

# **Harmony in Hospitality: A Data-Driven Exploration of Prajapati Caterers and Decorators**

Submitted by

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## **Declaration Statement**

I am working on a Project titled “**Harmony in Hospitality: A Data-Driven Exploration of Prajapati Caterers and Decorators**”. I extend my appreciation to **Prajapati Caterers and Decorators**, for providing the necessary resources that enabled me to conduct my project.

I hereby assert that the data presented and assessed in this project report is genuine and precise to the utmost extent of my knowledge and capabilities. The data has been gathered from primary sources and carefully analyzed to assure its reliability.

Additionally, I affirm that all procedures employed for the purpose of data collection and analysis have been duly explained in this report. The outcomes and inferences derived from the data are an accurate depiction of the findings acquired through thorough analytical procedures.

I am dedicated to adhering to the principles of academic honesty and integrity, and I am receptive to any additional examination or validation of the data contained in this project report.

I understand that the execution of this project is intended for individual completion and is not to be undertaken collectively. I thus affirm that I am not engaged in any form of collaboration with other individuals, and that all the work undertaken has been solely conducted by me. In the event that plagiarism is detected in the report at any stage of the project's completion, I am fully aware and prepared to accept disciplinary measures imposed by the relevant authority.

I understand that all recommendations made in this project report are within the context of the academic project taken up towards course fulfillment in the BS Degree Program offered by IIT Madras. The institution does not endorse any of the claims or comments.

Signature of Candidate: **Kaushal Prajapati**

Name: **Kaushal Prajapati**

Date: **11/04/2024**

## 1. Executive Summary and Title:

**Prajapati Caterers and Decorators**, led by **Mr. Bhavy Prajapati**, is a prominent player in the hospitality industry, exhibits a diversified service portfolio encompassing catering and decoration services. Their steadfast commitment to customer satisfaction and meticulous attention to detail consistently deliver unforgettable experiences, setting new benchmarks in event management.

While the catering segment contributes significantly to revenue, challenges such as operational dependency on the owner and limited scalability persist. Analysis reveals a correlation between manpower requirements and order quantities, suggesting opportunities for growth through skilled employee augmentation. Moreover, despite the COVID-19-induced revenue dip, overall revenue growth remains stagnant, highlighting the need for strategic diversification and operational optimization.

In the face of adversity, Prajapati Caterers and Decorators stand resilient, ready to embrace innovation and transformation. Recommendations include leveraging data analytics for informed decision-making, enhancing online presence by digital marketing, and exploring collaborative opportunities with event managers, and collecting feedbacks from the customers. Additionally, addressing operational bottlenecks and fostering innovation in service delivery are essential for long-term sustainability and competitive advantage.

In conclusion, Prajapati Caterers and Decorators are poised for growth and resilience by embracing strategic initiatives and leveraging strengths to overcome challenges and capitalize on emerging opportunities in the dynamic hospitality segment.

## 2. Detailed Explanation of Analysis Process/Method:

### 2.1. Data Collection and Cleaning:

- In the intricate landscape of Prajapati Caterers and Decorators, the journey of data collection and cleaning is akin to embarking on an exciting adventure. This meticulous process unfolds in several stages, each contributing to the refinement and enhancement of the dataset, ultimately paving the way for informed decision-making and strategic planning. Here's how it all unfolds:
  - **Exploratory Phase:**
    - The mission commences with an extensive exploration of various data sources, including internal records, monthly order details, and direct engagements with key stakeholders such as the owner, peers, and customers. These interactions provide invaluable insights into the operational dynamics, customer preferences, and market trends that shape the business landscape.
  - **Data Collection:**

