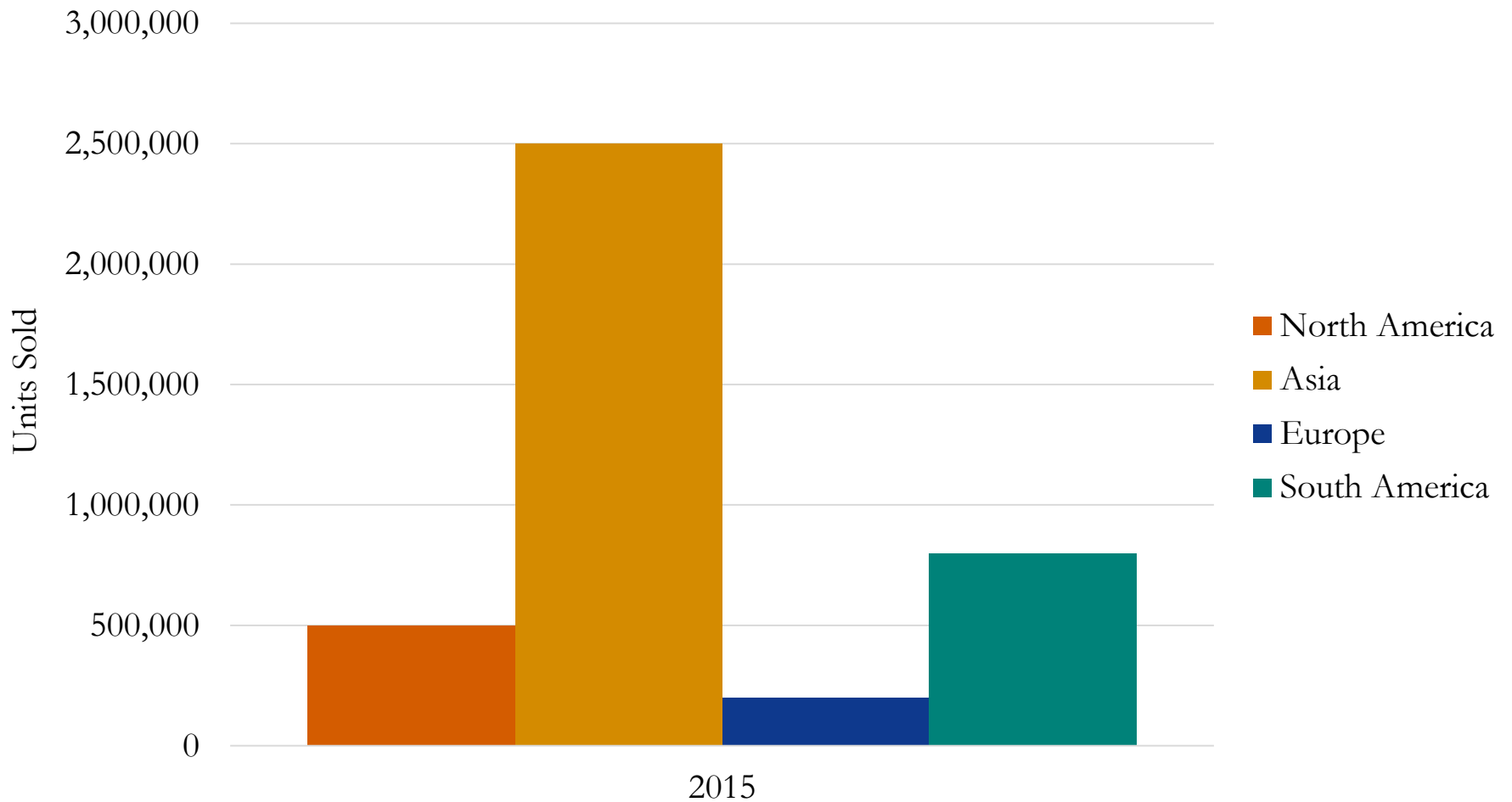
- This new technology is revolutionary and has attracted many different types of customers, however Screen Co. is unsure of what is the best way to use this patent going forward

## Key Question

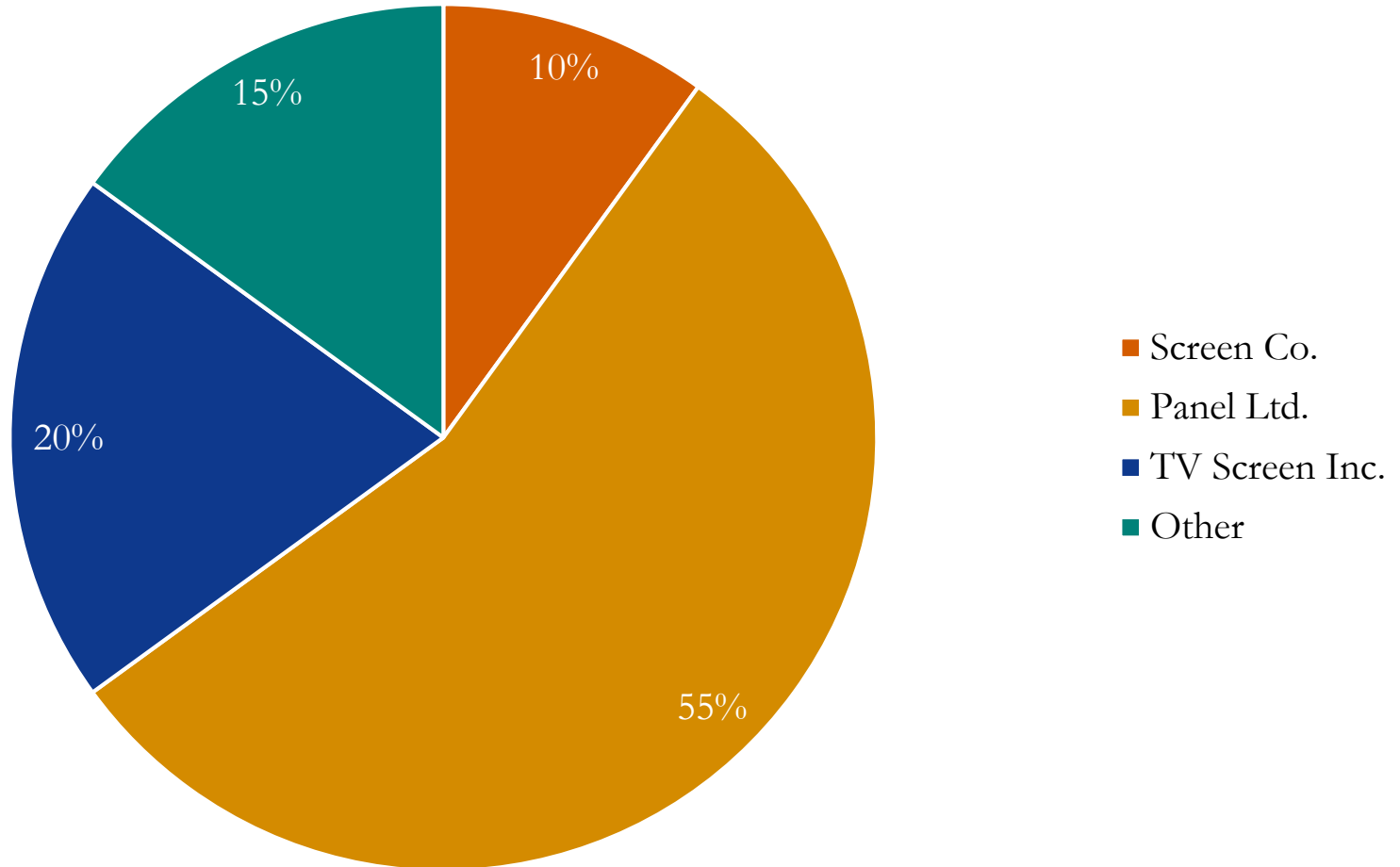
- Screen Co. would like to figure out how best to leverage this new invention and make the most money



