

# Kellogg Global Lab

## 2014-15 Project Application



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### Company Information

Company Name	
Industry	
Business Address	
Country	
Web Site Address	

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### Contact Details

Name of Primary Contact	
Position / Title	
Phone Number (starting with country code)	

E-Mail Address	
Skype Account (if applicable)	

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## Company Background

Briefly describe your company's business, your major product and service lines, and the markets you currently serve.

What year was the company established, and how would you describe its stage of development (e.g.: start-up, early stage, mature, etc.)?

How many employees does the company currently have?

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## Project Description

Describe the business challenge or opportunity that you are looking for the student team to help you solve. (Please note that the most attractive projects are typically those of high priority to the client company and center around issues of corporate strategy, marketing, finance and/or operations.)

What are the key deliverables that the team should provide at the end of the project?

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How much time will the CEO or Managing Director have to spend with the team when they're in country the last two weeks of March?

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Who are the other members of the senior management team that you expect to be involved in this project, and what are their titles?

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## Project Logistics

What special business skills or industry experience would be most valuable to have on the student team?

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How important is it for team members to have local language skills? Please elaborate.

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Where exactly will the on-site work take place in late March? Please list all the cities / offices where the students might be expected to visit.

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Does the company agree to pay a one-time fee of \$10,000 to cover student travel and administrative expenses?

Does the company agree to arrange and pay for a hotel or other accommodations for the students during their stay?

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## Other

*OPTIONAL:* Please provide any additional information, web site links or file attachments that you believe will help the students better understand your company and the nature of the project opportunity.

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### Company Information

Company Name	Baxter Healthcare
Industry	Healthcare – Medical Products
Business Address	One Baxter Parkway, Deerfield IL 60015
Country	US
Web Site Address	<a href="http://www.baxter.com">www.baxter.com</a>

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### Contact Details

Name of Primary Contact	Jimena Garcia
Position / Title	Group Manager, Business Model Innovation
Phone Number (starting with country code)	224-948-5462
E-Mail Address	<a href="mailto:Jimena_garcia@baxter.com">Jimena_garcia@baxter.com</a>

Skype Account (if applicable)

Jimena80

## Company Background

Briefly describe your company's business, your major product and service lines, and the markets you currently serve.

Baxter International Inc., through its subsidiaries, develops, manufactures and markets products that save and sustain the lives of people with hemophilia, immune disorders, infectious diseases, kidney disease, trauma, and other chronic and acute medical conditions. As a global, diversified healthcare company, Baxter applies a unique combination of expertise in medical devices, pharmaceuticals and biotechnology to create products that advance patient care worldwide. Baxter had 2013 sales of \$15.3 billion and has approximately 61,500 employees. The company is currently divided into two businesses:

**BioScience:** Baxter is a leading manufacturer of recombinant and plasma-based proteins to treat hemophilia and other bleeding disorders; plasma-based therapies to treat immune deficiencies, alpha 1-antitrypsin deficiency, burns and shock, and other chronic and acute blood-related conditions; and vaccines. 2013 Sales-\$6.6 Billion

**Medical Products:** Baxter's Medical Products business manufactures products used in the delivery of fluids and drugs to patients. These include intravenous (IV) solutions and administration sets, premixed drugs and drug-reconstitution systems, IV nutrition products, infusion pumps and inhalation anesthetics. The business also provides products and services related to pharmacy compounding, drug formulation and packaging technologies. In addition, Baxter's Medical Products business is a leader in Renal home-based therapies, such as peritoneal dialysis, and offers other products and services for people with end-stage kidney disease. 2013 Sales-\$8.7 Billion

What year was the company established, and how would you describe its stage of development (e.g.: start-up, early stage, mature, etc.)?

The company was founded in the 1930s. It is currently in a mature stage.

How many employees does the company currently have?

Approximately 61,500 employees.

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## Project Description

Describe the business challenge or opportunity that you are looking for the student team to help you SOLVE. (Please note that the most attractive projects are typically those of high priority to the client company and center around issues of corporate strategy, marketing, finance and/or operations.)

This project will be led by the Business Model Innovation Team within Baxter. During 2014 the BMI team partnered with the franchises to help define the business strategy for the next 10 years. As part of this process, we need to prioritize in which countries we would like to focus our future innovations. Currently, the information from emerging markets is fairly limited, so we would like to focus our partnership with Kellogg on exploring the business opportunity at two emerging markets (possibly Mexico and Brazil) for our Fluid Systems and Pharmacy businesses. The countries will be confirmed during October-November 2014.