- The expedition of collecting diverse array of data points stats and this includes but is not limited to monthly inquiries, orders received, order completion rates, pricing details, monthly expenditure, and other pertinent metrics.
- Each piece of data serves as a building block in the construction of a comprehensive dataset that encapsulates the multifaceted facets of the business.
- **Cleaning and Refinement:**
  - As the expedition progresses, it encounters with obstacles in the form of missing values, duplicate entries, and outliers within the raw data. To navigate these challenges, cleaning and refinement procedures are employed.
  - This includes formatting the data, handling missing values through imputation or deletion, removing duplicate entries, detecting and addressing outliers, Exploratory Data Analysis (EDA), and normalizing the dataset to ensure consistency and comparability across different variables.
- **Integration and Consolidation:**
  - A pivotal stage in the expedition involves integrating data from disparate sources into a cohesive and unified dataset.
  - This entails harmonizing data formats, resolving inconsistencies, and consolidating information from various sources into a single repository.
  - The goal is to create a comprehensive and robust dataset that serves as a reliable foundation for subsequent analysis and decision-making.
- **Ensuring Accuracy and Reliability:**
  - Throughout the expedition, meticulous attention is paid to ensuring the accuracy, reliability, and usability of the dataset.
  - Quality control measures are implemented at each stage of the data collection and cleaning process to minimize errors and discrepancies. By upholding the data integrity, it produces a dataset that is fit for purpose and conducive to meaningful analysis.
- **Conclusion:** In summary, the journey of data collection and cleaning is a critical undertaking that lays the groundwork for informed decision-making and strategic planning within Prajapati Caterers and Decorators. Through meticulous exploration, collection, cleaning, and integration of data, the expedition team empowers the organization with valuable insights and actionable intelligence, enabling it to navigate the complexities of the business landscape with confidence and clarity.

## 2.2. Descriptive Statistics:

- **Measures of Central Tendency:**
  - **Mean Calculation:** In our quest for understanding the heart of the data, we embark on calculating measures of central tendency. Through mean calculation, we uncover the average values for crucial metrics such as total orders, inquiries, and profit margins, average

revenue per month. These insights provide us with a snapshot of the typical values around which our data revolves.

- **Median Calculation:** By determining the median, we gain deeper insights into the distribution of data, understanding the midpoint that separates the higher and lower halves of our dataset.

- **Measures of Dispersion:**

- **Standard Deviation and Variance:** As we delve deeper into the data seas, we encounter the need to assess the spread and variability of our data points. Here, we employ the tools of standard deviation and variance to quantify the extent to which our data deviates from the mean. This aids us in gauging the level of risk associated with our business operations.
- **Interquartile Range (IQR):** Exploring the interquartile range (IQR) allows us to identify the middle 50% of our data, shedding light on potential outliers that may skew our analyses.

- **Frequency Distributions:**

- **Categorical Variable Analysis:** Venturing into the realm of categorical variables, we unfurl the sails of frequency distributions. By generating these distributions for variables such as sources of orders, we gain a clearer understanding of the distribution patterns within our dataset.
- **Histograms:** Utilization of histograms can craft visual representations that illustrate the distribution of numerical variables, guiding us through the peaks and valleys of our data landscape.

- **Correlation Analysis:**

- **Correlation Coefficients:** In the journey towards unraveling the intricate relationships between variables, we navigate the waters of correlation analysis. By computing correlation coefficients, we unveil the strength and direction of relationships, illuminating potential dependencies that may exist within our dataset. These insights empower us to make informed decisions, grounded in a deep understanding of the underlying connections between our variables.

- **Time-Series Analysis:**

- **Monthly Trends:** While navigating the ever-changing currents of time, we embark on an journey of discovery, delving into the monthly trends that shape the landscape of inquiries, orders, and revenue. Through time-series analysis, we unearth patterns and seasonality that may shape the trajectory of our business. By understanding these temporal dynamics, we equip ourselves with the foresight needed to navigate the ever-changing tides of the market.

- **Conclusion:** Through measures of central tendency, dispersion, frequency distributions, correlation analysis, and time-series analysis, we gain valuable insights that illuminate the path forward for

Prajapati Caterers and Decorators. Armed with these insights, we set sail towards informed decision-making and strategic planning, navigating towards the shores of success with confidence and clarity.

