Cornell Consulting Club Example Interview Case 4 (Interviewer Led)

Case written by Kristin Zak

*This case scenario is fictional and not based on any of CCC’s client engagements*

Case Overview and Context:

A notable social enterprise in Thailand is expanding into the organic rice business. Their current business consists of coffee production and distribution through their retail café chain and through wholesale packages in specialty stores. They plan to distribute 1 kilogram packaged rice products. As a CCC Business Analyst, you must decide where to focus the efforts of the business. Your goal is to grow the business and maximize profits in the next 5 years. Supply is stable.

Creativity Assessment

1. How would you figure out what geographical market to concentrate on? Develop a framework identifying metrics that you would take into consideration. Feel free to ask questions for clarification.

*Example Response*

- My hypothesis is that the best place to enter into the business would be in Asian markets due to the high rice consumption. I also know that the developed world places a strong emphasis on organic products, so I would like to look at the US and European countries
- Key metrics: rice consumption, organic product consumption, market growth rate
- Implementation: legal barriers, cost of export (distance from Thailand can be used as a proxy)

Quantitative and Graphical Assessment

1. Given the following information, which market looks best?

<table>
<thead>
<tr>
<th></th>
<th>Thailand</th>
<th>China</th>
<th>Hong Kong</th>
<th>US</th>
<th>EU</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organic Market Size (million USD)</td>
<td>13</td>
<td>2,000</td>
<td>27</td>
<td>14,000</td>
<td>2,000</td>
</tr>
<tr>
<td>Organic Market Growth Rate</td>
<td>7%</td>
<td>15%</td>
<td>4%</td>
<td>3%</td>
<td>7%</td>
</tr>
<tr>
<td>Rice Consumption (million tons)</td>
<td>11</td>
<td>146</td>
<td>.03</td>
<td>4</td>
<td>1</td>
</tr>
</tbody>
</table>
### Rice Consumption per Capita (kg)

<table>
<thead>
<tr>
<th></th>
<th>143</th>
<th>83</th>
<th>47</th>
<th>14</th>
<th>6</th>
</tr>
</thead>
</table>

---

**Example Response**

- The EU and US markets have very low rice consumption, which confirm the hypothesis that they are not optimal markets.
- The Chinese market has the highest growth rate in the organic market sector and the largest amount of total rice consumption.
- Going back to the third area in the framework, I would want to confirm that export is possible given the regulatory barriers from the Chinese government.
- Possible alternatives: entering through Hong Kong.

---

2. Because of high trade regulations, it is impossible to enter into the Chinese market within the next two years. How would you modify the business plan?

**Example Response**

- The Thai market looks the most optimal and is stronger than Hong Kong.
  - Highest rice consumption per capita.
  - Second highest growth in organic products.
  - No export costs.
  - Smallest transportation distance.

---

3. How do you calculate the market size for organic rice in Thailand? What information would you need? What will the size of the market be in five years?

**Information Given**

- 1000 kg = 1 ton.
- Average person eats 2 kg of food every day.
- Average person eats 0.001 kg of organic food every day.
- Average price of organic rice is 1.5 USD/kg.

**Calculation**

- \[ \frac{0.001}{2} \text{ kg} = \frac{1}{2000} \text{ food eaten is organic} \]
- \[ 1/2000 \times 10,800,000 \times 1000 = 5,400,000 \text{ kg organic rice eaten per year} \Rightarrow \text{times 1.5 USD} \Rightarrow 8,100,000 \text{ USD} \]
- \[ \text{In five years} = 8,100,000 \times (1.07)^5 \text{ USD} \]

---

**Further Assessment**

1. How would you develop a market entry strategy?

**Example Response**
Potential Variables to Consider
  o Costs
  o Marketing/packaging/branding
  o Customer segmentation
  o Competitors
  o Strengths/weaknesses
  o Barriers to entry/exit
  o Capital requirements
  o Distribution channels
  o Government policy

2. The CEO walks into the elevator; he wants an update on your progress.

Note: there is a contextual clue here – the meeting with the CEO is brief. Do not take much time to summarize. Rather, start speaking and make it quick but structured.