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Tavaga Strategy Case Competition 2019

The Tavaga Strategy Case Competition 2019 aims to nurture the entrepreneurial and strategic abilities of students at the undergraduate and post-graduate level. The industry-relevant case will give students a deep insight into the FinTech ecosystem in India.

The prize pool consists of INR 65,000 (1st: INR 50,000 and 2nd: INR 15,000), to be won at both the undergraduate and the post-graduate level.

Additionally, winners from both categories stand to get a chance of a pre-placement employment offer/internship with Tavaga.

About Tavaga

[Tavaga](#) is a SEBI-registered Robo Adviser. Tavaga empowers retail investors by giving them access to the same technology, processes, advice and investment products as those used by professional investment funds. Tavaga aims to empower investors by helping them save more for and achieve user-defined goals, through algorithm-based investment advice in exchange traded funds (ETFs).

The use of ETFs is a prudent financial advice for core investment portfolio of a wide range of investors. Based on its algorithmic predictions, Tavaga [allocates](#) and rebalances capital among the asset classes of International Equity, Domestic Equity, Gold and Debt ETFs. ETFs have:

- Lower Fund Management fees than most mutual funds
- No trailing commission for distributors as ETF is traded on the exchange (unlike in mutual funds)

More information on ETFs here – [What Are ETFs?](#)

Problem Statement

Tavaga has a growing concern, that is, playing an essential role in creating awareness about ETFs and passive investing. Conventional wealth advisers focus purely on clients who are millionaires. Due to this, penetration of financial products is miniscule, resulting in a lack of financial inclusion.

In today's day and age, most individuals have been exposed to mutual funds, thanks to the "*Mutual Funds Sahi Hai*" marketing blitzkrieg conducted by the Association of Mutual Funds of India (Amfi). Due to this, excessive concentration is on selling active management-based instruments (conventional mutual funds). Hence, most Indian customers have never been exposed to ETFs. Tavaga's current task is to create awareness about the existence and salient features of ETFs, in a market dominated by high-decibel media spending by competitors.

Another major form of resistance Tavaga is combating is the availability of easy credit, which destroys any incentive for Indians to save and invest towards their goals and aspirations. The springing up of NBFCs by a dime a dozen has led to excessively easy credit access for most of Indian society. A large portion of this

credit is available for personal consumption such as loans for electronics, vehicles, holidays, et al. This, in turn, is dampening the spirits of saving for a rainy day, which used to be deeply ingrained in our social fabric. Instant gratification due to such easy credit leads to impulsive purchases and, in the long term, proves detrimental to an individuals' personal finances.

Tavaga aims to educate young millennials about the hazards of the credit trap and wants to bring them into the fold of prudent far-sighted investing universe, through ETFs. The penetration of financial products is miniscule, and a deeper one is needed as India progresses towards a \$5-trillion economy.

Current Approach

As part of its endeavour, Tavaga is educating customers about ETFs by regularly conducting Investor Awareness Programmes (IAPs). Tavaga also provides customers with on-call assistance to resolve any of their queries regarding investing, ETFs and the product. More recently, [Upstox](#), the new-age online discount-broking firm has tied up with Tavaga on providing investment advisory services via low-cost ETFs. Tavaga has also tied up with the Denmark-based financial education company, [Tradimo](#) to create further awareness among early investors.

Recommendations & Implementation Plan

Keeping in mind the potential future direction of the company, as well as the problems it currently faces, recommend to Tavaga a strategic route to market. Do note that the solutions should be out of the box ideas, without any suggestions of advertising campaigns.

Rules & Timeline

Interested students are required to form teams of two to four individuals from their college. The submission deadline for the solved cases is 3pm on the 15th of September, 2019. The solved case presentation slides are to be submitted to case@tavaga.com in PDF format.

Teams are required to register for the competition on the following form: <https://bit.ly/2ZwVHj6>

Judging Criteria

Criteria	Maximum Attainable	Points
Quality of the presentation	5	
Understanding of problem statement	10	
Quality of assumptions	15	
Assessment of competitive landscape	15	
Plausible solutions & risk-reward assessment	25	
Execution plan of most feasible solution	30	