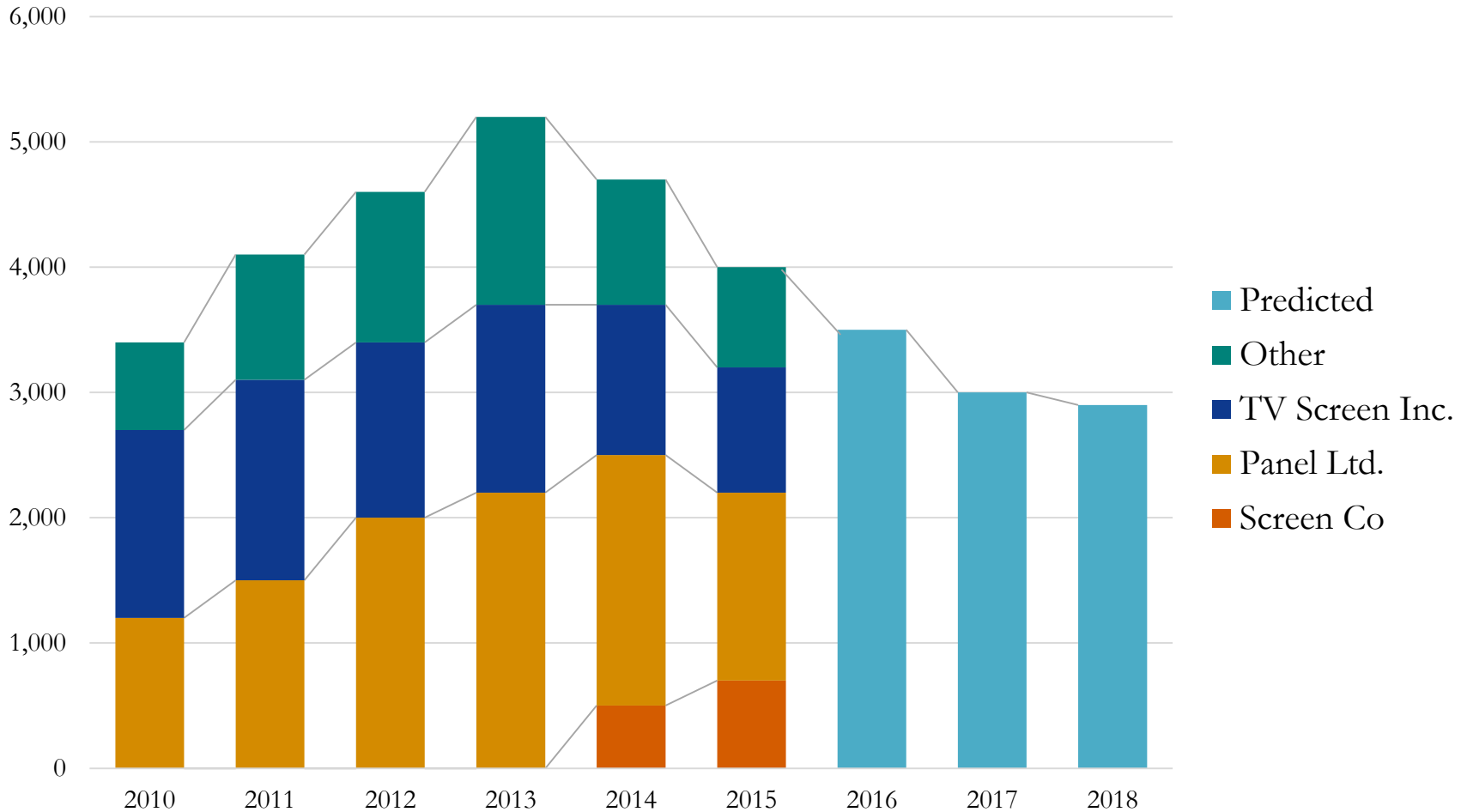
# Screen Co. Customer Breakdown



# Current Year Screen Manufacturer Market



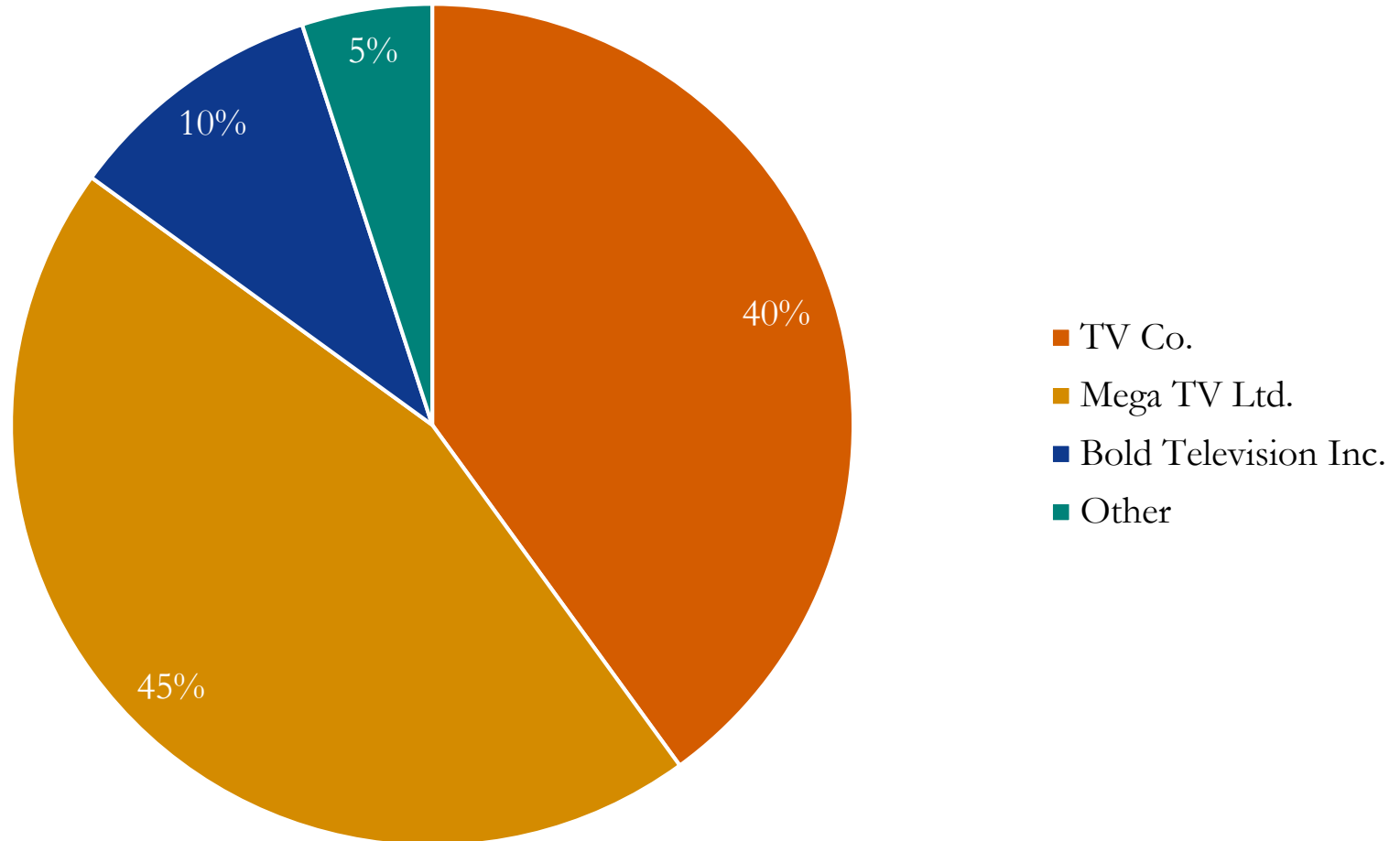
# Market Trends



# Patent Options

Royalty	Yearly Licensing Fee	Sell
<p>TV Co. has offered Screen Co. a royalty of \$20 per TV that is sold in order to use Screen X and be the only manufacturer that Screen X is sold to.</p>	<p>Mega TV Ltd. has offered Screen Co. a yearly fee of \$1 billion. This would cover the cost of the screen and would be an exclusive deal.</p>	<p>TV Screen Inc. has offered to buy all rights to this patent for \$3 billion.</p>

# TV Manufacturer Market



# Water & Bottle

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A MCKINSEY & COMPANY PRACTICE CASE

Author: Brandon Bencko  
ILLINOIS CONSULTING ACADEMY



# Water & Bottle

## Case Introduction

Water & Bottle is a leading original equipment manufacturer of water bottles in the United States. Founded five years ago, Water & Bottle saw tremendous growth in its first two years and has since seen its growth stagnate to about 5% growth per year as competitors have entered the water bottle industry and are commanding lower premiums to manufacture similar water bottles.