The Kellogg team will need to help us understand the size of the opportunity for 2 markets, which will involve:

- Secondary Research to understand macro trends: PAYOR (access, coverage, and reimbursement for health service), POLICY MAKER (those who influence and/or make healthcare policies), PROFESIONAL, PROVIDER, AND PATIENT
- Primary Research in the respective countries to understand key insights of the different stakeholders. To execute this, the team will need to coordinate with the local Baxter team or with the global team for contact information. We do expect the team to navigate on their own the country to find additional possible interviewees
- Engagement of the regional, local, and global teams

What are the key deliverables that the team should provide at the end of the project?

The key deliverables will be:

- Key insights from the different stakeholders – using our internal framework around “jobs to be done”
- Total Market Potential and the size of the opportunity by region / type of hospital
- Identification of key opportunities and barriers

How much time will the CEO or Managing Director have to spend with the team when they're in country the last two weeks of March?

The Kellogg team will be partnered in the country with the respective business unit director. In addition, a Senior Manager from the global team will either go to the respective country (ies) with the team for a week during their trip or will supervise the team really closely.

Who are the other members of the senior management team that you expect to be involved in this project, and what are their titles?

Keyne Monson – VP Market Development - International  
Jimena Garcia – Group Manager Business Model Innovation  
TBD - Senior Manager Business Model Innovation

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## Project Logistics

What special business skills or industry experience would be most valuable to have on the student team?

Ideally we will want:

- Inquisitive individuals with high analytical and problem solving skills
- People with consulting, market research and / or healthcare experience (a plus, but not mandatory)
- Individuals with experience or exposure to emerging markets. The individuals will need to feel comfortable traveling on their own in emerging markets
- Excellent interpersonal skills

How important is it for team members to have local language skills? Please elaborate.

Not all the members need to speak Spanish but ideally at least 2 of them need to speak Spanish or Portuguese. If that's not possible, we can try to partner them with people from the local team but it might be a little bit challenging. The reasoning behind it is that they will need to execute interviews in the field and not everybody in those countries speaks English.

Where exactly will the on-site work take place in late March? Please list all the cities / offices where the students might be expected to visit.

The research will probably be in Mexico and Brazil. So the team will probably be required to divide into two and spend two weeks on each country. Ideally, they will need to visit at least 3-4 cities in those countries that will represent the biggest markets, markets where we have presence and others ones with potential.

Does the company agree to pay a one-time fee of \$10,000 to cover student travel and administrative expenses?

Yes – we agree

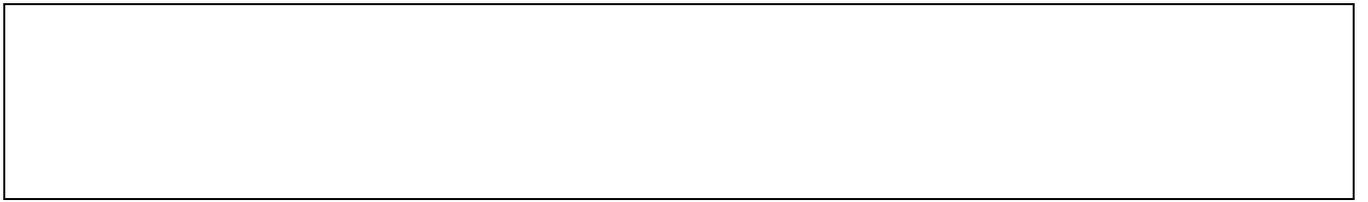
Does the company agree to arrange and pay for a hotel or other accommodations for the students during their stay?

Yes – we agree

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## Other

*OPTIONAL:* Please provide any additional information, web site links or file attachments that you believe will help the students better understand your company and the nature of the project opportunity.



