

# KKR Diversity, Inclusion and Innovation Case Competition 2019 – Overview

<p><b>Overview</b></p>	<p>You are cordially invited to participate in the 2019 CBS/KKR Diversity, Inclusion and Innovation Case Competition. As part of the competition, teams will identify and pitch a company as a Leveraged Buyout (“LBO”) candidate and have the opportunity to present to an ‘Investment Committee’ comprised of executives at KKR</p>
<p><b>Purpose of Competition</b></p>	<p>At KKR, we believe that diverse teams increase performance and produce better results. Teams consisting of individuals with varied backgrounds and perspectives will help strengthen the overall outcomes. Therefore, we are particularly interested in partnering with CBS to identify talent that leverages different experiences, capabilities, skills and viewpoints to enhance the outcomes in the case competition.</p> <p>The purpose of the competition is to:</p> <ul style="list-style-type: none"> <li>• Bring diverse voices to and encourage diversity within the private equity industry</li> <li>• Leverage the benefits of having teams with different viewpoints, backgrounds, skill and experiences</li> <li>• Give students an experience of pitching an investment in a real-life context</li> </ul>
<p><b>Eligibility</b></p>	<p>To participate, you must form a diverse team of 4-5 students. In creating teams, individuals should consider all different forms of diversity, including different backgrounds, experiences and skill sets.</p> <p>Teams will be judged in part on the diversity of their composition.</p> <p><b>Criteria</b>            Teams are encouraged to have a combination of the following forms of diversity: gender, race/ethnicity, sexual orientation, veterans, various cohorts (EMBA, Full time, etc.), various professional experiences (i.e. marketing, accounting, investment management, etc.), varying industries, and different class years. Teams cannot be comprised exclusively of individuals with only PE backgrounds.</p> <p>Note: teams have the option to include one undergraduate student per team, as the undergraduate PE club members will be invited to the kick-off networking reception.</p>
<p><b>Competition</b></p>	<p>Teams will identify and pitch a company as a potential LBO candidate for KKR. This is an open-ended competition where teams may select any company provided the company:</p> <ol style="list-style-type: none"> <li>(1) is in either the telecommunications, media and technology (“TMT”) or consumer retail industries;</li> <li>(2) is a publicly-listed corporation in the United States;</li> </ol>

# KKR Diversity, Inclusion and Innovation Case Competition 2019 – Overview

<p><b>Competition (continued)</b></p>	<p>(3) has a total enterprise value (“TEV”) of at least \$1 billion</p> <ul style="list-style-type: none"> <li>Teams should identify companies that provide attractive risk-reward as an investment for KKR. Teams should look to identify companies that are either: i) in a market or sector with attractive growth prospects or industry dynamics, ii) have distinct competitive advantages, iii) have the potential for value creation through operational improvement or more focused management and/or iv) are attractively valued, with a disconnect between the current stock price and fair/intrinsic value (or some combination of the above)</li> <li>Teams should assume in their analysis that KKR will pay at least a 15% premium over the company’s current stock price to acquire the company</li> <li>Consistent with the goals of this competition, please include an overview of the diversity of the leadership team (i.e. board of directors, management team, senior leadership, etc.). Will the diversity or lack thereof, impact your value proposition? Is the companies diversity in alignment with KKR’s goals and in line with the expectation of investors.</li> </ul>
<p><b>Prize</b></p>	<ul style="list-style-type: none"> <li>Prize for winning team members is an exclusive visit to KKR offices to meet with diverse senior executives</li> <li>Automatic acceptance to Deal Camp 2019 and partial scholarship will be offered to winning team(s)</li> </ul>
<p><b>Timeline</b></p>	<ul style="list-style-type: none"> <li>October 10: Kick off info session and networking event for team building</li> <li>October 12: Deadline to submit team roster to PE Program <a href="mailto:PEP@gsb.columbia.edu">PEP@gsb.columbia.edu</a></li> <li>October 28: Final PowerPoint deck for presentation submitted to the PE Program <a href="mailto:pep@gsb.columbia.edu">pep@gsb.columbia.edu</a></li> <li>November 8: Finalists selected and notified if they will be invited to present on 11/13</li> <li>November 11 (EOD): Final PowerPoint deck for presentation must be submitted to the PE Program <a href="mailto:pep@gsb.columbia.edu">pep@gsb.columbia.edu</a></li> <li>November 13: Finalists will present to a panel of private equity professionals at KKR. Winning team to be announced</li> </ul>
<p><b>Submission</b></p>	<ul style="list-style-type: none"> <li>Teams will submit an Investment Committee Memorandum in PowerPoint format of 15-20 pages in length. See next page for IC Memo outline.</li> <li>Teams must include a slide on their team members and how their team is diverse</li> <li>IC memos will be judged on presentation, overall viability of the thesis, the diversity of the team and on the content of the memo</li> </ul>
<p><b>Resources</b></p>	<ul style="list-style-type: none"> <li>Teams should reference the target company’s public filings (10-K, 10-Q, investor presentations, earnings releases and earnings transcripts) as well as research reports available through CapitalIQ</li> <li>LBO overview/training session will be provided by the Private Equity Fellows Program on October 11 and October 14, plus individual consultations will be available for teams who have specific questions.</li> </ul>
<p><b>Questions</b></p>	<ul style="list-style-type: none"> <li>If you have any questions, please reach out to the Private Equity Program at <a href="mailto:pep@gsb.columbia.edu">pep@gsb.columbia.edu</a> or Bola Osakwe at <a href="mailto:Adebola.Osakwe@kk.com">Adebola.Osakwe@kk.com</a></li> </ul>

# KKR Diversity, Inclusion and Innovation Case Competition - Submission Outline

## Submission – Investment Committee Memo Outline

- Teams will submit an Investment Committee Memorandum in Powerpoint format of [15-20] pages in length. We would encourage teams to make the IC Memo more visual and easy to digest (i.e. more charts, less text)
- The IC Memo should cover the following sections:
  - **Executive Summary**
  - **Company Overview**
    - Key products and business lines
    - Unit economics
  - **Investment Thesis**
    - Market/sector: Is this industry growing quickly or stable/defensive? What are the factors underlying the industry's demand drivers? What are the barriers to entry?
    - Company: How is the company positioned? What are the company's competitive advantages? What value proposition does it provide to customers?
  - **Key Risks & Considerations**
    - Is the industry/sector highly cyclical and susceptible to the macro-economic cycle?
    - What are the major risks and potential disruptors to the market/sector?
    - Who are the company's key competitors and how much of a threat are they?
    - What are the key mitigants to the risks you have identified?
  - **Business Plan**
    - What do you think the opportunity is to improve the business through operational improvement, product development, new sales and marketing tactics, and/or more focused management? What are your near and mid-range plans for the company?
    - Is there opportunity to grow the company's topline perhaps through cross-selling or new products? What does the company's expense structure look like and is there opportunity to improve margins?
    - Is there an opportunity to improve the company's valuation or strategic positioning through acquisition or merger?
  - **Valuation & Proposed Capital Structure**
    - Acquisition EBITDA multiple
    - Trading comparables - how does the acquisition compare to valuations for other companies in the sector?
    - Sources and uses - debt and equity capitalization for transaction
  - **Returns & Projections**
    - Historical operating and financial performance
    - Base case, upside and downside projections over 5-7 years
    - Sensitivity analysis - entry/exit multiple, growth drivers, synergies, leverage
  - **KKR Value Proposition**
    - Identify different KKR business units that you could involve in this investment to generate additional value for the Company