### 2.3. Cost & Margin Analysis based on Order Details:

- Cost and margin analysis delve into the financial intricacies of the business operations, aiming to unravel insights into cost structures and profitability. This analysis encompasses a **comprehensive breakdown of costs, including fixed costs, manpower expenses, and monthly expenditure**, to evaluate the financial efficiency of operations.
- One of the primary components of cost analysis involves the examination of percentages and ratios to understand the **distribution of costs and revenue across various channels**. **Percentage share analysis** entails the calculation of the percentage share of completed orders originating from different sources, such as customer references, social media, and event managers. This analysis enables the identification of dominant channels through which orders are generated, providing valuable insights for strategic decision-making and resource allocation.
- Furthermore, **margin analysis** plays a pivotal role in assessing the profitability of the business segments. Profit margin calculation involves the examination of profit margins for both the catering and decoration segments, with a focus on identifying areas of strength and opportunities for improvement. By observing profit margins, businesses can gain a deeper understanding of their financial performance and profitability drivers, thereby informing strategic initiatives aimed at enhancing overall profitability.
- In essence, cost and margin analysis serve as indispensable tools for evaluating the financial health of the business, identifying cost-saving opportunities, and optimizing profitability. Through a comprehensive understanding of cost structures and profit margins, businesses can make informed decisions to drive sustainable growth and success.

### 2.4. SWOT Analysis:

- **Objective:** The primary objective of conducting a SWOT analysis for Prajapati Caterers and Decorators is to thoroughly assess both internal and external factors that influence the organization. By conducting this analysis, the aim is to gain valuable insights that can inform strategic planning and decision-making processes, thereby enhancing the overall effectiveness and competitiveness of the business.
- **Information Gathering:** The SWOT analysis begins with the systematic collection of data pertaining to internal and external factors affecting the organization. This includes identifying strengths and weaknesses within the organization itself, as well as opportunities and threats arising from the external environment.
- **Identifying Internal Factors (Strengths, Weaknesses):** Internal factors refer to the inherent qualities and characteristics of the organization. Strengths are aspects in which the organization

excels or possesses advantages over competitors, while weaknesses are areas that require improvement or where the organization may be at a disadvantage. This involves a thorough evaluation of the organization's resources, capabilities, and performance metrics to identify areas of competitive advantage and areas for development.

- **Identifying External Factors (Opportunities, Threats):** External factors encompass the broader business environment in which the organization operates. Opportunities are favorable external conditions or trends that the organization can leverage to its advantage, while threats are external challenges or risks that may hinder the organization's performance. This involves analyzing market trends, industry dynamics, regulatory changes, and competitive pressures to identify potential opportunities for growth and threats to business sustainability.
- **Prioritization & Analysis of Factors and Development of Strategies:** Once internal and external factors have been identified, the next step involves prioritizing and analyzing these factors based on their significance and potential impact on the business. This entails evaluating the relative importance of each strength, weakness, opportunity, and threat, and assessing their implications for the organization's strategic objectives. Strategies are then developed to capitalize on strengths, address weaknesses, exploit opportunities, and mitigate threats, with the aim of enhancing the organization's competitive position and driving sustainable growth.
- In summary, the SWOT analysis serves as a valuable framework for evaluating the strategic position of Prajapati Caterers and Decorators, enabling the organization to leverage its strengths, overcome weaknesses, seize opportunities, and mitigate threats in order to achieve its long-term objectives.

## 2.5. 5 Whys Analysis:

- **Identifying Root Causes:**
  - To tackle the operational challenges and owner dependency plaguing Prajapati Caterers and Decorators, a methodical 5 Whys Analysis was undertaken.
  - This approach involved repeatedly asking "why" to uncover the underlying causes of the issues at hand. By peeling back, the layers of complexity, we aimed to reach the root of the problems, enabling us to address them at their core.
  - Through this iterative process of inquiry, we delved deep into the heart of the challenges, unraveling the intricate web of contributing factors. Each "why" question led us closer to the underlying causes, shedding light on the fundamental issues that needed to be addressed.
  - This analytical method provided invaluable insights into the root causes of operational inefficiencies and owner dependency, setting the stage for targeted and effective solutions.
- **First Principle Thinking:**
  - In parallel with the 5 Whys Analysis, we employed the powerful strategy of First Principle Thinking to drive innovation and transformation within Prajapati Caterers and Decorators.