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### Company Information

Company Name	PT. Multi Adiprakarsa Manunggal (aka "Kartuku")
Industry	Information Technology – Third Party Payment Services
Business Address	<b>Kartuku, PT. Multi Adiprakarsa Manunggal,</b> Plaza Setiabudi 2, 3 <sup>rd</sup> Floor, Suite 302-305 Jl. HR. Rasuna Said Kav. 62, Kuningan, Jakarta Selatan, Indonesia
Country	INDONESIA
Web Site Address	<a href="http://www.kartuku.com">www.kartuku.com</a>

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### Contact Details

Name of Primary Contact	Bonnie Mamanua
Position / Title	

Phone Number (starting with country code)	Office: +62 21 2991 5699 Mobile: +62 81 210 76463
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E-Mail Address	bonnie@kartuku.co.id
Skype Account (if applicable)	

## Company Background

Briefly describe your company's business, your major product and service lines, and the markets you currently serve.

Kartuku operates in the following sectors in Indonesia: Payment solutions; Retail Solutions; Loyalty & Prepaid; Branchless Banking. We are the market leader in Indonesia for unified payment solutions. We run close to 200k EDC machines that connects multiple banks to Indonesia's largest retailer

Kartuku is a premier Payment Services Provider ("PSP") and Indonesia's leading third party payment provider ("TPP"). We provide end-to-end, full-service payment solutions that enable the processing of electronic transactions. Our goal is to build a secure, reliable and efficient payment "cloud".

We provide products and services in 5 main areas:

- Managed Services: we lease and provide services for credit card terminals ("EDC") for 10 out of 11 acquiring banks in Indonesia. We currently have ~60,000 EDCs under management
- Payment Processing: We currently manage large retailers' installed EDCs and process their debit/credit card payments securely. Our solution allows retailers to use a single EDC across all acquiring banks. It also allows for secure data storage, automatic payment reconciliation and online/wen-based reporting.
  - o We are fully PCI-DSS 2.0 compliant and have Active-Active Primary and Disaster Recovery Data Centers and comply with the highest global data security standards.
  - o Our clients include : the largest Hypermarket chain, the largest Department store chain, the largest Convenience store chain, and the largest Electronic goods chain in Indonesia
    - We process millions of transactions per month through our data centers. This year we estimate to process more than 45 million transactions and expect to growth that number 119% in 2015
- Bill Payment: we provide bill payment solutions for both consumers with a bank account and the unbanked
- E-Commerce: Kartuku has developed a secure Internet Payment Gateway with a leading global technology partner (TNS)
- Loyalty & Prepaid: Largest customer to date is a major department store retail chain in Indonesia with

their more than 7.5 million loyalty members

Companies with similar activities in other countries are FirstData (US) and Cielo or Redecard (Brazil)

### What year was the company established, and how would you describe its stage of development (e.g.: start-up, early stage, mature, etc.)?

Kartuku as it is today was re-established in 2006. Today Kartuku is at a high-growth stage and aggressively expanding current portfolio to fuel growth.

Kartuku was established in 2001 with a goal of creating a debit card “scheme” in Indonesia (e.g. similar to China UnionPay, JCB, Carte Bleue). Despite signing partnership agreements with several banks and rolling out >3,000 EDCs, this business model was ultimately difficult to implement without government or Bank Indonesia (central bank) involvement.

Kartuku as it is today was re-established in 2006. The initial focus was on acquiring payments. Over the past 8 years, we have evolved from an EDC managed services company to a full payment service provider. The key milestones are:

- Payment application development and certification with 10 out of Indonesia’s 11 acquiring banks. All of these banks are our customers today. We are the only PSP with this number of acquiring bank customers.
- National Coverage: we have 39 offices today covering 111 cities in Indonesia
- Completion of our PCI-DSS compliant active-active data centers and set-up of the Network Operations Center (NOC)
- Implementation of our Payment Processing solution with Carrefour (85 stores, 2,700 EDCs) establishing Kartuku as Indonesia’s first TPP
  - To-date roll-out of this Payment Processing solution with 5 of the top 10 Retailers in Indonesia
- Implementation of our Bill Payment solution. This solution allows consumers to pay bills to ~50 service providers (e.g. mobile phone operators, utilities in Indonesia) using an EDC. In future, we plan on implementing our Bill Payment solution using several types of front-end interface (hardware, internet)
- Development of a micro-finance solution with biometric verification
- Development of Kartuku’s Internet Payment Gateway
- Development of Kartuku’s Loyalty & Prepaid solution

### How many employees does the company currently have?

Kartuku has 388 employees, structured in the following departments:

- Sales and Marketing: 33
- R&D and IT Operations (network): 115

- Terminal Operations: 204
- Finance: 9
- Supporting: 31

## Project Description

Describe the business challenge or opportunity that you are looking for the student team to help you solve. (Please note that the most attractive projects are typically those of high priority to the client company and enter around issues of corporate strategy, marketing, finance and/or operations.)