Water & Bottle is considering spending a significant amount of time and money to launch an add-on to its existing product offering this year that would help filter the water as it is consumed. The CEO of Water & Bottle thinks that this add-on would provide the company with a significant increase in revenue as it would be a proprietary add-on that the other manufacturers wouldn't be able to replicate.

The CEO has come to us looking for some input on whether or not launching this add-on is a good idea.

## Question 1

Part of the problem that Water & Bottle is facing stems from the lower premiums being commanded by other manufacturers. As an OEM, Water & Bottle is struggling with the increase of Original Design Manufacturers that are entering the market, specifically overseas and selling in the United States. What might these other manufacturers be doing differently that allows them to command lower premiums?

### Suggested Answer

- Potential Clarification
  - OEM: a company that makes a product and then sells it under its own brand.
  - ODM: a company that makes and designs a product that will be branded by another company for sale
- Lower R&D expenses allow them to charge a lower price and still make more money
- Automation of the production procedure requires lower payroll costs
- Materials used might be cheaper due to being inferior or producing a higher quantity thus allowing a discount
- The competitors are manufacturing the water bottles abroad and are taking advantages of currency differences or lower costs of production in that country

## Question 2

Water & Bottle has thought about moving into the original design manufacturer. This would allow Water & Bottle to contract with other companies to manufacture their version of the water bottle while still making a portion of the money. What might Water & Bottle consider when doing this?

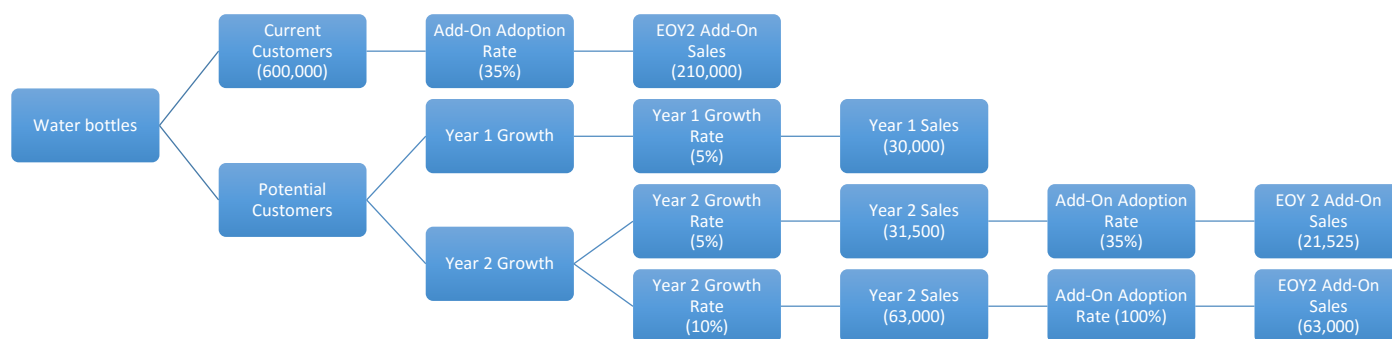
### Suggested Answer

- Prices that can be charged for the manufacturing of the product
- How big the contract order might be for and how this impacts the bottom line for Water & Bottle
- Capacity to produce water bottles for other companies and the impact of this on Water & Bottle's production
- Quality issues that might arise with higher production numbers and external expectations

### Question 3

Water & Bottle has produced 350,000 water bottles since its inception and secondary manufacturers have produced 250,000 water bottles. Water & Bottle expects to be able to capture 25% of the total market in year one and 35% of the total market by year two. Additionally, Water & Bottle expects to increase overall sales by an additional 10% in year two as customers will be specifically interested in this add-on. After that, Water & Bottle expects competitors to enter this market with their version of the add-on. When looking at producing this add-on, how large of a market is Water & Bottle looking at?

### Suggested Answer



**Total Add-On Sales: 294,525 – looking for an exact number**

### Question 4

Based off the total amount of add-on sales that you have predicted, the CEO would like us to determine whether or not manufacturing and producing the add-on would be a good idea. How would you go about solving this? Please justify your answer.

### Suggested Answer

- Information necessary to answer this (only give if they ask)
  - Total development costs would amount to \$4.5 million
  - Individual product costs would amount to \$5
  - Water & Bottle expects to sell these products for \$20
  - Water & Bottle has determined the maximum payback period for this to be two years due to competitor involvement
- It would be wise to calculate the break-even point. The breakeven point would be found by taking \$4.5 million and divide it by the contribution margin of \$15 (\$20 selling price - \$5 variable costs). This amounts to 300,000 units. With a two-year payback period, this is not feasible.

### Question 5

Even though the add-on doesn't meet the required payback period that the CFO as suggested, the CEO would still like to find a way to make the add-on work. What might be some ways to do this?

#### Suggested Answer

- Raise the price that the add-on sells for
- Lower the costs of manufacturing each add-on
- Consider holding off on launching this first year and launch in subsequent years to take advantage of a larger market
- Offer some sort of incentive for existing customers to purchase the add-on through a marketing campaign to increase overall add-on sales

### Question 6

What might Water & Bottle do to slow down the competitors' encroachment upon its sales?

#### Suggested Answer

- Consider a partnership to split the development costs or revenues of launching the add-on with them
- Outsource manufacturing of the original water bottle to them
- Sue for damages regarding intellectual property infringement

### Question 7

After some research, your team has found some promising research about contract manufacturers in this space. Specifically, BAB Contract Co. is interested in growing its manufacturing of water bottle add-ons. What would be the process that Water & Bottle should go through when determining whether or not to sign a contract with BAB Contract Co.?

#### Suggested Answer

Steps should include:

- Determining the cost of the contract
  - Fixed cost vs variable cost
  - Compare this to the cost of producing internally
- Assessing the quality of the product that would be manufactured
- Quantifying whether or not BAB Contract Co. has the capacity to produce these add-ons
- Understand how this contract would impact Water & Bottle's reputation

### Question 8

The CEO of Water & Bottle is coming in for a presentation. Please give him an overview of your findings.

#### Suggested Answer

- Based on the research that has been conducted, Water & Bottle should not launch the water bottle Add-On. We found that that overall market for the add-on is under 300,000 units which is below the breakeven point timeframe allotted by the client. Instead, we suggest working with the other manufacturers on creating some sort of partnership to sell

more Water bottles and perhaps split the overall development costs of the add-on. Moving forward, it's important to have a discussion with the other manufacturers to see if they are interested in working together and go from there. Some risks include tipping off the competition about future plans, as well as experiencing periods of slower growth in the future if things go wrong.

# Waste Not

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A MCKINSEY & COMPANY PRACTICE CASE

Author: Jack Kalank  
ILLINOIS CONSULTING ACADEMY

# Waste Not

## Case Introduction

Waste Not is leading waste management company headquartered in Chicago, IL with service coverage spreading from the Mississippi River to the Atlantic Ocean. Waste Not has been in the waste management business for over 100 years and is known for its excellent track record of service and reliability. Their services include: Commercial Waste Pickup, Residential Waste Pickup, Medical Waste, Portable Toilets, Temporary Dumpsters, and Construction Waste. With the population rising due to urbanization, Waste Not has seen tremendous profitability growth over its lifespan.

Recently, however Waste Not's growth has slowed and they have begun to see competitors outpace their growth. With pressure from investors mounting, the CEO has reached out to your team to perform an analysis of the current situation and develop a strategy to overcome it.

## Question 1

What are the key factors and drivers that should be considered when approaching and developing a solution for Waste Not's situation?

### Suggested Answer

- Revenue drivers
  - Waste contracts
  - Pricing strategies
- Cost drivers
  - Equipment costs
  - Labor costs
  - Overhead costs
- Frequency of pickups
- Competitor strategies
- Services offered

## Question 2

The CEO believes the issue has to deal with their waste material mix that is processed. Based on Exhibit 1, what can you conclude is a driving factor behind Waste Not's loss of profitability growth?

