

INSPIRE WILDERNESS

Market entry
Non-profit

Low difficulty
Interviewer-led case

This case focuses on the launch of a potential new service by Inspire Wilderness, a non-profit client that runs wilderness treks for disadvantaged teenagers. The case is primarily interviewer-led, but candidates are encouraged to drive the thinking independently at times.

The case tests a candidate's ability to adapt his or her thinking to an unusual client type. It covers all dimensions of the case interview scorecard, with an emphasis on judgement and insight. A high-performing candidate will show thoughtfulness about the specific concerns and circumstances of a non-profit client, and will reflect this in how he or she structures and solves the problem.

Problem definition

Our client is Inspire Wilderness, a small non-profit organization based in the North-West United States. The client primarily offers an outdoor experience called Trek Wilderness, which is targeted at disadvantaged teenagers, often from deprived economic backgrounds.

The trips comprise hiking, camping, and a range of team-building, bushcraft, and other activities. The trips are designed in part to help disadvantaged young people build their confidence and develop a positive perspective on their lives.

A friend of the organization recently suggested that Inspire Wilderness should launch a comparable programme for business executives. These trips would be shorter, and of course targeted at a very different demographic, but would involve a comparable set of activities. The board thinks the proposal is worth considering, and has retained you to make a recommendation on how they should proceed.

Should Inspire Wilderness launch a new executive offering?

Additional information

If a candidate asks for Inspire Wilderness' objectives, flag that while we've not yet received specific evaluation criteria for this new offering, we do know that:

- The new programme would need to be profitable; we cannot assume any subsidy as we might with the core offering
- The client's historic goals as an organization are: i) to help people in need, and ii) to foster a positive relationship between people and the environment.

Question 1 (Structuring)

How would you structure your approach to solve this problem?

Additional information

While there are many ways to structure this case, a strong candidate will include some items specific to the priorities of a non-profit, such as culture & values, reputation, or legal constraints to retain non-profit status.

Possible answer

1. *Economic attractiveness: How much income can the programme create to help Inspire Wilderness extend its impact?*
 - a. *Up-front investment requirements*
 - b. *Expected profit, and implied timeframe to break-even on investment*

2. *Operational feasibility: Does Inspire Wilderness have what it takes to deliver executive programmes?*
 - a. *Physical infrastructure*
 - b. *Skills & capabilities*

3. *Risk factors: Are there any prohibitive risk factors such that Inspire Wilderness may not want to launch the programme?*
 - a. *Culture & values*
 - b. *External reputation*
 - c. *Legal or regulatory restrictions*

Question 2 (Numeracy)

The client wants to begin by reviewing potential economics for the proposed executive offering. They've gathered some information on expected revenues and costs for the programme, compared against their current Trek Wilderness trips.

Based on this information, do you think the executive programme makes sense from an economic perspective?

Additional information

If a candidate seems unsure, flag that we're looking for a comparison between the two offerings on a per-trip basis and they should calculate numbers for both accordingly.

If the candidate asks, share that:

- Based on initial market testing, we're confident that there is a sufficiently large market for this offering. Executives see the retreats as a way to re-energize and re-connect with nature, away from their busy lives
- Up-front investment can be considered negligible: no capital equipment is required, and we'd market the programme via word-of-mouth and through sales calls using our current team's capacity
- We intend to run up to 4 trips per year, which we believe can be done without compromising our existing 10 Trek Wilderness trips each year. However, the calculation for this question should be undertaken on a per-trip basis only

An insightful candidate will quickly notice that the existing programme is loss making, and that Inspire Wilderness must have additional funding sources. If asked, share that Inspire Wilderness relies largely on private donors.

Possible answer

The profit for each of the trips can be calculated in two stages. First, we'll compute the revenue per trip by multiplying the programme fee per attendee by the number of attendees. Second, we'll understand cost as the sum of three components: i) food and equipment, ii) insurance, and iii) guide cost. We'll subtract the second component from the first to understand the profit for each trip.