Kartuku management is focusing on the next stage of its development prioritizing new market expansion strategy. The G-Lab team will focus on the expansion of Kartuku into the Traditional Retail Space at the bottom of the pyramid with Kartuku's set of Collection and Disbursement Services such as Bill Payment and G2C Subsidy Distribution programs (Pension, Welfare, Health, Micro Finance, Micro Insurance) leveraging biometric verification technology. This strategy/project will result in Kartuku's Marketing Strategy and Sales Engagement Model to address expansion into this new market.

The scope of project will be in New Market Entry into the traditional retail space and will be split into 2 parts:

- Part 1: US-based Research and Analysis
  - a. Addressable market – quantifying and narrowing the focus
  - b. Benchmark addressable market & existing programs against similar emerging market
  - c. Benchmarking success cases around the world, with a focus on commercial structures, pricing models, and partnership opportunities.
  - d. Benchmark addressable market & existing programs against developed market
- Part 2: Indonesia-based Proof of Concept (POC)
  - a. On-the-ground verification and POC

What are the key deliverables that the team should provide at the end of the project?

The end deliverable is for the G Lab team to provide a Sales and Marketing Go To Market “playbook”; a set of “how-to” templates to serve as guidance for on-the-ground execution which includes, but are not limited to, the following:

- Key Messaging Framework per solution
- Highlighting key value propositions around set of key products
- Pricing benchmarking; Revenue models
- Strategic Positioning Recommendation against existing and potential competitors
- Sales Engagement Model Recommendation
- Applicable Research publications

How much time will the CEO or Managing Director have to spend with the team when they're in country the last two weeks of March?

Kartuku CEO, Niki Luhur, will dedicate at least 1 day per week (20% of his time) to the team. The CCO (Chief Commercial Officer) will dedicate no less than 1 day per week to the team.

Who are the other members of the senior management team that you expect to be involved in this project, and what are their titles?

The CCO (Chief Commercial Officer) and CFO will also be closely involved as this project is part of Kartuku's strategic direction for growth.

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## Project Logistics

What special business skills or industry experience would be most valuable to have on the student team?

All of the below points are preferred/valuable, but not required.

**Topic Expert: Knowledge or working experience in payment systems**

- **Work Backgrounds:**

**1. Retail**

**a. Sales channel management in the retail environment**

**b. Sales channel development in traditional retail environment**

**2. Government Programs – collection & disbursement**

**a. Program management**

**3. Management Consultant**

**a. Product Marketing Management**

How important is it for team members to have local language skills? Please elaborate.

Bahasa Indonesia is preferred, but not required (all members of the management team are fluent in English). On-site resources who are conversant in English are available and can function as interpreters.

Where exactly will the on-site work take place in late March? Please list all the cities / offices where the students might be expected to visit.

Jakarta Head Office

Does the company agree to pay a one-time fee of \$10,000 to cover student travel and administrative expenses?

YES.

Does the company agree to arrange and pay for a hotel or other accommodations for the students during their stay?

YES.

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## Other

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### Company Information

Company Name	Next Media
Industry	Media, News
Business Address	8 Chung Ying Street, Tseung Kwan O,
Country	Hong Kong
Web Site Address	<a href="http://www.nextmedia.com">www.nextmedia.com</a>

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### Contact Details

Name of Primary Contact	Timothy Yiu
Position / Title	COO, Digital Business
Phone Number (starting with country code)	HK: +852 2623-9980 / US: +1 408-805-0630

E-Mail Address	tim@nextmedia.com
Skype Account (if applicable)	timyiu

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## Company Background

Briefly describe your company's business, your major product and service lines, and the markets you currently serve.

Leading newspaper and magazine in Hong Kong and Taiwan with online and mobile business. Inventor and leading producer of animated news (i.e., using CG animation to illustrate news).

What year was the company established, and how would you describe its stage of development (e.g.: start-up, early stage, mature, etc.)?

1990s

How many employees does the company currently have?

