

Optimizing Revenue for a Freight Forwarding Company

Business Data Management Capstone Project

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Project Overview

Organization's Background:

- The organization that I have worked with on this project is NNR Global Logistics India Pvt. Ltd.
- It is a freight-forwarding multinational company (MNC) that provides services such as Air and Ocean Freight Forwarding (Import-Export), Customs Clearance, Logistics, Airline Freight Agency and Warehousing Services across India.

Problem Statement:

- To overcome stagnancy in revenue: For the last 5 years the company has not been able to increase its revenue due to failure to explore potential new markets and key commodity segments, weak marketing practices and underutilization of online platforms.



Company Logo



Company Head Office



Company Warehouse

Data Collection, Preparation and Summary

Data Collection:

- The company's sales data from Direct Shipments was collected over email in the form of Microsoft Excel Workbooks for FY-23 and FY-24.
- As well as the facts regarding the company's current marketing practices and overall business processes was also collected.

Data Preparation:

- The dataset was consolidated into a single workbook, after which data cleaning and preprocessing was performed.
- This process included steps like, renaming of columns, reclassification of records, removal of empty records and application of uniform formatting across the entire dataset.

Data Summary:

- Key variables that contributed to the problem statement were identified across the dataset.
- CW (Chargeable Weight), Revenue and Gross Profit were the numerical variables over which descriptive statistics was performed to measure their central and variational tendencies.

Methodology

- **Trend Analysis:** Revenue and Gross Profit were analyzed across shipment types (AI, OI, AE and OE) to identify their trends for both years.
- **Segment Analysis:** Revenue and Gross Profit were analyzed across segments like Commodity, Customer Type, Office Branch, Shipment Types etc. to evaluate their performance segment-wise for both years. Cross-Segment Tables were also created to identify outliers and best/worst performing cross-segments like Commodity-Shipment Type, Commodity-Office Branch and Office Branch-Customer Type.
- **Ratio Analysis:** Financial Ratios like Profit Margin %, Cost-To-Revenue Ratio, and Revenue Growth Rate % were calculated for both years to evaluate the company's overall financial health. As well as, KPI's (Key Performance Indicators) like Profit/CW, Revenue/CW and Cost/CW were also calculated to evaluate the company's operational efficiency.
- **Qualitative Analysis:** Facts regarding the company's current marketing practices, CRM and digital presence were collected to analyze their effectiveness. These facts were worked upon to draft a new and effective marketing strategy to optimize revenue.

Trend Analysis

- The AI segment was the best performing segment in Revenue, and the worst performing segment was the AE segment.
- 3rd Quarter of 2023 showed a huge dip for AI, OI and OE segments.
- Overall, all 4 shipment types displayed a repetitive pattern of rise and fall, which conveyed variability in revenue generation.



Figure 1: Revenue across Shipment Types for both years

Segment Analysis

- The DEL branch was the best performing branch in revenue for both years.
- The LDH branch was the worst performing branch in revenue for both years.
- Overall, the difference between the best branch and the second-best branch was quite high, which indicated that the company's revenue generation is heavily dependent on a single branch.



Figure 2: Revenue across Office Branches for both years

Segment Analysis

- The AI-Automotive Parts cross segment performed the best in revenue for both years.
- Textiles, Apparels and Raw Materials were the worst performing segments in revenue for both years.
- Overall, the Export segment performed worst in almost all commodities which indicates that the company hasn't been able to break into the Indian Export Market and hence struggles with revenue generation.

Commodity Type	Shipment Type	Year 1 Revenue	Year 2 Revenue
AI-Automotive Parts	Export	Low	Low
AI-Automotive Parts	Import	High	High
AI-Automotive Parts	Domestic	High	High
AI-Automotive Parts	Other	High	High
Textiles, Apparels and Raw Materials	Export	High	High
Textiles, Apparels and Raw Materials	Import	Low	Low
Textiles, Apparels and Raw Materials	Domestic	Low	Low
Textiles, Apparels and Raw Materials	Other	Low	Low

Figure 3:
Revenue
across
Commodity-
Shipment
Type for
both years

Ratio Analysis

- From Figure 4, it can be concluded that the company's financial health is good, as overall profitability increased and revenue grew by 7.4%.
- From Figure 5, it can be concluded that the company's operational efficiency increased in 2024 in terms of volume of shipments handled.
- Overall, these ratios provide an overview of the company's sales performance.