The existing Trek Wilderness programme loses \$7,800 per trip:

- Revenue is \$7,200 (8 attendees each paying \$900)
- Cost is \$15,000:
 - Food & equipment: \$11,000 ($8 \times 125 \times 11$)
 - Insurance: \$1,250
 - Guide cost: \$2,750 ($2 \times 125 \times 11$)

The proposed executive trips make \$15,000 per trip:

- Revenue is \$32,000 (16 attendees each paying \$2,000)
- Cost is \$17,000:
 - Food & equipment: \$12,800 ($16 \times 200 \times 4$)

- Insurance: \$1,000
- Guide cost: \$3,200 (4*200*4)

Based on this comparison, the proposed executive offering clearly makes economic sense. We could perhaps use the income from the executive trips to offset losses from our disadvantaged teenager trips. For each executive trip we run, we could subsidize almost an additional two Trek Wilderness trips.

100%

	2019	2020
Revenue	0	0
Operating expenses	100	100
Operating loss	0	0
Income tax expense	100	100
Net loss	0	0
Other comprehensive income	100	100

Question 1 (1 mark)

Which of the following is NOT a characteristic of a public good? (1 mark)

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Multiple choice

1. Excludability

1. Excludability is the ability to prevent others from consuming a good or service.
2. Excludability is the ability to prevent others from consuming a good or service.
3. Excludability is the ability to prevent others from consuming a good or service.

2. Rivalry

1. Rivalry is the ability to prevent others from consuming a good or service.
2. Rivalry is the ability to prevent others from consuming a good or service.
3. Rivalry is the ability to prevent others from consuming a good or service.

3. Non-excludability

1. Non-excludability is the ability to prevent others from consuming a good or service.
2. Non-excludability is the ability to prevent others from consuming a good or service.
3. Non-excludability is the ability to prevent others from consuming a good or service.

Which of the following is NOT a characteristic of a public good? (1 mark)

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Definition of a contract

The law defines a contract as an agreement between two or more parties which is legally binding and enforceable.

Essential elements

For a contract to be valid, it must contain the following essential elements:

1. Offer and acceptance: One party must make an offer, and the other party must accept it.

2. Intention to create legal relations: The parties must intend to create a legally binding relationship.

3. Capacity: The parties must be legally capable of entering into a contract.
4. Consideration: There must be something of value exchanged between the parties.
5. Legality: The contract must be for a lawful purpose.

Contract law

Contract law governs the relationship between parties to a contract and provides a framework for enforcing the terms of the agreement.

It sets out the rules for how a contract is formed, how it can be varied, and how it can be terminated. It also provides remedies for breach of contract.

The law of contract is a complex area of law, and it is important to seek legal advice if you are involved in a contract.

Question 1: 1/1 (100%)

1. Which of the following is not a characteristic of a public good? (Select all that apply.)

The good is non-rivalrous. (Select all that apply.)

The good is non-excludable. (Select all that apply.)

Answer: 1/1 (100%)

Correct! The good is non-rivalrous. (Select all that apply.)

Question 2: 1/1 (100%)

2. Which of the following is not a characteristic of a public good? (Select all that apply.)

The good is non-rivalrous. (Select all that apply.)

The good is non-excludable. (Select all that apply.)

The good is non-rivalrous. (Select all that apply.)

Section 1: Introduction

What is the purpose of this document?

Key points

The purpose of this document is to provide a clear and concise overview of the project's objectives, scope, and timeline. It is intended for use by all stakeholders involved in the project, including the project manager, team members, and sponsors. This document will serve as a reference point throughout the project's lifecycle.

1. Define the project's purpose and objectives. The project's purpose is to develop a new software application that will improve the efficiency of the company's internal processes. The objectives of the project are to complete the development and deployment of the application by the end of the year, with a budget of \$1 million.
2. Identify the project's scope and deliverables. The project's scope includes the development, testing, and deployment of the software application. The deliverables of the project are the completed software application, user manuals, and training materials.
3. Establish the project's timeline and milestones. The project's timeline is 12 months, starting from the beginning of the year and ending at the end of the year. The milestones of the project are the completion of the requirements gathering phase, the start of development, the completion of testing, and the final deployment of the application.

This document is a living document and will be updated as the project progresses. It is the responsibility of the project manager to ensure that this document remains accurate and up-to-date.