About 6000

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## Project Description

Describe the business challenge or opportunity that you are looking for the student team to help you solve. (Please note that the most attractive projects are typically those of high priority to the client company and center around issues of corporate strategy, marketing, finance and/or operations.)

At Apple Daily Taiwan, we pride ourselves on the ability to continue growing our business in this digital era as the consumption of traditional media and advertising needs shrunk when the demand for products on new media platforms developed. Part of the strategy we employed in 2009 was to transform the traditional, plain text & picture news into multimedia format featuring animations and videos - which we termed Action News, and has since become immensely popular with readers.

In the past year, we have started delivering live broadcasts for breaking news and a variety of events as we see the demand of such service emerging in the digital sphere, including service providers and platforms featuring self-produced short mobile videos, user-generated videos and live broadcasts. We see this as an opportunity for Apple Daily Taiwan for tapping into the already matured, highly-penetrated TV content production and broadcasting industry, providing breakthrough services that could possibly be a substitute to the traditional TV-related entertainment products.

Existing TV channels are usually very mass-targeted, or at communities with a significantly large demand. We observe that the new media platforms are enabling content publishers to only target at very niche groups of audience. Examples of these include Twitch for gamers and yy.com for karaoke lovers & young male audience, as well as various Youtube channels for different communities. Our goal is to define a viable business strategy and relevant product offerings to capture new market segments and fill the demand gap in which traditional TV had difficulties in reaching.

What are the key deliverables that the team should provide at the end of the project?

Discover insights from other businesses operating in similar models, assess demand from the Taiwan community for such products and apply these findings into the formation of a digital business plan that enables Apple Daily Taiwan into successfully launching these new products to capture additional market share and commercial opportunities.

How much time will the CEO or Managing Director have to spend with the team when they're in country the last two weeks of March?

The CEO will be available for the project kick-off as well as for the project summary presentation. He may be available during the visit on a as-needed basis.

Who are the other members of the senior management team that you expect to be involved in this project, and what are their titles?

MDs and General Managers from relevant business units will be available throughout the visit.

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## Project Logistics

What special business skills or industry experience would be most valuable to have on the student team?

- Business planning experience (i.e., experience with creating concise business plans & know-how to formulate business models).
- Industry knowledge of or direct experience in 1) mobile technology industry 2) news and media industry.

How important is it for team members to have local language skills? Please elaborate.

Very helpful, as Mandarin Chinese is the official language for written and spoken forms of communication. However, English is used throughout the company.

Where exactly will the on-site work take place in late March? Please list all the cities / offices where the students might be expected to visit.

Taipei, ROC

Does the company agree to pay a one-time fee of \$10,000 to cover student travel and administrative expenses?

Yes

Does the company agree to arrange and pay for a hotel or other accommodations for the students during their stay?

Yes

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## Other

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The company founder and chairman, Mr. Jimmy Lai represents the soul of the company. His independent outlook and defiance of oppressive authorities has endeared his publications to the common man, and is key to understanding to our "voice". His story and that of the company can be gleaned from these links:

[http://en.wikipedia.org/wiki/Jimmy\\_Lai](http://en.wikipedia.org/wiki/Jimmy_Lai)

<http://www.wired.com/wired/archive/2.12/typhoon.html>

[http://www.wired.com/magazine/2010/08/mf\\_appledaily/](http://www.wired.com/magazine/2010/08/mf_appledaily/)

<http://www.scmp.com/topics/jimmy-lai>

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### Company Information

Company Name	Pivot Point International, Inc.
Industry	Beauty/Education
Business Address	1560 Sherman Avenue, 7 <sup>th</sup> Floor Evanston, IL 60201
Country	USA
Web Site Address	pivot-point.com

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### Contact Details

Name of Primary Contact	Jan Laan Melissa Goldman
Position / Title	Vice President, International Business Development Director, International Business Development
Phone Number (starting with country code)	+ 31-20-8456205 (Netherlands) + 1-847-866-0500 ext. 7357 (USA)

E-Mail Address	<a href="mailto:jlaan@pivot-point.com">jlaan@pivot-point.com</a> <a href="mailto:mgoldman@pivot-point.com">mgoldman@pivot-point.com</a>
Skype Account (if applicable)	Janlaanhome melissa.steinfink

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## Company Background

Briefly describe your company's business, your major product and service lines, and the markets you currently serve.