### Suggested Answer

- The sales growth decline is associated with the decline in tons of waste processed
- The largest drivers seem to be declining paper and plastic products
- Waste Not has grown significantly in Construction & Demolition waste services

## Question 3

Due to this lag in processing paper and plastics, what types of initiatives or strategies could Waste Not implement to help boost their profitability growth?

### Suggested Answer

- Bid on contracts with a higher concentration of paper and plastic goods
- Start focusing on recyclable materials through an expansion of services
- Capitalize on heavy growth in Construction and Demolition and focus time and money in that sector

### Question 4

After reviewing your team's report, the CEO is interested in entering the Recycling market. What are some of the methods of market entry Waste Not can follow and what are the advantages and disadvantages associated with each?

#### Suggested Answer

- Start from scratch
  - Highest risk and cost
  - Most benefit
  - Longer timeframe
- Joint Venture
  - Split the cost between another firm
  - Split the profit between another firm
  - Utilize shared knowledge and each firm's core competencies to achieve greater combined success
- Merger or Acquisition
  - Large upfront cost
  - Acquired firm will already have knowledge and expertise in desired market
  - Short time to get operation up and running

### Question 5

Based on this analysis and growing interest in more sustainable practices, the CEO believes that the best path to success is through an acquisition of a waste management firm who currently possesses a strong recycling path. Based on Exhibit 2, which firm is the best choice? Justify your answer.

#### Suggested Answer

- Firm A or J are both viable targets with large recycling practices, but low profitability making them attractive targets for a low price
- Firms B or N are also good choice, but will come at a higher cost due to their stronger profitability
- Firms C, G, and M should all be off the table, they are all firms that are larger than Waste Not and are struggling with profitability growth, as well
- If capital allows, there is an opportunity to combine a number of smaller firms to create a large conglomerate player in the market
- Other large firms are potentially looking at augmenting their profitability through acquisition, as well, making this a time-sensitive move

### Question 6

The CEO of Waste Not is walking in to get a quick update from the team. Please give him an overview of your findings.

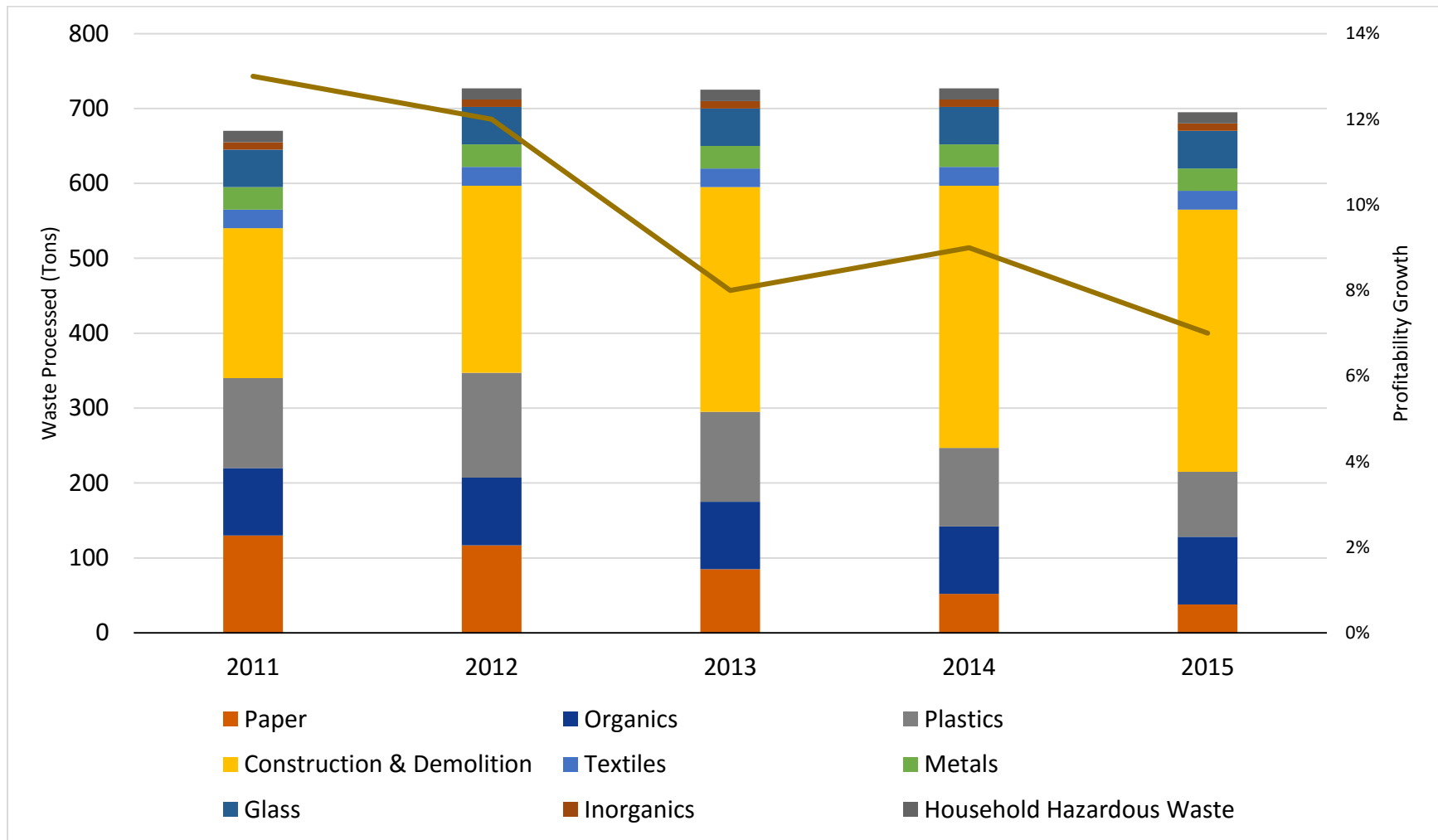
#### Suggested Answer

- Based on the analysis performed, Waste Not should look into acquiring Firm J because of its strong recycling competency and relatively cheaper, potential cost. Our team came to this conclusion after identifying that a major profitability driver in recent years has been a firms' processing of paper and plastic goods, also known as recyclables. Upon further researching, the team decided an Acquisition strategy was the best option to enter this market and upon looking at potential targets, Firm J looks to be a viable target within our price range. A risk associated with this strategy is integrating the operational schedules of a recycling firm and waste materials firm and ensuring that the two materials do not mix

