

Business Case Challenge II – Advanced Case

Guide for Learning Material



WU Vienna – April 2020

In cooperation with



Die Presse



How can you use the provided info material?

- The **following guide serves as an orientation for the info material** that is provided on the webpage (*Product, Market, Finance*). It further explains how the **challenge and the provided material fit together** and can be interpreted in the **context of a business plan**. The content of the info material is no guideline on how to structure the submission document but provides the basic knowledge that should help you in developing the idea.
- A Business Plan is a document most Entrepreneurs have set up in the development of their company, which fulfills multiple purposes.
 - A business plan is the **main sales document** when you try to attract funding (State subsidies, business angels, VC/PE funds, banks)
 - The structured and written form forces entrepreneurs to **think in depth about their idea** and the underlying business model
 - The business plan **lays out a development plan** and the **aims**, which are constantly updated

The Varta case challenge

You have seen a thorough examination of the product in question, and what drives its demand. Basically, the effort put in R&D resulted in high demand by the OEM premium brands. The market growth for hearables is favourable. However, that is the current state. Now, it is essential to assess other future application markets, that require batteries, and how that market will be competed and affect financials of the company.



Product What is the next “thing”?	Beyond the hearable-industry: What will be the next emerging application embedded in a growth market? What will be required from VARTA to settle in?
Market What will the market look like?	How will that future application market be segmented? What will be the pricing, which competitors will be present and how can VARTA obtain a market leading position?
Finance What are the financial effects for VARTA?	Based on the knowledge from this briefing: How will a market entry into such an emerging application affect VARTA financials in terms of estimated investments and profitability?

Every business plan follows a mostly pre-defined structure

1	Executive Summary	Short and comprehensive overview over the project with crucial facts (e.g. products, key numbers)
2	Vision / Mission	Short and comprehensive overview over the project with crucial facts (e.g. products, key numbers)
3	Product / Service	Description of offering (incl. customer value, USP, customer relationship) and what is needed to deliver it (capabilities, etc.)
4	Market / Competition	Overview of the market, analysis of the industry, target market and competition
5	Marketing / Distribution	How does the exact marketing strategy look like? How is the product/service being sold?
6	Company / Team	Description of the company/organization (key facts), the team member, partners, etc. (their value!)
7	Finances (Business Case)	Investment needed, financing sources, costs, calculated turnover, calculated P&L-, cashflow-statement, company valuation
8	Roadmap / Milestones	How does the implementation plan look like? What are the next milestones?

The training material provided will deal with the three main questions of the challenge

1	Executive Summary
2	Vision / Mission
3	Product / Service
4	Market / Competition
5	Marketing / Distribution
6	Company / Team
7	Finances (Business Case)
8	Roadmap / Milestones

Given the focus of the challenge, the **info material will touch upon the topics product, market and finances**. However, please include an executive summary as well.



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Challenge:

Product

What is the next “thing”?

Beyond the hearable-industry: What will be the next emerging application embedded in a growth market? What will be required from VARTA to settle in?

Key questions to be considered:

- Product description: What is the value to the customer? (Consider that it is mostly a B2B product)
- What is its USP?
- What does VARTA need in terms of resources, capabilities and possible partnerships to be able to deliver the offering?



1. **Portfolio approach:** This section provides information on the Ansoff matrix, which outlines different type of growth options
2. **New Product Development / Idea Generation:** This section should help you in coming up with a business idea and includes common business analysis as well as creativity techniques
3. **Business Model CANVAS:** This is a common framework used to analyze a business model. It should help you answering all questions regarding the product. What is your product? (*customer segments, USP*) How to sell it? (*delivery, customer relationship*) What is needed to deliver the offering? (*resources, capabilities, partnerships*) How to capture the value? (*cost & revenue structure*)

Apart from the material provided in the info material, additional in-depth information can be found here:

- **Ansoff matrix explained:** [Video](#)
- **Further Reading on creativity techniques:**
 - Burns, P. (2014). *New venture creation*. Basingstoke: Palgrave Macmillan
- **Disruptive Innovation Explained:** [Video](#)
- **The Explainer - Business Model:** [Video](#)
- **The Explainer – Writing Great Business Plans:** [Video](#)
- **Further reading on CANVAS business model:**
 - Osterwalder & Pigneur (2010). *Business Model Generation: A Handbook for Visionaries, Game Changers, and Challengers*. Hoboken, NJ: Wiley & Sons
 - Sinek (2009). *Start with Why. How great leaders inspire everyone to take action*. New York:Portfolio.
 - Christensen (1997). *The innovators dilemma*. Boston, MA: Harvard Business Review Press
- **How great leaders inspire action:** [TED Talk 2009](#) (S. Sinek)
- **Template:** [CANVAS Template](#)

Challenge:

Market

What will the market look like?

How will that future application market be segmented? What will be the pricing, which competitors will be present and how can VARTA obtain a market leading position?

Key questions to be considered:

- What is the size of the addressable market and how is this market segmented?
- What are the main factors on a macro- and industry-level influencing the business in this segment?
- How does the competition look like?
- What does Varta need to distinguish itself from the competitors and achieve a leading position?
- What is the sales potential of Varta within this market segment?
- How should the product be priced?



- 1. Desk Research:** This section provides some useful information on how to conduct desk research (steps, possible sources, methods)
- 2. Market sizing:** This section provide information on how to conduct a market analysis. (this includes, inter alia identifying & sizing (estimating the size) the target market as well as estimating the product's current and future sales potential.
- 3. Macro- & industry analysis:** This section includes information on a PESTEL (macro) and a Porter's 5 Forces (industry) analysis (incl. some info on distance issues).
- 4. Competitor analysis:** This section provides information on how to conduct a through analysis of your competitors.

Apart from the material provided in the info material, additional in-depth information can be found here:

- Porter's 5 Forces: [Video](#)
- The Explainer – Don't Just Sell Stuff – Satisfy Needs: [Video](#)
- Additional sources:
 - Google Trends
 - WKO

Challenge:

Finance

What are the financial effects for VARTA?

Based on the knowledge from this briefing: How will a market entry into such an emerging application affect VARTA financials in terms of estimated investments and profitability?

Key questions to be considered:

- What is the sales potential in this market?
- How will a market entry affect the profitability of Varta?
 - What are the implications for the profit & loss and the cashflow statement?
- What is the valuation of the investment?



- 1. Financial Planning (Business Case):** This section provides information on how to conduct a financial analysis of your entrepreneurial idea. This includes setting up a projected profit & loss, cash flow statement, (balance sheet – though not in focus usually) and a projected break-even point. Based on the financing need identified, different capital sources can be accessed.
- 2. Investment Valuation:** This section provide some methods on how to conduct an valuation of your idea. This forms often the basis for an investor t decide on the amount to invest. The methods presented include NPV, IRR, Multiples

Apart from the material provided in the info material, additional in-depth information can be found here:

- Videos explaining concepts:
 - [DCF](#)
 - [Multiples](#)
 - [Private Equity](#)
 - [Company Valuation](#)
 - [Balance Sheet](#)
 - [Cash Flow Statement](#)

Organization – VARTA case challenge

Content

Use a **presentation tool** to show your case. At least the **chapters product, market and financials must be covered**. The maximum slide deck covers **12 content slides** + cover and closing slide with contact details.

Please use www.varta.com to find more information on the business case.

Submission

Please **submit** your business case as PDF to business-case@wu.ac.at **until 10th of May 2020, 11:55 o'clock p.m.**

Contact

In case you have any **questions** related to the organization (!) of the business case challenge, **please contact** business-case@wu.ac.at

The contact person will be **available at regular working days** and responds as soon as possible.

The following informational material was provided with the help of the IIB institute

This guide and the info material was provided by

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