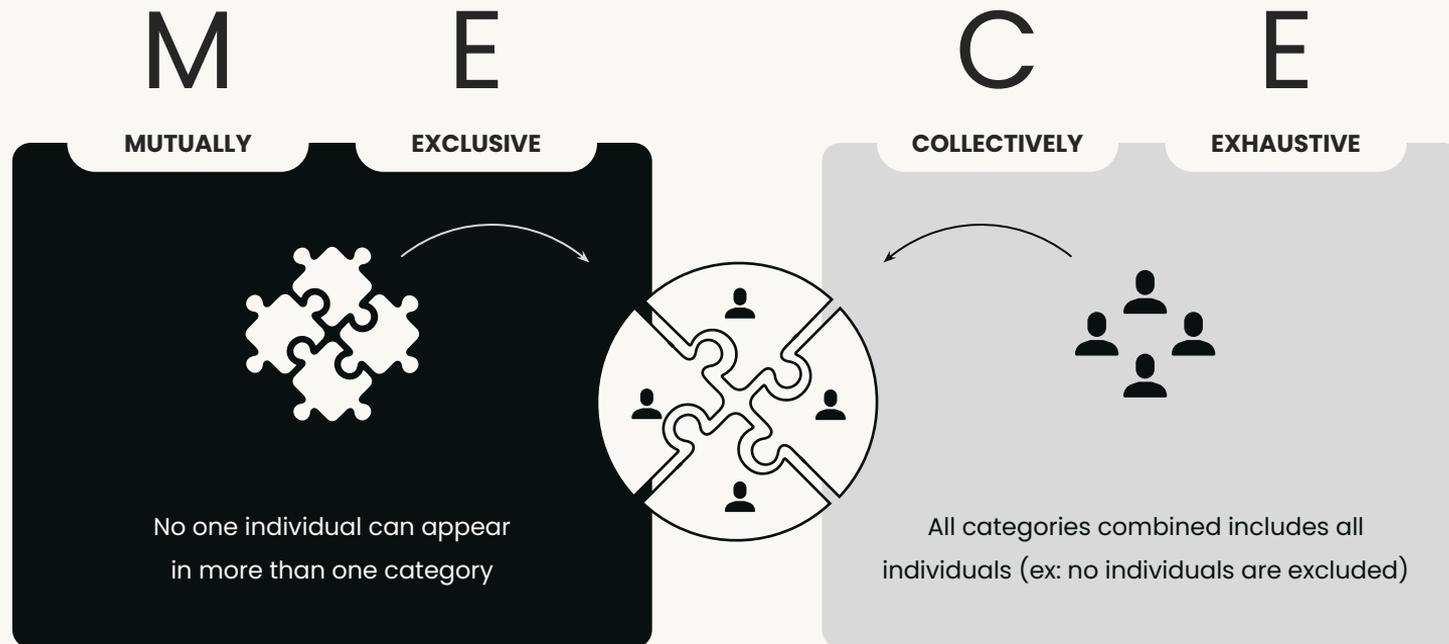


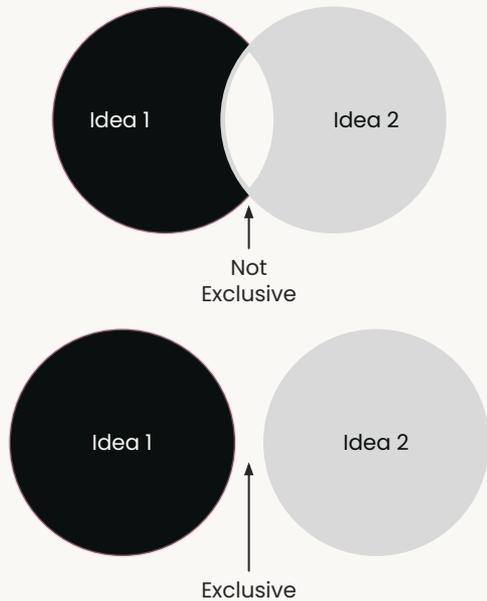
Problem-solving with McKinsey's MECE Principle