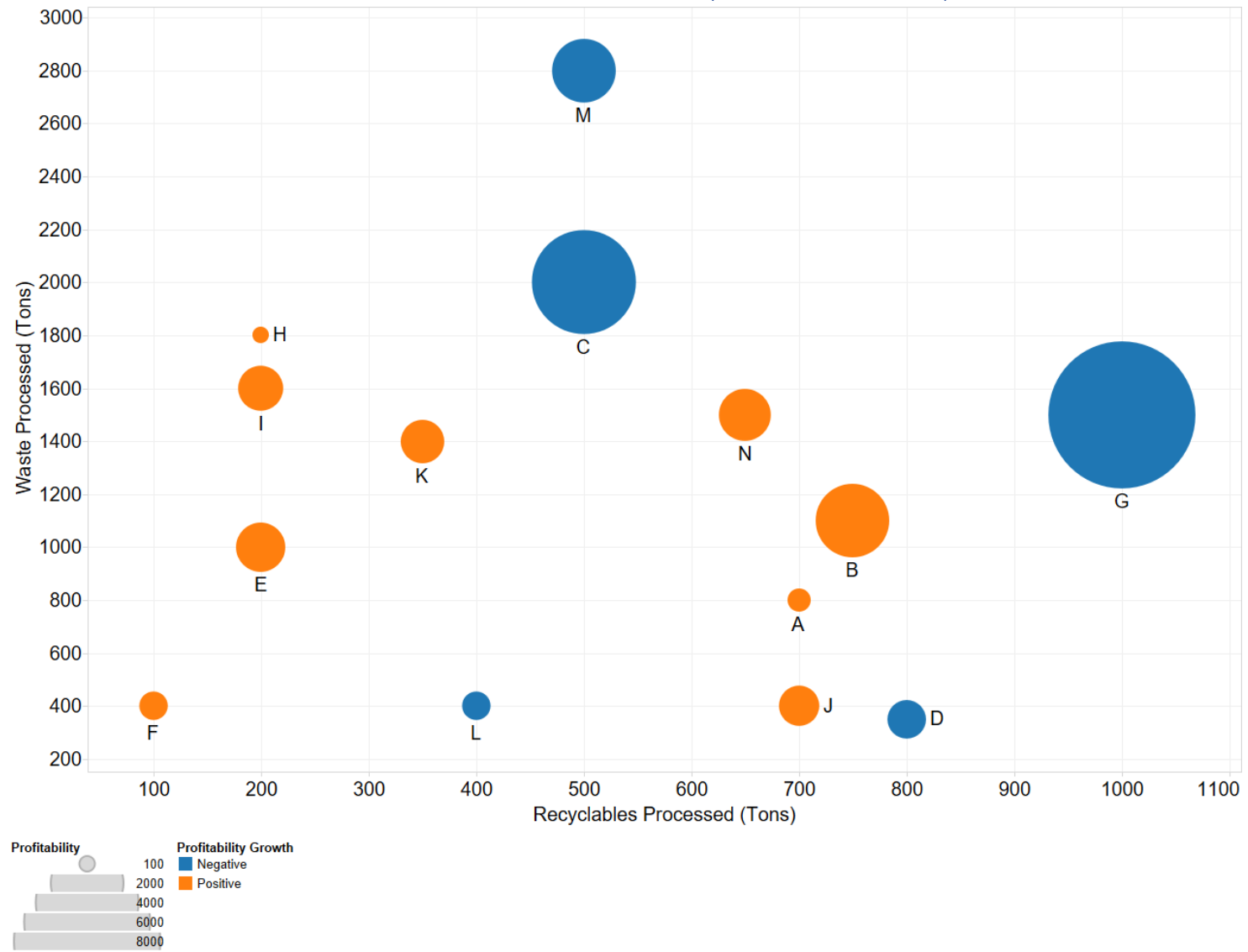
or contaminate the other. A next step to overcome this issue is to utilize separate processing facilities and distribute updates to customers serviced on how they can participate in the new recycling program appropriately.



## Waste Not Material Breakdown (Exhibit 1)



# Waste Not Material Breakdown (Exhibit 2)



# Excellent Health

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A HEALTHSCAPE ADVISORS PRACTICE CASE

Author: HealthScape Advisors (Editor: Robert Lampros)  
ILLINOIS CONSULTING ACADEMY

# Excellent Health

## Case Introduction

Excellent Health is an insurance company that contracts with employers, Center for Medicare and Medicaid Services, and other state/federal government agencies. Excellent Health is required to provide a customer service hotline to answer members' questions and this hotline is operational 24 hours/day, 7 days/week. As such, the health insurance company has a call center staffed with customer service representatives, which is currently located in New York City. Excellent Health is considering moving the call center to another location.

## Question 1

What factors does Excellent Health need to consider when evaluating whether or not to move?

### Suggested Answer

Candidates should establish a framework that looks at ongoing costs, transitional costs, and other factors of not related to costs.

### Selecting a potential location:

- New York Disadvantages: Expensive rental space, Higher Wages, high cost of doing business (utilities, supplies expenses)
- New Location – anywhere with cheaper rent and lower wages

Key Considerations	Factors	Quality
Ongoing Costs	Facility rent	*
	Operating Expenses: Utilities, supplies, etc.	*
	Staff Salaries	*
	Tax considerations	**
Transition Costs	Facility build-out costs (walls, wiring, phone set ups, etc.)	*
	Furnishing Costs (cubicles, chairs, etc.)	*
	Moving expenses related to old staff	*
	Severance pay for old staff who don't make move to new location	**
	Recruiting/Hiring costs of new staff	***
	Re-training costs of new staff	***
	Cost of breaking current lease? Or can we sublet?	***
Non-Cost Considerations	Excess capacity in current space for growth?	**
	Is there a strategic advantage to current location (e.g. close to clients, agencies)	**
	Ability to hire and maintain a talent pool – have we exhausted the current talent pool?	***
	Attrition rates in the area	***
	Impact on the members: would customer hotline # change, does the current staff have local knowledge of members that would be lost with move?	****

## Question 2

Excellent Health's COO has expressed interest in moving the call center to Seattle specifically. The CFO has asked you to determine the financial impact that moving to Seattle would have.

### Interviewer Information (Give if asked)

	<b>Factors</b>	<b>New York City (current location)</b>	<b>New Location</b>
<b>Facility</b>	Current FTEs in Facility	100 FTEs	100 FTEs
	Square Footage Per FTE	300 sq ft per FTE	250 sq ft per FTE
<b>Ongoing Costs</b>	Facility rent	\$20 per sq ft (per month)	\$10 per sq ft (per month)
	Operating Expenses	\$1.00 per sq ft (per month)	\$0.50 per sq ft (per month)
	Staff Salaries	Average Salary: \$50K	Average Salary: \$40K
	Tax considerations (more favorable states?)	N/A – assume same	N/A – assume same
<b>Transitio n Costs</b>	Facility build-out costs	N/A	\$5 per sq. ft.
	Furnishing Costs	N/A	\$100 per FTE
	Moving expenses related to old staff	N/A	N/A (assume 100% turnover)
	Severance pay for old staff	N/A	\$5000 per FTE
	Recruiting/Hiring costs of new staff	N/A	\$1000 per FTE
	Training costs of new staff	N/A	\$2000 per FTE
	Cost of breaking current lease?	N/A	\$500,000 to break lease (no sublease opportunities)

*Sample Calculations on following page*

### Sample Answer

	<b>Factors</b>	<b>New York City (current location)</b>	<b>New Location (TBD)</b>	<b>Calculation</b>
<b>Facility</b>	Current FTEs in Facility	100 FTEs	100 FTEs	NYC – 30,000 sq ft currently New Location – 25,000 sq ft required
	Square Footage Per FTE	300 sq ft per FTE	250 sq ft per FTE	
<b>Ongoing Costs</b>	Facility rent	\$20 per sq ft (per month)	\$10 per sq ft (per month)	NYC = 30,000 sq ft x \$20 = \$600,000 (monthly) → \$7.2M annually New = 25,000 sq ft x \$10 = \$250,000 (monthly) → \$3M annually <b>Savings = \$4.2M per year</b>
	Operating Expenses	\$1.00 per sq ft (per month)	\$0.50 per sq ft (per month)	NYC = 30,000 sq ft x \$1 = \$30,000 (monthly) → \$360,000 annually New = 25,000 sq ft x \$0.50 = \$12,500 (monthly) = \$150,000 annually <b>Savings = \$210,000 per year</b>
	Staff Salaries	Average Salary: \$50K	Average Salary: \$40K	NYC = 100 FTEs x \$50,000 = \$5M New = 100 FTEs x \$40,000 = \$4M <b>Savings = \$1M per year</b>
	Tax considerations	N/A – assume same	N/A – assume same	N/A

\*\* Total savings in ongoing costs= \$4,200,000 + \$210,000 + \$1,000,000= **\$5,410,000 per year** \*\*

### Question 3

As your team is discussing these results over lunch at the office, the CEO walks in looking for an update. The team looks at you, what do you say?

#### Suggested Answer

- If we move to New Location (Seattle), we will incur \$1,435,000 in transition costs (one-time expense)
- However, will save \$5,410,000 in annual operating costs
- I will recommend to the client that they consider moving to Seattle (unless the company can't afford the \$1.4M short-term cash outflow)
- I also recommend analyzing locations with lower rent and cost of doing business that may reduce staff turnover and limit recruitment, retraining, and severance costs

# Volunteering Co

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A DELOITTE HUMAN CAPITAL CASE

Author: Joydeep Ganguly  
ILLINOIS CONSULTING ACADEMY

# Volunteer Co

## Case Overview

This is a human capital case, and thus does not follow the standard case flow. While there is no specific framework that should be utilized, the interviewee should still create a framework. It is a talent retention case with a heavy focus on brainstorming.