Ratio	2023	2024
Profit Margin	15.2%	16.8%
Return on Assets	12.5%	13.1%
Debt to Equity	0.85	0.82
Current Ratio	1.2	1.3
Inventory Turn	5.2	5.5
Accounts Payable Turn	8.1	8.3
Accounts Receivable Turn	9.5	9.8

Figure 4: Financial Ratios

KPI	2023	2024
Revenue	1500.00	1607.40
Profit	225.00	268.80
Operating Expenses	1275.00	1338.60
Net Income	225.00	268.80
EBITDA	250.00	275.00
EBIT	200.00	220.00
EBT	180.00	198.00
Net Income	150.00	168.00

Figure 5: Key Performance Indicators

Interpretation

SWOT Table	
<div><div>Strengths</div><ul style="list-style-type: none">1. The company has a strong reputation in the market, which is a competitive advantage.2. The company has a strong financial position, which allows it to invest in research and development.3. The company has a strong customer base, which provides a steady stream of revenue.4. The company has a strong brand, which is a valuable asset.5. The company has a strong management team, which is experienced and skilled.6. The company has a strong network of suppliers and distributors, which ensures a steady flow of goods and services.7. The company has a strong history of innovation, which has led to the development of new products and services.8. The company has a strong commitment to social responsibility, which has helped to build a positive reputation.9. The company has a strong focus on sustainability, which is a key trend in the market.10. The company has a strong track record of success, which has inspired confidence in its future prospects.</div>	<div><div>Weaknesses</div><ul style="list-style-type: none">1. The company has a high level of debt, which could limit its ability to invest in growth.2. The company has a high level of employee turnover, which could impact productivity.3. The company has a high level of competition, which could erode its market share.4. The company has a high level of regulatory scrutiny, which could increase its costs.5. The company has a high level of risk, which could result in significant losses.6. The company has a high level of complexity, which could make it difficult to manage.7. The company has a high level of volatility, which could lead to unpredictable results.8. The company has a high level of uncertainty, which could make it difficult to plan for the future.9. The company has a high level of dependency on a few key customers, which could be a risk.10. The company has a high level of exposure to economic downturns, which could impact its performance.</div>
<div><div>Opportunities</div><ul style="list-style-type: none">1. The company has a strong position in the market, which could allow it to expand its reach.2. The company has a strong financial position, which could allow it to invest in new markets.3. The company has a strong customer base, which could allow it to develop new products and services.4. The company has a strong brand, which could allow it to enter new markets.5. The company has a strong management team, which could allow it to lead the industry.6. The company has a strong network of suppliers and distributors, which could allow it to expand its reach.7. The company has a strong history of innovation, which could allow it to develop new products and services.8. The company has a strong commitment to social responsibility, which could help it to build a positive reputation.9. The company has a strong focus on sustainability, which could help it to attract investors.10. The company has a strong track record of success, which could help it to attract new customers.</div>	<div><div>Threats</div><ul style="list-style-type: none">1. The company has a high level of debt, which could limit its ability to invest in growth.2. The company has a high level of employee turnover, which could impact productivity.3. The company has a high level of competition, which could erode its market share.4. The company has a high level of regulatory scrutiny, which could increase its costs.5. The company has a high level of risk, which could result in significant losses.6. The company has a high level of complexity, which could make it difficult to manage.7. The company has a high level of volatility, which could lead to unpredictable results.8. The company has a high level of uncertainty, which could make it difficult to plan for the future.9. The company has a high level of dependency on a few key customers, which could be a risk.10. The company has a high level of exposure to economic downturns, which could impact its performance.</div>

Figure 6:
SWOT
Table

Recommendations for the company

- The company should reshape its focus on its weak points, namely commodities like Textiles, Raw Materials and Apparels, and office branches like AMD, LDH, CCU and HYD.
- The company should increase its customer base in key commodities like Textiles, Raw Materials, Apparels, Pharmaceuticals, Chemicals, Semi-Conductors and Electronic Goods to increase revenue generation.
- The company can utilize Account Based Marketing, which is a B2B marketing strategy that focuses the company's resources on a select group of high-value customers, treating each as a separate market.
- The company should invest in a dedicated and comprehensive ERP (Enterprise Resource Management) System, as well as a digital CRM system to manage its customers in a centralized and organized manner.
- The company should utilize its website by creating and maintaining India specific landing pages, optimizing Local SEO using Google SEO tools, asking customers to leave feedback and integrate the website's traffic data to improve customer conversion rates.
- The company can also use Email Marketing and LinkedIn for lead generation. Additionally, conducting in-depth market research in the Indian Export Market will help to understand the needs of Indian customers and tailor solutions accordingly.