

SUN T2U

CASE 3 - ROUND 1

PHOENIX INC.



Phoenix Inc. is a car repair and service provider. The company currently operates on an “asset-light” model wherein it has partnerships with around 600 workshops across 30 cities of India with Tier-1 cities such as Delhi NCR, Mumbai etc. comprising of ~75% of workshops. These cities also account for a similar proportion of demand by volume. It aggregates demand for car service and repair through the means of a mobile app, website and call center. Subsequently, customers are each auto-assigned to a nearby partner workshop and a Service Advisor who supervises the car service/repair. The customers can either choose to have their car picked-up and dropped/come to the assigned workshop. The workshops work with Phoenix Inc. on a commission-based model.

Phoenix Inc. has a strong B2C brand presence and a unique customer proposition, especially for post-warranty cars. Customer satisfaction is also validated by a high NPS (Net Promoter Score). Most of the orders Phoenix receives are for periodic car services. The rest of the demand is for other services such as denting and painting, road-side assistance, mechanical repairs, and AC servicing. The company also offers an annual loyalty program, offering additional discounts on car services.



Phoenix Inc.'s business was growing until it started facing multiple challenges. The growth in some cities could not match the overall business growth. Higher marketing expenses, weak partnerships with the workshops and inability to retain the customers soon contributed to the business losing money and finally running into financial difficulties.

Currently, Phoenix Inc. is EBITDA negative. However, it has set itself the goal of becoming profitable within 1 year and increasing the demand by 2x. Subsequently, the company wants to grow revenue by 5-7x in 3-4 years.

How can Phoenix Inc. achieve these strategic and operational objectives? What could be the potential impediments in the growth of the business?



Key Deliverables – Round 1

Develop an issue tree/hypothesis and identify the key issues to be discussed. Also identify key questions you would like to ask the client, that could be useful in further analysis.

(Here we are looking at the breadth of issues you bring up and how you plan to test these points. It should not be stuff just laid down theoretically, but testable practically)

Submission Guidelines

- ✓ Each team has to continue with the case they chose in Round 1 and 2. Equal preference would be given to all cases for evaluation
- ✓ The case submission deadline would be updated on Avalon's website. No submissions will be accepted past the deadline
- ✓ Teams are required to prepare a PPT of maximum 10 slides for Round 1 and 25 slides for Round 2 (excluding annexure)
- ✓ The PPT guidelines for Round 3 would be shared during the mentorship sessions for the finalist teams
- ✓ The PPT files along with other supporting documentation can be uploaded in the form of a .zip or .rar format file. Files that exceed 25MB in size will be disregarded
- ✓ The cover page should mention the team name, college name and the case selected. The end page should mention the name, mobile and email ID of each team member. The slide limit includes the cover page and end slide
- ✓ Please name your submission file as CaseNumber_CollegeName_TeamName (e.g., Case 1_XLRI_Panthers)
- ✓ Participants are required to email their submissions to suntzu@consultavalon.com
- ✓ Please explicitly mention all the assumptions (if any) you make to solve the case. You can incorporate those as part of your submissions for each round.
- ✓ No additional slides beyond the set limit shall be accepted for evaluation.
- ✓ We encourage you to carry out your own research while working on this case. However, please ensure all your data points are obtained through authentic and reliable sources and should be mentioned in your submission.

For any queries contact suntzu@consultavalon.com