## Goals

- Ensure that the interviewee can brainstorm effectively
- Ensure that the interviewee can consider the effects of changes on the workforce
- Ensure that the interviewee can communicate their thoughts in an organized manner.
- The tone of the case is conversational

The Deloitte information is sourced from

<http://www2.deloitte.com/content/dam/Deloitte/dk/Documents/governance-risk-compliance/The-Talent-Intelligent-Board.pdf>



## Problem Statement

Your client is Volunteer Co, a large non-profit organization that employs primarily part time volunteers, and a skeleton staff of paid workers for operations. They function as one centralized franchise, with regional bases where their volunteers meet. Over the last few years, one of their largest locations is delivering less service-hours, with Volunteer Co leadership noting a steep decline in the connection between their leadership staff and this regional location. In addition, Volunteer Co has been given clear evidence that their employee satisfaction has dropped significantly, because of a large portion of their workforce having high turnover. Volunteer Co has hired you to help diagnose the problem, and suggest possible solutions.

## Question 1

What major types of talent-related risk does any organization incur by letting this situation go unchecked? What steps would you take to identify, or prepare for these risks? Talent related risks are anything that harm the acquisition or development of human resources.

### Possible Risks (Deloitte's are in bold, common ones are in plaintext)

- **Reputational Risks:** Continuing to have an unhappy organization, and delivering sub-quality volunteers will likely result in fewer people joining.
- **Black Swan Events:** Low probability events that have a far reaching impact, like health and safety incidents.
- **Business and Regulatory Risks:** The office culture needs to promote the pursuit of business goals, within regulatory constraints
- **HR Risks:** IP, Employee fraud, incompetence, lack of loyalty
- Poor succession planning
- Sudden loss of key personnel
- Lack of internal leadership

### Possible Oversight Solutions

- **Frequent Review of external risks**
- **Survey employees for happiness, and factors related to talent retention**
- **Create a position responsible for working on this.**
- **Monitor the talent pipeline**
- **Build alignment with talent**

*As the interviewee explains these ideas, please choose a few for them to explain more in depth. Keep your questions geared towards generating more analysis, and push them to think outside the box and expand on their solutions. Move on to the next question whenever you're ready.*

## Question 2

The leadership of Volunteer Co are interested in getting to the root cause of their employee dissatisfaction – how would you go about capturing the voice of the employees? Who would you prioritize talking to?

### Capturing the Voice

The interviewee should provide a logical structure that encompasses some of the following:

- Communication with the entirety of the firm is necessary
- Surveys are a good place to start, but they will suffer from a non-response bias
- Focus groups are more effective
- Townhall type meetings

### Prioritizing stakeholders

The interviewee should provide a logical structure to segment the employees, and provide justification for whom they're targeting more. Possible segmentations include:

- Position/Seniority
- Happiness with volunteer co
- Time with Volunteer Co

*As the interviewee explains these ideas, please choose a few for them to explain more in depth. Keep your questions geared towards generating more analysis, and push them to think outside the box and expand on their solutions. Move on to the next question whenever you're ready.*

### Question 3

After hearing about and approving your earlier plan for addressing key stakeholders, the CEO is ready to directly move on the problem. What are some possible reasons for Volunteer Co's very high attrition rate? What fixes exist?

#### Suggested Answer

- Lifestyle
- Culture
- Declining Benefits

#### Possible Fixes

- Any promotion of work-life balance
- Shifting culture
- Offering better programs for the workers

*As the interviewee explains these ideas, please choose a few for them to explain more in depth. Keep your questions geared towards generating more analysis, and push them to think outside the box and expand on their solutions. Move on to the next question whenever you're ready.*

### Question 4

The CEO of Volunteer Co is impressed with your work. Unfortunately, the Board still does not believe that there is a significant need for change. Please summarize your implementation, and try to sway the board

#### A Good Answer would include:

- A discussion of why organizational change is necessary – the HR risks
- A strategy for hearing what people don't like

- Plans for dealing with the most likely answers
- Risks and next steps

*The key here is that the most important parts of the case are recognized by the interviewee and communicated in a clear and concise fashion.*

# Sloan Clinic

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PWC STYLE CASE

**AUTHOR: Meagan Williams**  
ILLINOIS CONSULTING ACADEMY

# Sloan Clinic

## Case Introduction

**Sloan Clinic is a large hospital and specialty clinic in Chicago, Illinois. Sloan Clinic currently has a hospital that has a top of the line surgical facility as well as a fast paced emergency room. Sloan Clinic is also famous for their specialty clinics with over 40 physicians and over 35 specialties to help patients in need. They are known nationally for their focus on research, which attracts top of the line physicians. This includes areas in cardiology, neurology, and Radiation Oncology. Sloan Clinic has been in operation since 1940 and continues today to have loyal patients. They are known for their state-of-the-art technology as well as their patient culture. They will work with a patient until the end.**

The Hospital Administrator, Christina Grey, of Sloan Clinic is currently looking to expand. She feels that the clinic is not fully able to provide for it's patients. She feels there is more potential for the company, but is not exactly sure in what area. Christina hired a team 5 years ago to track the analytics of the clinic and compared to nearby clinics.

Now that 5 years of data has been collected, Christina feels it is time to consider a major expansion. There are two different options that seem ideal based on what she knows of other competitors in the Chicagoland area. Christina has come to you to help give her a recommendation on which area she should expand in based on the data she has received.

### **Expansion 1:**

The first option is to expand their trauma center to reduce wait times for patients. Currently the hospital emergency room operates at full capacity. While patients are never turned away, the wait times have clearly gotten out of hand. It is to the point that they feel they are no longer the top preference for emergency rooms. Currently, the emergency room treats all walk in patients ranging from traumas to minor colds. The expansion plan will include a new wing to the emergency room that will host 50 more patients per hour. This will also include another surgical operating room as well. Further, with the expansion Sloan Clinic expects to have to hire 25 more nurses and 10 more physicians or physician assistants.

### **Expansion 2:**

The second option is to open a convenient care clinic. This convenient clinic would be connected with the specialty clinics instead of directly with the hospital. The clinic would only be open 12 hours per day 7 days per week and would require 3 nurses and 2 physicians or physician assistants at all times. The clinic would provide assistance for concerns that are not an emergency including but not limited to: colds, infections, and rashes.

*More information on Expansion 1 and 2 can be found below. It is important to note that if there is no expansion, there will still be additional costs due to needed updates and upkeep of the clinic.*

## ICA Strategy: Quick Assessment

Sloan Clinic has come to you asking for a recommendation as to what expansion they should proceed with based on the data given. They have given you two days to come up with a recommendation with supporting facts. While they have the data and the expansion ideas they are very much unsure of what they should do and feel your team is the best suited to find the solution. They would like to understand your decision before proceeding with the rest of the project.