MECE Method

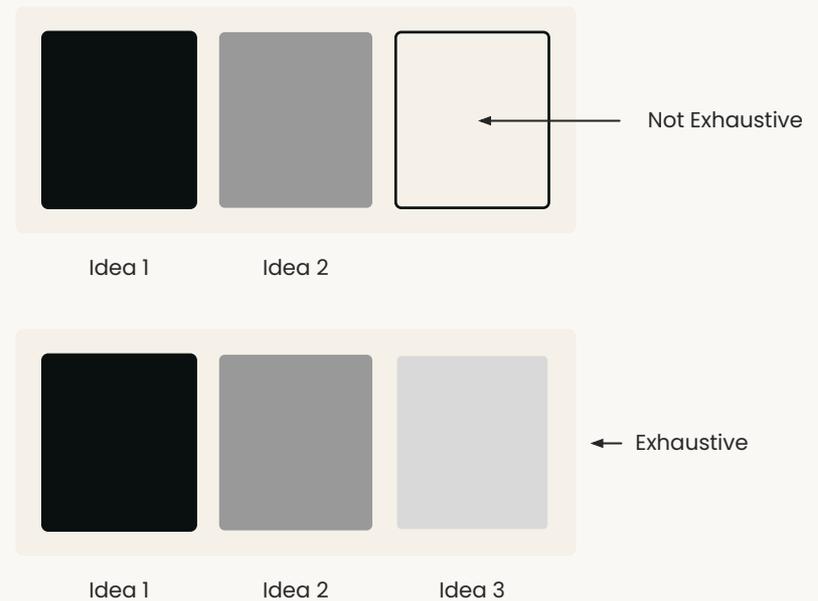


MECE Definition

MUTUALLY EXCLUSIVE



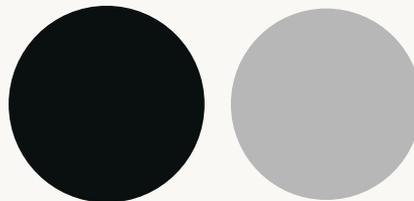
COLLECTIVELY EXHAUSTIVE



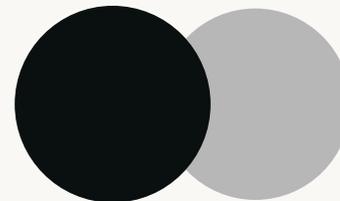
MUTUALLY EXCLUSIVE

Identifying blocks of data related to each other that do not overlap

Mutually Exclusive



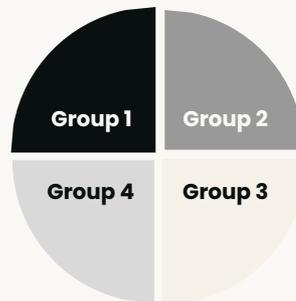
Not Mutually Exclusive



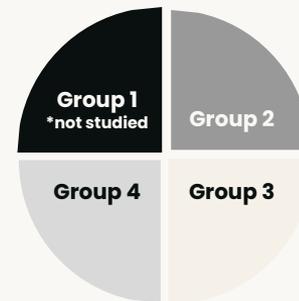
COLLECTIVELY EXHAUSTIVE

All blocks of data when summed together address the entirety of the problem at hand

Collectively Exhaustive



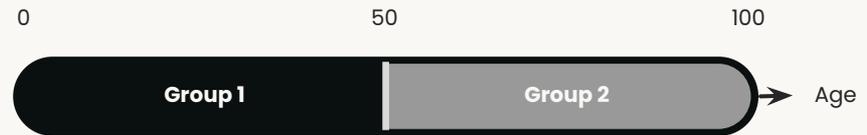
Not Collectively Exhaustive



MECE Vs. Non-MECE

An example for a MECE breakdown is dividing the population into subsets of age:

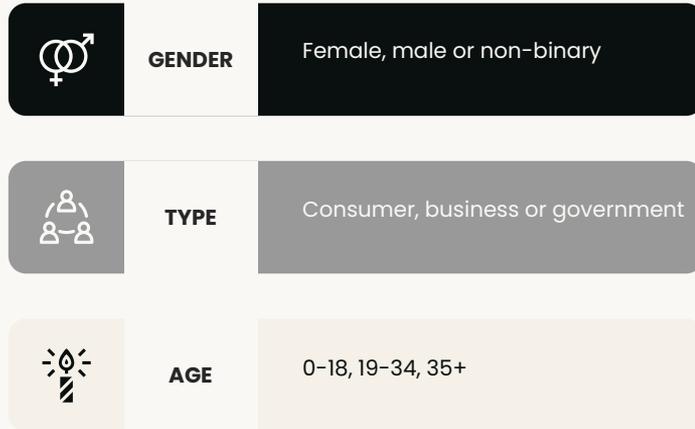
A group of people below 50 years and another group of 50 years and above is MECE. No person can be in both groups – mutually exclusive – but every person is in either one of them – collectively exhaustive.