Pivot Point International develops and globally distributes educational programs for beauty schools and salons. Main products are textbooks, DVDs, and now an online learning system, as well as training mannequin heads and tools for beauty students. In the USA, around 240 schools operate as PP member schools, and an additional 500 schools are our clients (total 750 out of 2500). In the USA, we touch approximately 13,000 beauty school students annually with our unique PP system (Licensure and Salon Readiness), and an additional 30,000 students with our programs to reach Licensure. In hairdressing education for schools we are considered the global market leader.

Internationally, we are well established through a network of Distributors in the following major markets: Australia, Benelux, Canada, France, Germany, Scandinavia, and others. We do business in many additional markets throughout Central & South America, South Africa, Asia, and more.

In addition to our distribution business, PPII owns and operates 2 beauty schools in the Chicagoland area.

What year was the company established, and how would you describe its stage of development (e.g.: start-up, early stage, mature, etc.)?

Established in 1962 – a mature company looking to continue its growth in underdeveloped international markets

How many employees does the company currently have?

Approximately 132 employees

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## Project Description

Describe the business challenge or opportunity that you are looking for the student team to help you solve. (Please note that the most attractive projects are typically those of high priority to the client company and center around issues of corporate strategy, marketing, finance and/or operations.)

Pivot Point International is looking internationally for its strongest expansion. A key strategic initiative is to further develop the Turkish market. We believe there is much more opportunity than what is currently developed and we have

identified a few major stumbling blocks:

1. Unenforced licensure requirements
2. Products which fit the market in content and style
3. Pricing

Turkey is a growing opportunity for PP if we have the right PP program at the right price. Our distributor has the right contacts to effectively promote the business. We don't think he has the right organization in place yet but that can grow. We want discover how to best develop the Turkish market and we would like to get a complete overview of the current landscape to understand our opportunity with private as well as government schools.

Is it commercially viable to open 3-5 company-owned academies around the country, one in each major city? Or, should the PPD develop the market with local partners with private schools? Or perhaps through government supported initiatives?

If development through partners is preferred, what kind of local variations may we need to consider to develop the various local markets with success? And, what kind of support do such partners require - beyond what the PPD is already doing - to successfully position, manage and control the PP brand?

Pivot Point is very dependent on having a strong local partner for distribution in such markets as Turkey. The cultural differences, the language, and the required investment are all reasons to continue with a distribution partnership. We believe we have the beginnings of such a partnership with our current distributor but communication is not easy. Doing the global lab research project in collaboration with this local partner provides us with much better insight into the market, as well as into the capabilities of our current partner. This will be critical to determine our chances of future success.

What are the key deliverables that the team should provide at the end of the project?

1. Thorough Situational Analysis: cultural requirements, course duration, fees, student demographics, estimates of number of schools and students, attitude towards beauty education, number of salons and stylists, current educational and training materials used
2. Competitive Analysis (existing schools, educational publishers, other)
3. Recommendations and strategic considerations

How much time will the CEO or Managing Director have to spend with the team when they're in country the last two weeks of March?

Our local distributor in Istanbul and their team will be at their disposal for several days in country and will assist with local arrangements, transportation and

translation if needed. This can be flexible depending on the need.

Who are the other members of the senior management team that you expect to be involved in this project, and what are their titles?

Melissa is based "in office" in Evanston and will be the primary contact. Jan will join for meetings for regarding project clarification and as needed. Project results will be shared with our local distributor and our Senior Leadership Team.

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## Project Logistics

What special business skills or industry experience would be most valuable to have on the student team?

Knowledge of education as a business, franchising, research skills.

How important is it for team members to have local language skills? Please elaborate.

Having a Turkish or even German speaking team member would be a big plus, but it is definitely not obligatory.

Where exactly will the on-site work take place in late March? Please list all the cities / offices where the students might be expected to visit.

Istanbul, Turkey

Does the company agree to pay a one-time fee of \$6,000 to cover student travel and administrative expenses?

Yes. Travel will be on Turkish Airlines.

Does the company agree to arrange and pay for a hotel or other accommodations for the students during their stay?

Yes.

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## Other

*OPTIONAL:* Please provide any additional information, web site links or file attachments that you believe will help the students better understand your company and the nature of the project opportunity.

Since we are located in Evanston, it would be ideal if the students could visit our headquarters to learn more about PPII and its products.