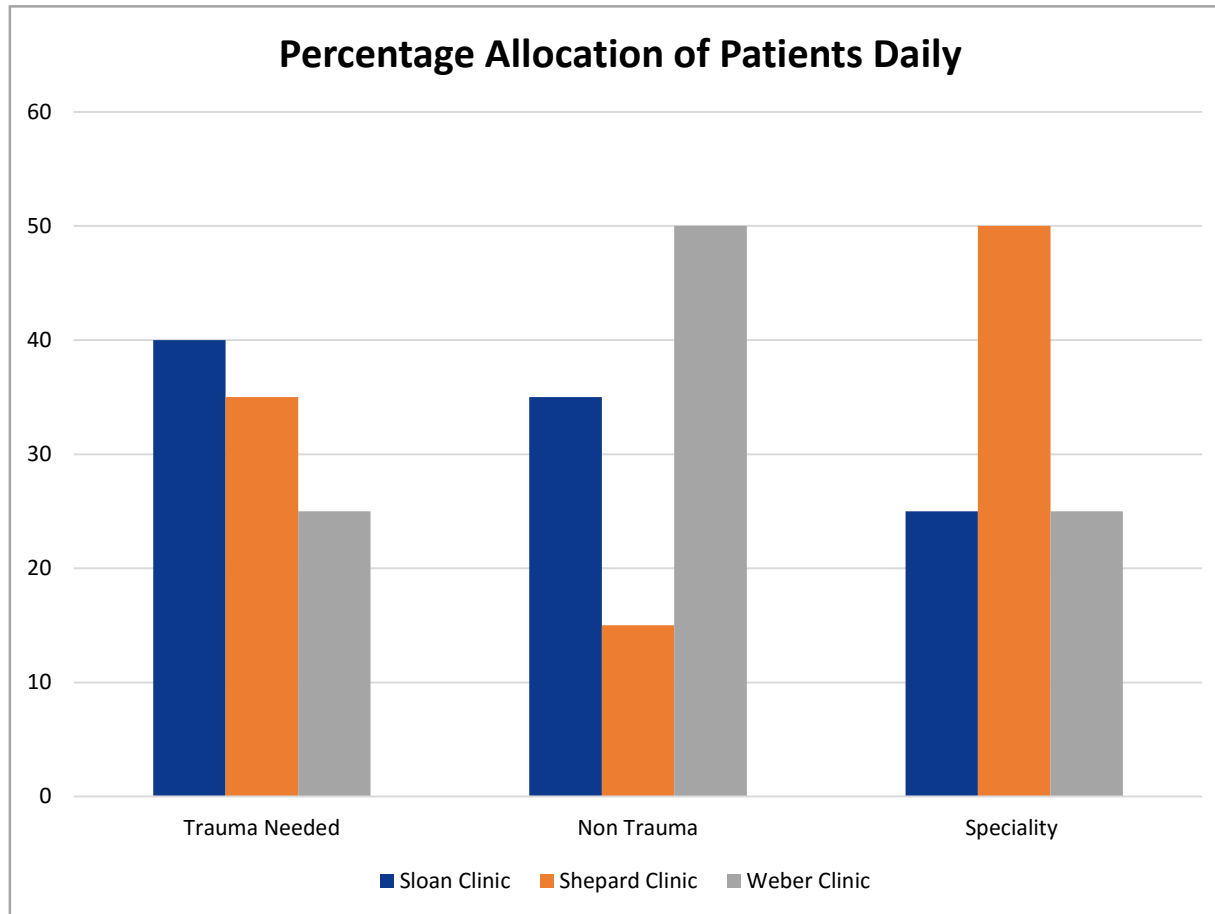
Below are a few specific questions they would like addressed in two days that can act as a guideline for your presentation.

- What is the best option financially, weighing the initial investment against the long term potential revenues?
- How do the different expansions compare to other clinics in the area?
- What are other potential ways to internally reduce the wait time for Sloan Clinic?
- What recommendation do you believe is the best for Sloan Clinic?

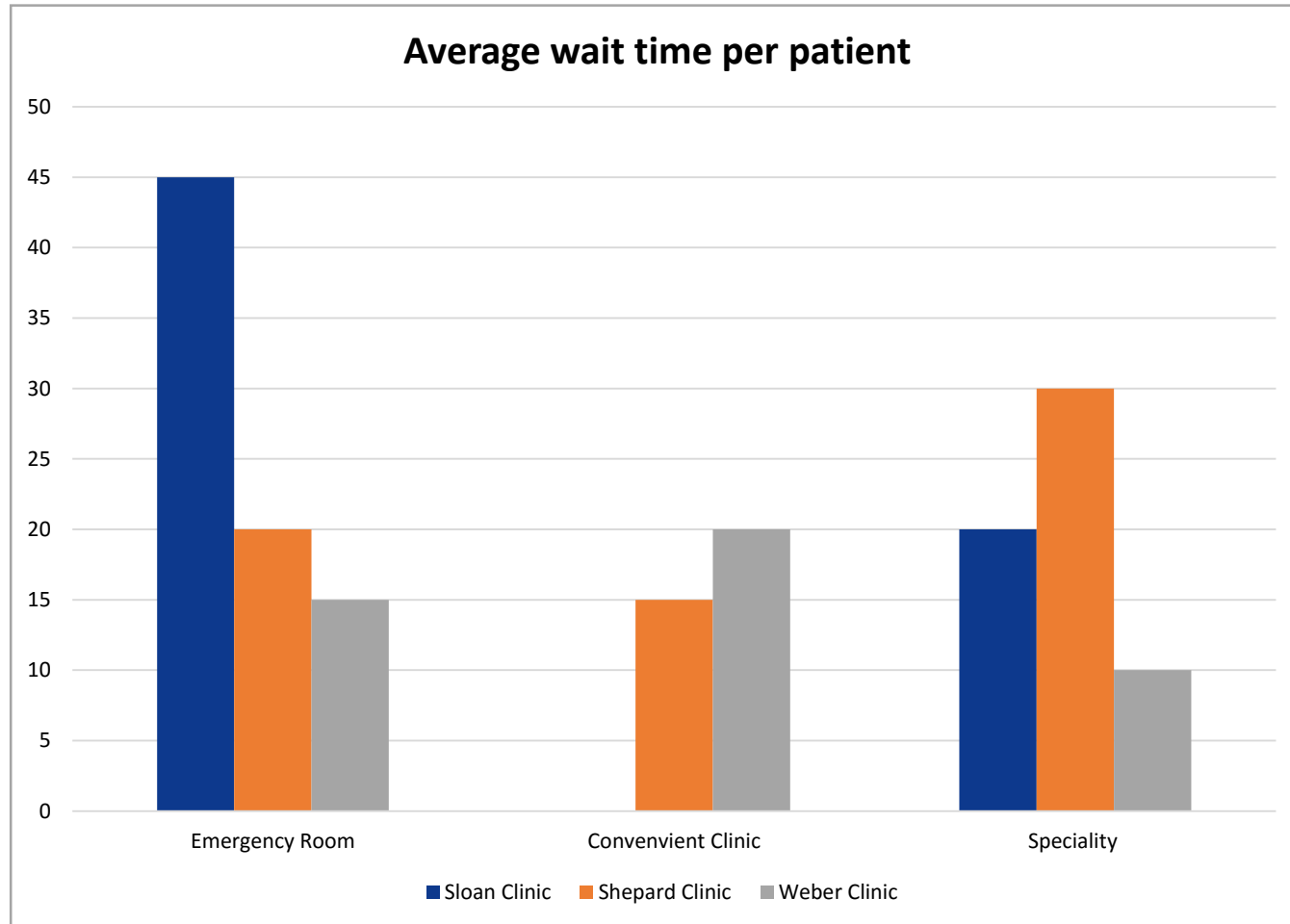
**Task: Prepare a rough draft of handwritten (or computer-generated) slides to share with the hospital administrator. You will have 15 minutes to present.**

**Below is an appendix with information about the projects. You may also use outside information to further your recommendation.**

# Exhibit 1



## Exhibit 2





## Exhibit 3

	<b>Initial Investment</b>	<b>Average Monthly Cost to Patient</b>	<b>Average Monthly Variable Cost</b>	<b>Average Monthly Number of Patients</b>	<b>Average Monthly Fixed Cost</b>
<b>Expansion 1</b>	\$10,000,000	\$11,500	\$3833.33	1450	\$9,000,000
<b>Expansion 2</b>	\$7,500,000	\$9,500	\$3166.67	1600	\$8,000,000
<b>No Additional Expansion</b>	\$0.00	\$10,000	\$3,333.33	1000	\$5,000,000

## Exhibit 4

Due to recent budget cut constraints, Christina Grey has recently been told by her board of directors that there will be little internal funding for this expansion. However, the board of directors believe an expansion could help save the hospital from future issues of budget constraints once it is fully implemented. Christina has currently come up with two solutions to this issue, but has not had time to find the given data to back up her claims. The board of directors has not set a price to their contribution, as it contingent on how soon the expansion is able to progress. What is the length of each project and how long will it take the raise the additional money?

- Find outside sourcing via external donators and fundraising events.
- If Christina includes a research portion to the added expansions at an additional initial investment of \$2,000,000 she believes she will be able to find government funding for the project.