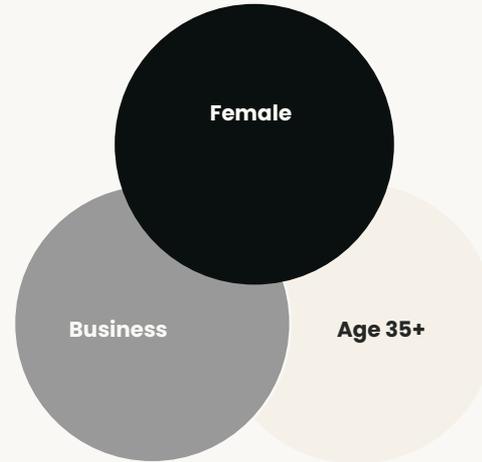
A group of people below 50 years and another group of people from 40 to 70 years is not MECE, as people from 40 to 50 years belong to both groups – they are not mutually exclusive – and people above 70 are in neither one of the groups – they are not collectively exhaustive.

Example: North America cell phone market

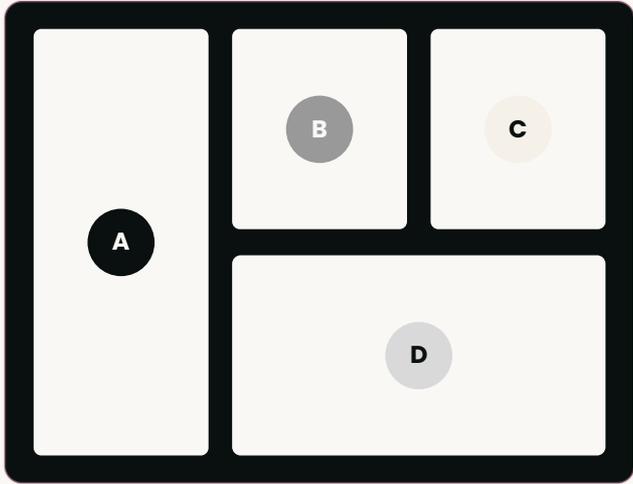
MECE BREAK DOWN



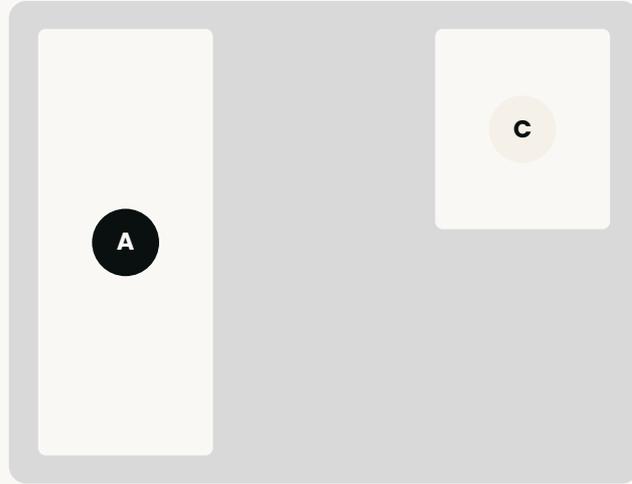
NON-MECE BREAK DOWN



