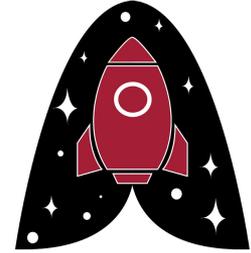


Temple
Consulting
Club

ESA



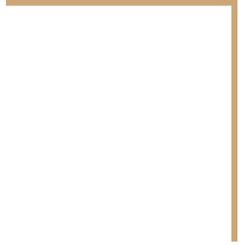
Entrepreneurial Student Association

October 7th, 2020

Today's Agenda

1. Blackstone Launchpad- Tori Holt
2. Introduction to Consulting
 - a. Possible Paths for you
3. Temple Consulting Club- Liam Graham
4. Case Study
 - a. 2 Breakout Rooms
5. ESA Housekeeping

Introduction to Consulting



Introduction to Consulting

- How I found consulting?
- Why I chose RSM?
- How does it relate to entrepreneurship?



Tiers of Consulting

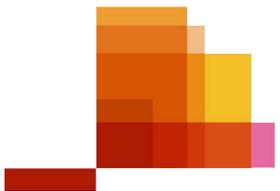
- Large Firms: Big Four
- Mid-Size Firms
- Small Firms, Boutique or Independent

Big Four



EY

Deloitte.

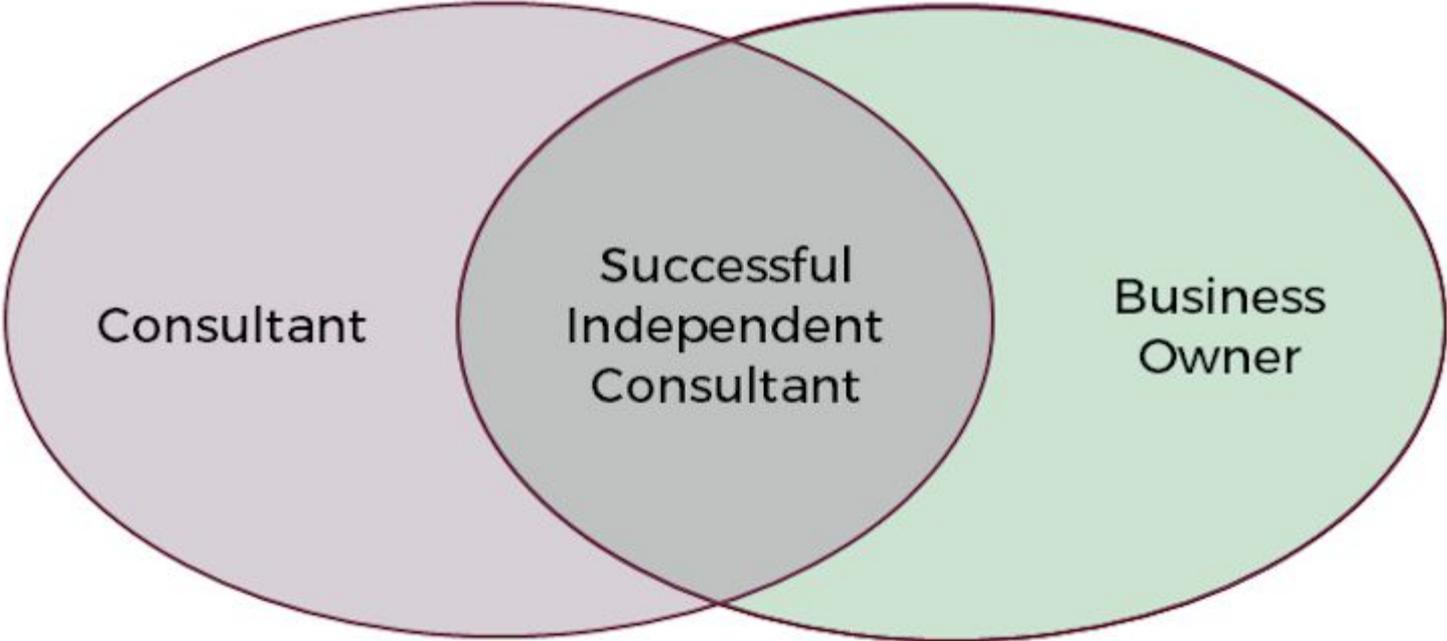


pwc

KPMG

Paths







Temple University

Temple Consulting Club (TCC)

- Moving towards more engagement/project based work with the club
- If you are interested in learning more...

