

*Make It Happen*

# **Consulting Methodology Analysis**

Ivy Case System

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# Ivy Case System ...

- **Business cases have traditionally focused on either business strategy or business operations.**
- **However, with today's more complex cases, candidates are getting case questions that cover both categories and multiple scenarios.**

# Agenda

- The first four steps
- The twelve case scenarios
- Some summary of cases

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# The first four steps

- Summarize the question
- Verify the objectives
- Ask clarifying questions
- Lay out your structure

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- The first four steps
- The twelve case scenarios
  - Strategy scenarios
  - Operations scenarios
- Some summary of cases

# 1. Entering a new market

Approach

Market

Entry

Elements

- Competition
  - Market share
  - Comparative products and services
  - Barriers to entry
- 
- Start from scratch
  - Acquire an existing player
  - Joint venture/strategic alliance w/existing player

# 2. Industry analysis

## Approach

Current industry structure

suppliers

future

## Elements

- Life cycle?(growth, transition, maturity)
- Performance
- Major players and market share
- Industry changes(new players, new technology)
- Drivers(brand, size, technology)
  
- How many
- Product availability
- What's going on in their market?
  
- Expanding or shrinking?
- Mergers and acquisitions
- Barriers to entry or exit?



# 3. Mergers & acquisitions

Approach

Objective

Price

Due diligence

Elements

- Increase market access
  - Diversify holdings
  - Pre-empt the competition
  - Tax advantages
  - Incorporate synergies
- 
- Fair? Affordable?
  - How to pay?
  - If the economy sours...?
- 
- What shape is the company in?
  - How secure are its markets and customers?
  - How is the industry overall?
  - Competitive response to acquisition
  - Legal issues

# 4. New product I

Approach

Product

Market  
strategy

Elements

- Special or proprietary?
  - Financing?
  - Patented?
  - Substitutions?
  - Advantages and disadvantages
  - Place in the product line
  - cannibalizing our own products?
  - Replacing existing product?
- 
- Expanding customer base
  - Prompting competitive response
  - Barriers to entry
  - Major players and market share

# 4. New product II

Approach

Elements

Customers

- Who?
- How to reach them?
- Retention \_how to hold them?

Financing

- How to funded?
- Best allocation of funds?
- Debt viable?

# 5. Pricing strategies

Approach

Elements

Pricing

- Competitive pricing
- Cost-based pricing
- Price-based costing

# 6. Growth strategies

Approach

Elements

Assessment

- is the industry growing?
- How are we growing compared to the industry?
- Prices relative to competitors
- Competitors market and development
- Which segments have the most potential?
- Funding for higher growth

Strategies

- Increase distribution channels
- Increase product line
- Invest in major marketing campaign

# 7. Starting a new business

Approach

Elements

Market

- Who is the competition and their market share?
- Products comparison
- Barriers to entry

Cost/benefit  
analysis

- Management
- Market and strategic plan
- Distribution channels
- Product
- Customers
- Finance

# 8. Competitive response

Approach

Elements

Why

- New product?
- Competitor's strategy changed?
- Other competitor's increased market share

Strategy

- Acquire a competitor
- Merge with competition
- Copy competitor
- Hire competitors' management
- Increase profile with marketing campaign

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# 9. Increasing sales

## Approach

## Elements

## Assessment

(increasing sales doesn't necessary mean increasing profits)

- Growth relative to market share
- Changes in market share
- Customer polls
- Prices competitive
- Competitor's strategies (marketing & product development)

## How?

- Increase volume?
- Increase amount of each sale?
- Increase prices?
- Create seasonal balance?

# 10.Reducing costs

Approach

Elements

Assessment

- Get cost breakdown
- Investigate for irregularities
- Benchmark competitors
- Labor-saving technologies

Cost analysis-  
internal

- Union wages, suppliers, materials
- Economies of scale, increased support system

Cost analysis-  
external

- Economy, interest rates, government regulations
- Transportation/shipping strikes

# 11. Increasing profits I

Approach

Elements

Revenue

- Identify revenue streams

Profit

Profits=(revenue-costs)\*volume

- (until you have identified the revenue streams, you can't cut costs)
- Percentage of total revenue of each
- Unusual balance ?
- Have percentages changed?

# 11. Increasing profits II

Approach

Elements

Costs

- ID fixed costs
- ID variable costs
- Shifts in costs
- Unusual costs?
- Benchmark competitors
- Reduce costs without damaging revenue streams

Volume

- Expand into new areas
- Increase sales (volume and force)
- Increase marketing
- Reduce prices
- Improve customer service

# 12.Turnarounds

Approach

Strategy

Elements

- Learn about company
- Review services, products, finances
- Secure funding
- Review talent and culture
- Determine short term/long term goals
- Business plan
- Reassure client, suppliers, distributors
- Prioritize goals and develop some small successes for momentum

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# Review some cases

- **Revenue Growth**

- Finding Revenue Growth in the Medical Software Industry

- **Increasing Profits**

- Increasing Profits in Jet Fighter Manufacturing

- **Distribution Strategy**

- Crafting a Distribution Strategy for a Sugar Cereal Manufacturer

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# **Cooperation Makes Wisdom**

Thanks for your time

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