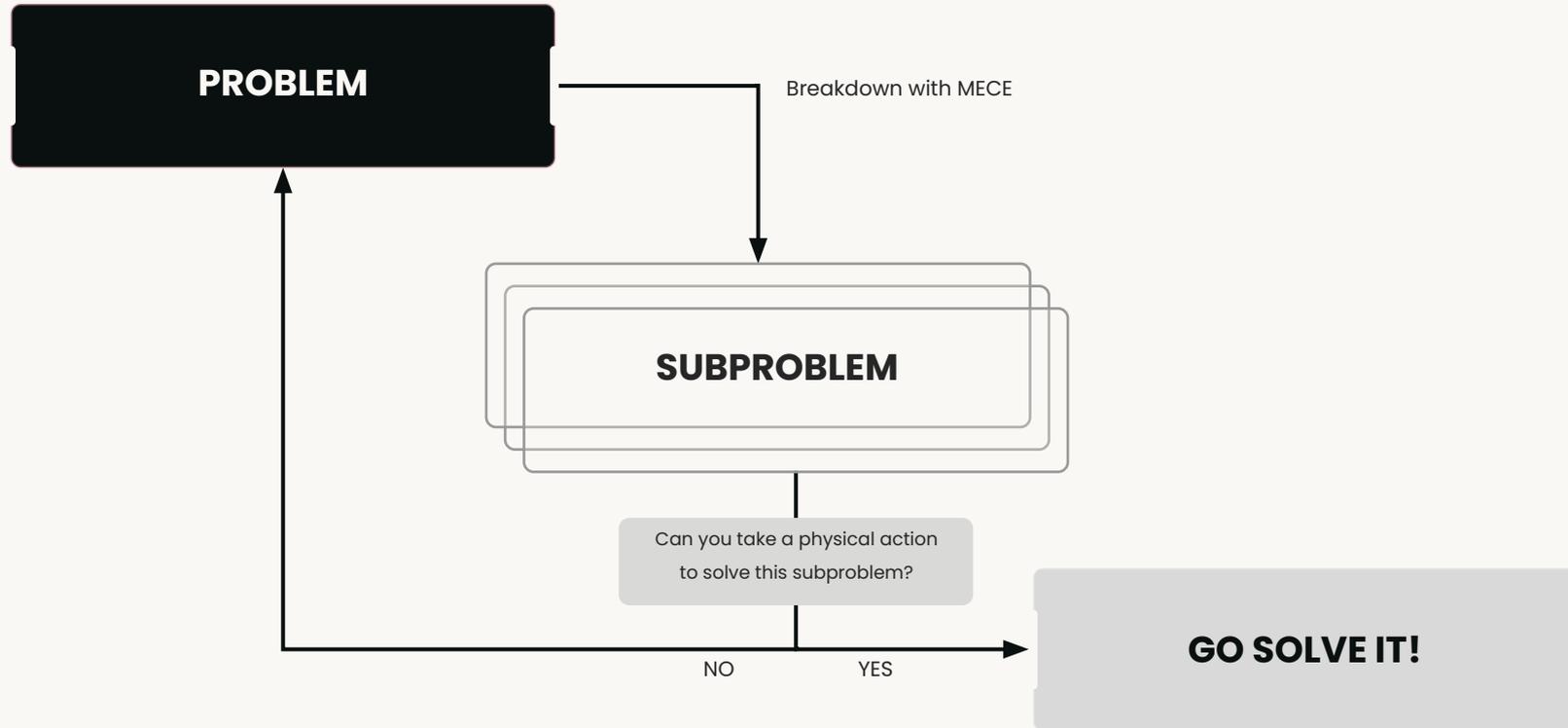
Collectively exhaustive definition



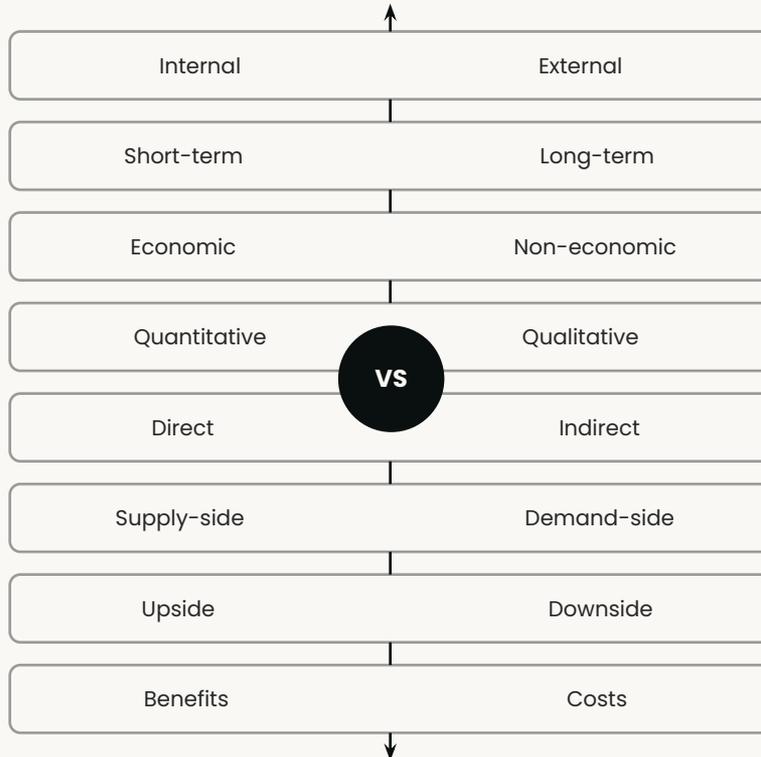
COLLECTIVELY EXHAUSTIVE



NOT COLLECTIVELY EXHAUSTIVE



Two-Part MECE Framework



Example

ECONOMIC BARRIERS

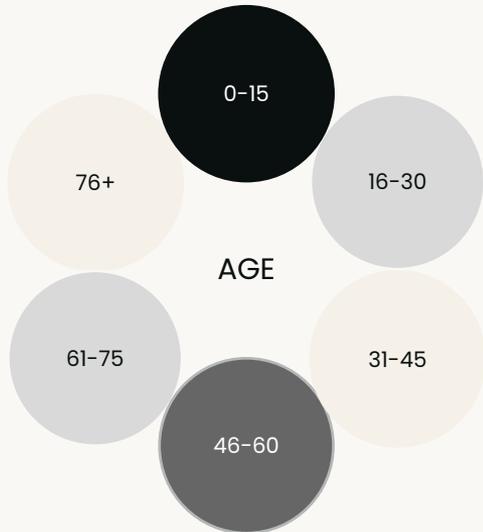
- Raw Materials
- Equipment
- Labor
- Other Capital

NON-ECONOMIC BARRIERS

- Knowledge & Expertise
- Brand Name
- Distribution channels

MECE Example: Customer Age Brackets

You may have a customer list segmented according to these age brackets:



With these categories you have covered all possible ages of customers



No one can appear in more than one category



15 years are represented in each category. This makes them easily comparable

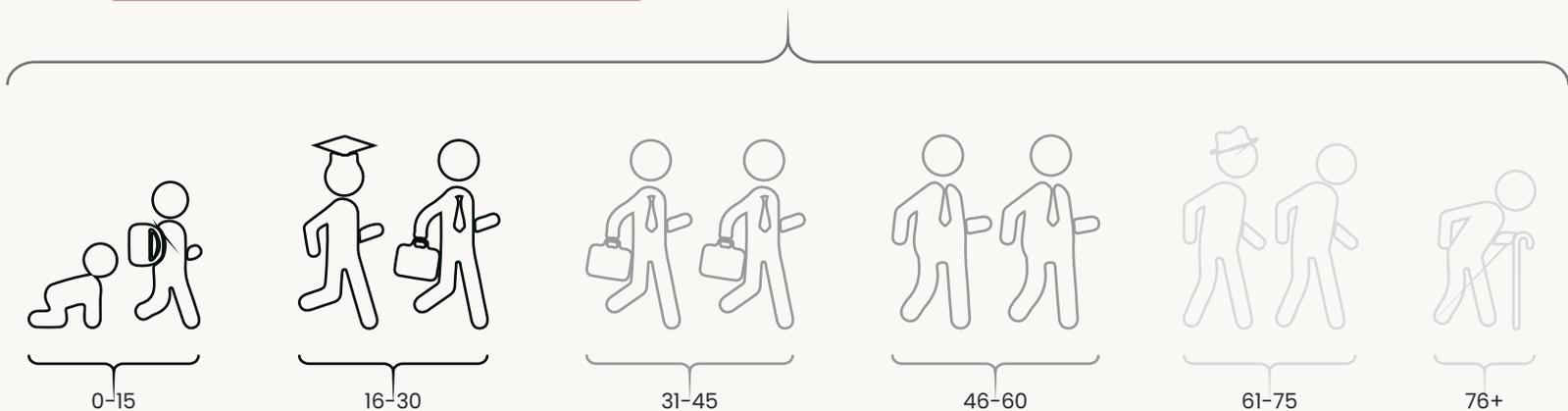
MECE Example: Customer age brackets