Contact Me!

 liam.graham@temple.edu



Case Study

BAIN & COMPANY 

Client Background

You're having lunch with an old friend from university, and she's looking for some business advice. She is thinking of opening a coffee shop in Cambridge, England, a large university city an hour and a half away from London.

She sees potential in this business but wants your help in determining whether opening a coffee shop is a good idea.

What do you think?



Case Setup

Start any case by understanding the question you're asked to solve. Ask your interviewer questions if you feel confused or need more information. We want you to succeed in your interviews!

Take the time (1-2 minutes) to think about how you would approach the problem. Always structure your thinking, and communicate your ideas with your interviewer.

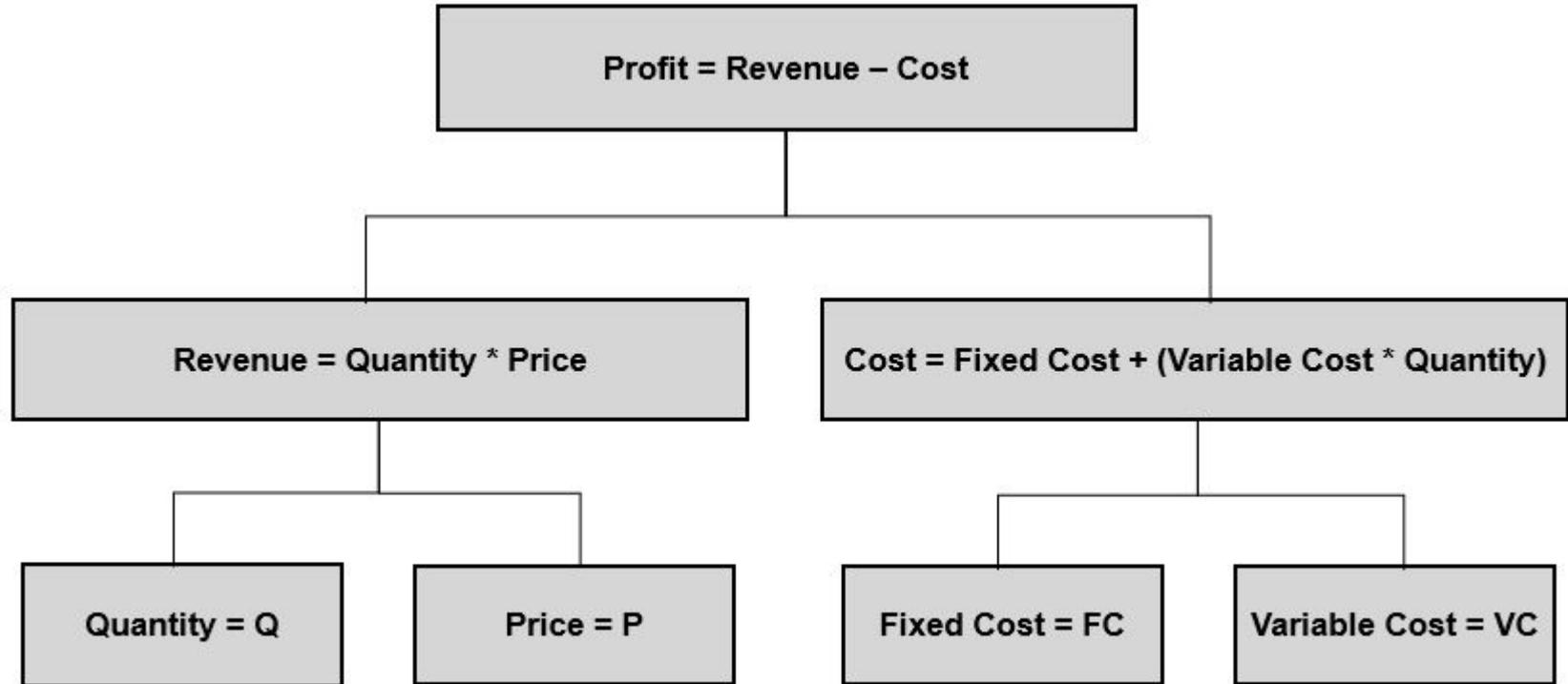
Here are some sample questions to ask yourself:

How big is the opportunity?