# Interview Guide

1. Exhibit 1 is used to understand where Sloan Clinic is struggling and could change their allocation of patients. It should be noticed that 35% of their patients do not need to be using the emergency room but they are because there is not an option to otherwise.
2. Exhibit 2 focuses on the wait time of each patient. They should notice that there is an extreme wait time for the emergency room compared to its competitors.
3. Brainstorming:
  - a. Call ahead service for patients who are on their way to the hospital
  - b. Dial a Nurse for patients who do not feel they are in need of medical attention; they just need advice.
  - c. Pre Registration so no paperwork needs to be filled out at the place.
  - d. Online Cancellation for patients who decide to cancel appointments.
  - e. Etc.
4. Exhibit 3
  - a. Net Present Value can be calculated if they would like to find the ideal Cost of Capital for Sloan Clinic. If they decide to use a Cost of Capital an explanation should be made.
  - b. The Interviewer can also find the breakeven point.
  - c. Break Even Points:
    - i. Expansion 1: 4.72 years
    - ii. Expansion 2: 3.52 years
    - iii. No Additional Expansion: 0 years
5. Answer: Either Expansion could work, but it should be clear as to why there needs to be an expansion. It should be allocated so there are less wait times and either would contribute. Knowing that 35% of its patients do not need trauma and that other competitors have convenient cares makes convenient cares seem like a logical approach given the information here.
6. Additional information that could be researched:
  - a. Length of Expansion to be fully implemented
  - b. Ways to reduce the fixed costs as this is a problem with hospitals
  - c. Ways to raise funding for the project
  - d. Information of government funding to hospitals for research

# Phone Co.

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A DELOITTE TECH CASE

Author: Joydeep Ganguly  
ILLINOIS CONSULTING ACADEMY

# Volunteer Co

## Case Overview

This case is a Deloitte Tech Strategy case. As such, it does not conform to standard management cases, though frameworks should be utilized. Deloitte places a heavy emphasis on understanding One Deloitte (and Green Dot), so whenever possible, the interviewee should try to utilize, and sell, Deloitte's other consulting practices. One Deloitte, and Green Dot both refer to Deloitte's internal efforts to keep practitioners aware of the other Deloitte pillars. Deloitte also offers tax, advisory and accounting services. Within consulting, Deloitte offers technology strategy, human capital, and strategy and operations work.

The Deloitte information is sourced from Welcome to Deloitte, as remembered by JD

## Goals

- Ensure that the interviewee can brainstorm effectively
- Ensure that the interviewee understands how to create a list of stakeholders, and what communication channels are effective
- Ensure that the interviewee understands SDLC; this means they understand the steps, and that the process must be followed. This case focuses primarily on early SDLC work.
  - SDLC Steps:
    - Requirement Analysis
    - Design
    - Build
    - Test
    - Rollout
    - Cutover/Knowledge Transfer
- The tone of the case is conversational

## Problem Statement

Your client is Phone Co, a cellphone provider, and is one of the four companies that dominates the industry. Phone Co. has met with success in their efforts to change the tone and business model of the industry by working to make contracts more flexible and empowering the customer to serve themselves wherever possible. In the process of enacting these changes, Phone Co. has realized that their current technology infrastructure cannot support the scale of business that they want to continue.

- Their product offerings are fragmented, offering over 3,000 separate plans
- Their current backend systems don't have capability to create new plan functionalities
- Their customer data is tied to a phone, rather than a person
- Their website is challenging to use and offers limited functionality – necessitating the use of in person representatives, and creating more hassles for the customer

As a result of these hurdles, Phone Co has decided to entirely upgrade its technology infrastructure, on both the front end and back ends of the system.

## Question 1

The first portion of Deloitte's Statement of Work deals with choosing an appropriate vendor to build the technology infrastructure for itself. Phone Co does not have the resources to create enterprise level architecture in-house, so they will award a contract to a vendor of their choosing, and work closely with them to ensure smooth implementation of the new system. What factors would you consider when selecting a vendor, and what steps would you take in selecting the vendor?

### Factors to Consider, taken from Deloitte's vendor selection PowerPoint

- Business Fit
- Ease of Implementation
- Technical performance
- Scalability
- Timing
- Costs

### Steps, From Deloitte's vendor selection PowerPoint

1. Identify the organization's strategic and future goals
2. Assess the current functionalities offered by the client's current technology footprint
3. Develop ideal future state capabilities
4. Build a roadmap for the implementation of new capabilities
5. Develop RFP, and select vendors that meet the roadmap

*As the interviewee explains these ideas, please choose a few for them to explain more in depth. Keep your questions geared towards generating more analysis, and push them to think outside the box and expand on their solutions. Move on to the next question whenever you're ready.*

## Question 2

The leadership of Phone Co. is of the opinion that successful implementation of this project is vital to the survival of their firm. To that end, they want to ensure that all of the key players involved are on the same page, and that all the major stakeholders are communicated to. Who are the major stakeholders in this process?

*If the interviewee clearly does not structure their list of stakeholders, ask them to first identify the three players – Deloitte, Phone Co, and their vendor*

### Stakeholders

The interviewee should provide a logical structure that encompasses most of the following:

- Phone Co.
  - Top level leadership – CSuite
  - Project liaison, who Deloitte teams report to
  - SMEs
  - Development teams
  - Front-line managers
- Deloitte
  - Partners
  - Managers
  - Consultants
- Vendor
  - Development teams
  - Leadership

*As the interviewee explains these ideas, please choose a few for them to explain more in depth. Keep your questions geared towards generating more analysis, and push them to think outside the box and expand on their solutions. Move on to the next question whenever you're ready.*

### Question 3

The CEO is on board with the changes that have been proposed, however she has been hearing disquieting rumors. It seems that the low to mid-level employees in the company have become disenchanted with this technology overhaul. They expect nothing to come of it, and no significant progress to be made. How should the CEO handle this, and build consensus within the company? What channels of communication should she use?

### Suggested Answer

- Convince workers of the need for change,
  - Use your CEO heavily as a cheerleader, or mascot for the new overhaul. Have them visible to the company, and excited about the progress
  - Also work to brand the company as change friendly, and progressive so that workers fighting change seem archaic
- Create some quick success that can be showed off
  - Allocate resources to an easy part of the project (ie UI design) and show off that success
  - Change the scope of the project to only focus on vital areas, and in doing so, push those areas through more quickly.
- Involve more of the workforce in planning.
  - Hold open re-plan meetings that any employee can participate in
  - Engage in periodic updates to the entire workforce on the progress, and next objectives of the plan.

### Channels of communication

- Mass communications, ie letters from the CEO

- Hold focus groups
- Create teams of people who are on board with the process, and use them as advocates

*As the interviewee explains these ideas, please choose a few for them to explain more in depth. Keep your questions geared towards generating more analysis, and push them to think outside the box and expand on their solutions. Move on to the next question whenever you're ready.*

#### Question 4

After an appropriate vendor has been selected, Phone Co. needs help determining how to migrate their customer data from the old system, to the new. Migration across systems is a risky, time-constrained endeavor. If any customer data is corrupted it guarantees the loss of the customer, and since customer records are inaccessible during the period, they cannot be billed for usage in the migration period; this results in losses of revenue for every second that the migration period lasts. Given these concerns, and the urgent need for migration, how would you implement their migration strategy?

##### A Good Answer would include:

- A discussion of the three choices: big bang, phased rollout, and pilot.
- An explanation for why big bang is completely unsuitable
- The use of a pilot program to verify that the transfer program works, and then a phased rollout keeping individual migration windows as short as possible.
- Segmenting their customers by loyalty and migrating them in these segments to reduce risk

*As the interviewee explains these ideas, please choose a few for them to explain more in depth. Keep your questions geared towards generating more analysis, and push them to think outside the box and expand on their solutions. Move on to the next question whenever you're ready.*

#### Question 5

The CEO of Phone Co. is impressed with your work. Unfortunately, the teams under the CEO don't believe that there is a plan in place to successfully implement this change. Please summarize your plans, and convince them that this project can be implemented successfully with Deloitte.

##### A Good Answer would include:

- A discussion of why organizational change is necessary
- A strategy for vendor selection
- Plans for dealing with people who aren't very happy with this process
- Risks and next steps

*The key here is that the most important parts of the case are recognized by the interviewee and communicated in a clear and concise fashion.*





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