MUTUALLY EXCLUSIVE

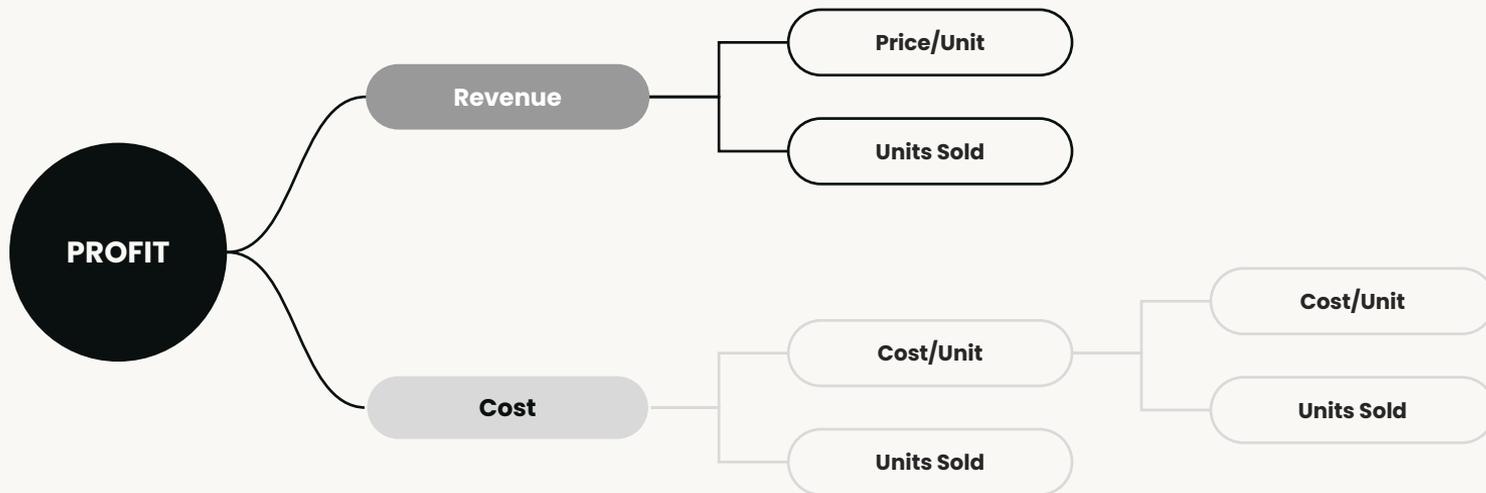
No one individual can appear in more than one category

COLLECTIVELY EXHAUSTIVE

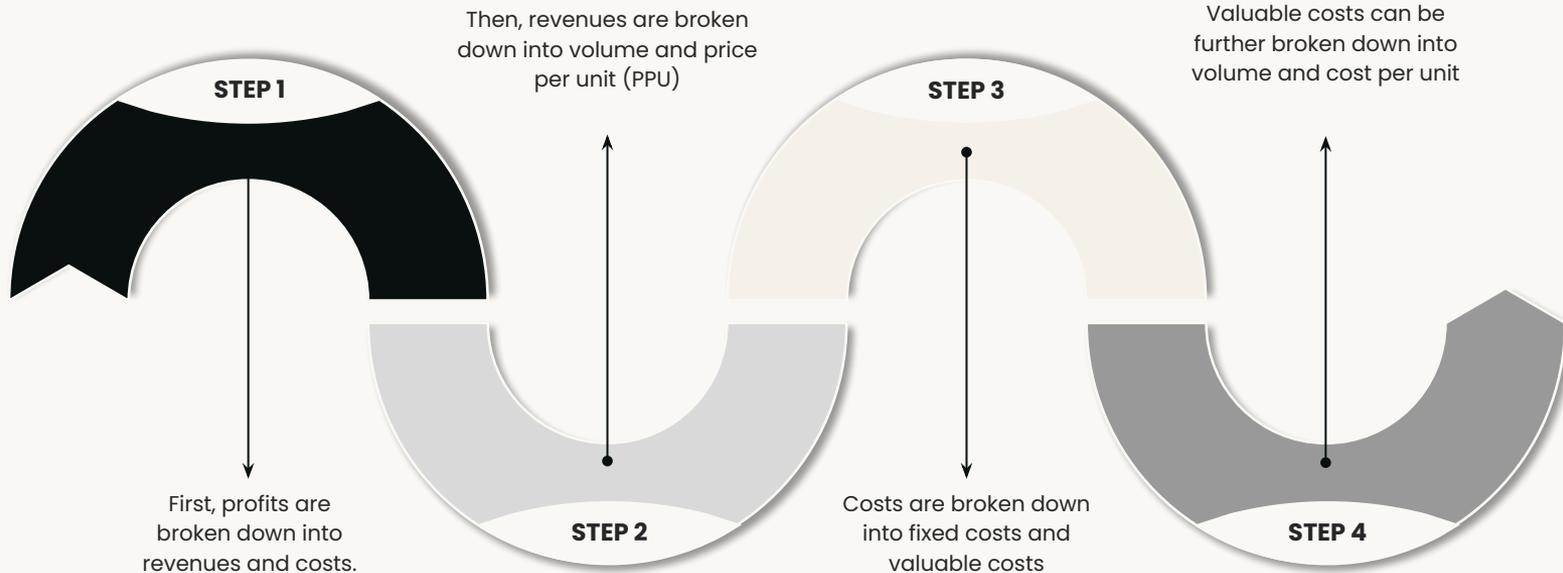
The age grouping taken as a whole cover the entire population