How much does it cost to open a coffee shop?

What is the shop's go-to-market strategy?

Example Setup



Analysis

You show your proposed framework to your friend, and she really likes it! She's especially interested in figuring out how big the market is to best estimate how much coffee she can sell. She knows the market probably includes commuters, visitors, etc., but for now, she wants you to focus on Cambridge residents alone.

How do you estimate the size of the market?

How Do You Estimate the Size of the Market?

Two potential approaches come to mind when estimating market size:

- "Top-down" approach: Start with a large number (e.g. total relevant population) and progressively narrow down.
- "Bottom-up" approach: Start with a small number (e.g. average cups of coffee consumed per day) and progressively scale up.

Analysis

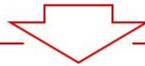
After you show her the potential options for estimating market size, she wants you to approximate the market size using your framework. Assume that Cambridge has a population of 100,000 people and, on average, each drinks 1 cup of coffee per day.

**Note: When making assumptions about market size, there is no “right” or “wrong” answer. Base your estimations on your reasonable assumptions about the market.*

Calculation

Top-Down

- 100,000 people live in Cambridge
 - *80% are adults = 80,000
 - *50% of adults are coffee drinkers = 40,000 people
 - *1 cup of coffee per person per day = 40,000 cups of coffee per day
 - *50% of coffee made and consumed at home = 20,000 cups of coffee per day bought at coffee shops
 - *~350 days per year = 7,000,000 cups of coffee per year



Total market size is 7,000,000 cups of coffee per year

Analysis

Now that you have the market size, your friend wants to gain a better understanding of how much coffee she would need to sell to break even in her first year.

How much coffee does she need to sell to break even in the first year?

Here is some additional information:

Price per coffee = £3

Cost to open shop = £245,610

Cost to run shop each year = £163,740

Cost per cup of coffee = £1

Calculation

Breakeven:

$$(\text{Price} * \text{Quantity}) - (\text{Fixed costs} + \text{variable costs}) = \text{£}0$$

$$\text{Profit} = \text{£}0$$

$$\text{Revenue} - \text{Cost} = \text{£}0$$

$$(3*Q) - (163,740 + 245,610 + [1*Q]) = 0$$

$$2Q - 409,350 = 0$$

$$Q = 204,675 \text{ cups to breakeven}$$

Case Recommendation

After running through the calculations, do you think it's reasonable for her to open up a coffee shop?

Good Answer: Yes! Because there are 7,000,000 cups sold and the break-even point is 204,675 cups, which is ~3% of the market share, breaking even is achievable.

Better Answer

A better answer would take into account how long it would take for her to recoup the cost to open the store and other considerations before proceeding.

Breaking even is achievable, but we'd want to understand more about our friend's investment timeline. Depending on how many years she plans to run the store, it might be difficult to recoup the cost of opening it.

Other key questions she needs to think about before proceeding include:

What is CoffeeCo's go-to-market strategy?

How will the organization differentiate itself among its competitors?

Is there a dominant player that will make it difficult to win share?

Is the market full of smaller competitors that CoffeeCo could beat?



ESA Opportunities

- **Graphic Design**
- **Website Development**
 - Experience w/ Wix Preferred
- Non-Profit Consulting
- Running a business within ESA
- Membership Administration

Feedback Form

- We want to hear from you!

Win a \$15 Amazon
Gift Card!



Resources

1810 Accelerator Member:

https://docs.google.com/forms/d/e/1FAIpQLSf0gdgezgAcflvjH5knzl-SyPoHKNI-lGn0FyK_orcTBc58GQ/viewform

1810 Accelerator Groupme:

https://web.groupme.com/join_group/55561846/cEvmyWvE

Hootboard:

https://www.hootboard.com/b/458998/Temple_Entrepreneurship

Startup Tree:

<https://temple.startuptree.co/user/signup>

HOOTBOARD



STARTUP TREE



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Suitable Code