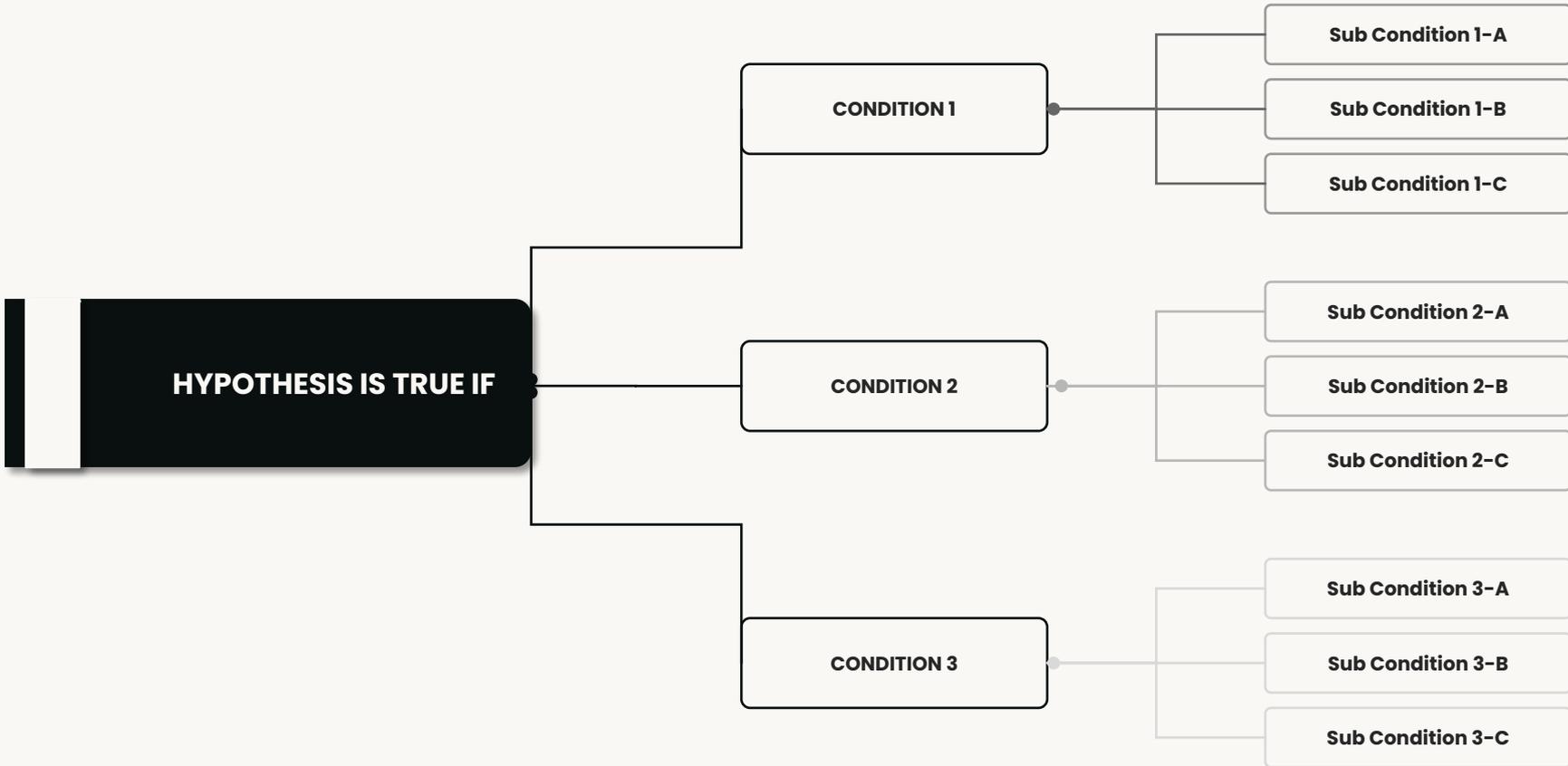


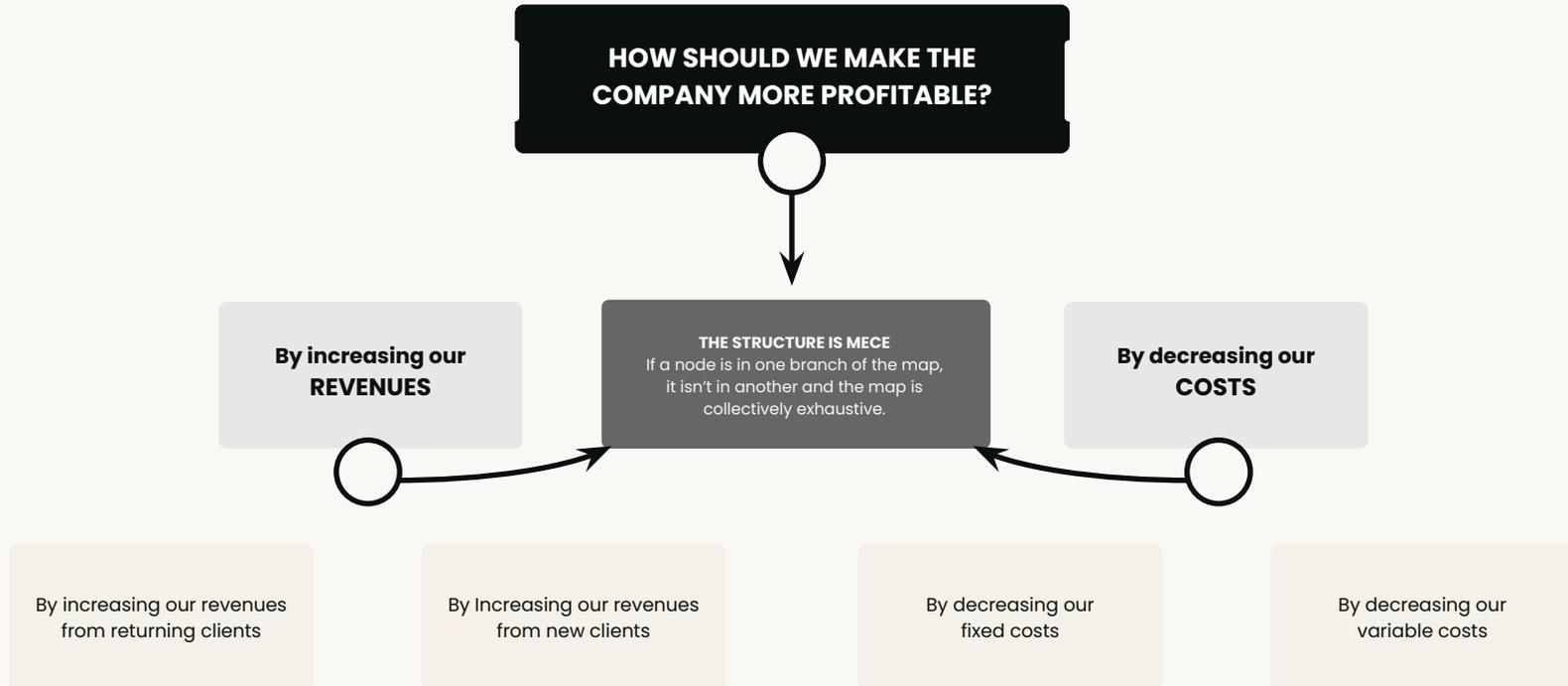
MECE Example: Profitability framework



Steps of profitability framework







THE ANSWERS ARE ICE: One being true doesn't preclude other to be also true. Rather, they are independent (I) + collectively exhaustive (CE)