This approach involved questioning assumptions and reevaluating established practices from the ground up.

- By breaking down complex problems into their fundamental components, we challenged conventional wisdom and explored new possibilities. This critical reassessment of existing processes and practices allowed us to uncover hidden opportunities for improvement and innovation. Armed with a fresh perspective grounded in first principles, we were able to identify novel solutions that aligned with the organization's goals and values.
- The insights gained from First Principle Thinking served as a catalyst for change, inspiring a culture of continuous improvement and innovation within the organization. By embracing this mindset, Prajapati Caterers and Decorators positioned themselves on the path to sustainable growth and success in a competitive market landscape.

## **2.6. Root Cause Analysis:**

- Root Cause Analysis (RCA) is a systematic problem-solving technique used to identify the underlying causes of a specific issue or problem. In the context of Prajapati Caterers and decorators' stagnant revenue growth, RCA can help uncover the fundamental reasons behind this challenge. Here's how the RCA method can be applied:
  - Define the Problem:
    - Clearly define the problem statement: "Stagnant Revenue Growth of Prajapati Caterers and decorators." Describe the symptoms and manifestations of the problem, such as consistent revenue figures over multiple reporting periods despite efforts to increase sales and expand the business.
  - Gather Information:
    - Collect relevant data and information related to the revenue generation process, including sales records, customer feedback, market trends. Interview key stakeholders within the organization to gain insights into potential contributing factors.
  - Fishbone Diagram:
    - Utilize a Fishbone Diagram, also known as an Ishikawa or Cause-and-Effect Diagram, to visually represent the potential causes of stagnant revenue growth. Identify major categories of factors that could influence revenue.
  - Data Analysis:
    - Analyze the data collected during the information-gathering phase to validate the identified root causes and quantify their impact on revenue growth. Look for patterns, correlations, and trends in the data that support or refute the identified root causes.
  - Solutions Development:
    - Once the root causes are identified, brainstorm potential solutions or corrective actions to address each cause. Prioritize solutions based on their feasibility, cost-effectiveness, and

potential impact on revenue growth. Develop an action plan with clear objectives, timelines, and responsibilities for implementing the chosen solutions.

- By applying Root Cause Analysis to the issue of stagnant revenue growth, Prajapati Caterers and decorators can identify and address the underlying factors hindering revenue expansion, leading to sustainable business growth and success.

## 2.7. Trend Analysis:

- Trend Analysis serves as a valuable tool for understanding our business's performance over time. By examining historical data, such as monthly sales figures, customer engagement metrics, and financial indicators, we can identify patterns and trends that may impact our operations.
- **Data Collection:** We gather historical data on various aspects of our business, including sales, customer feedback, and operational metrics.
- **Visualizing Trends:** Through data visualization techniques like time series graphs, we plot the data to visualize trends and fluctuations over time.
- **Identifying Patterns:** We analyze the plotted data to identify recurring patterns, seasonal variations, and other trends that may influence our business performance.
- **Statistical Analysis:** Applying statistical techniques such as moving averages, exponential smoothing, or regression analysis allows us to smooth out noise in the data and highlight underlying trends, providing deeper insights into our business dynamics.
- **Interpreting Insights:** Interpret the results of the analysis to draw insights and conclusions about the underlying drivers of the observed trends. This may involve identifying factors contributing to growth or decline, assessing the impact of external factors such as economic conditions or market trends, and forecasting future trends based on historical patterns.
- **Forecasting:** Trend analysis can also help us forecast future trends and anticipate changes in market conditions, allowing us to proactively plan and adapt our strategies accordingly.
- In summary, trend analysis provides us with a deeper understanding of our business dynamics and helps us identify opportunities for improvement and growth over time. It serves as a valuable tool for strategic planning and decision-making, enabling us to stay ahead of the curve in an ever-changing business environment.

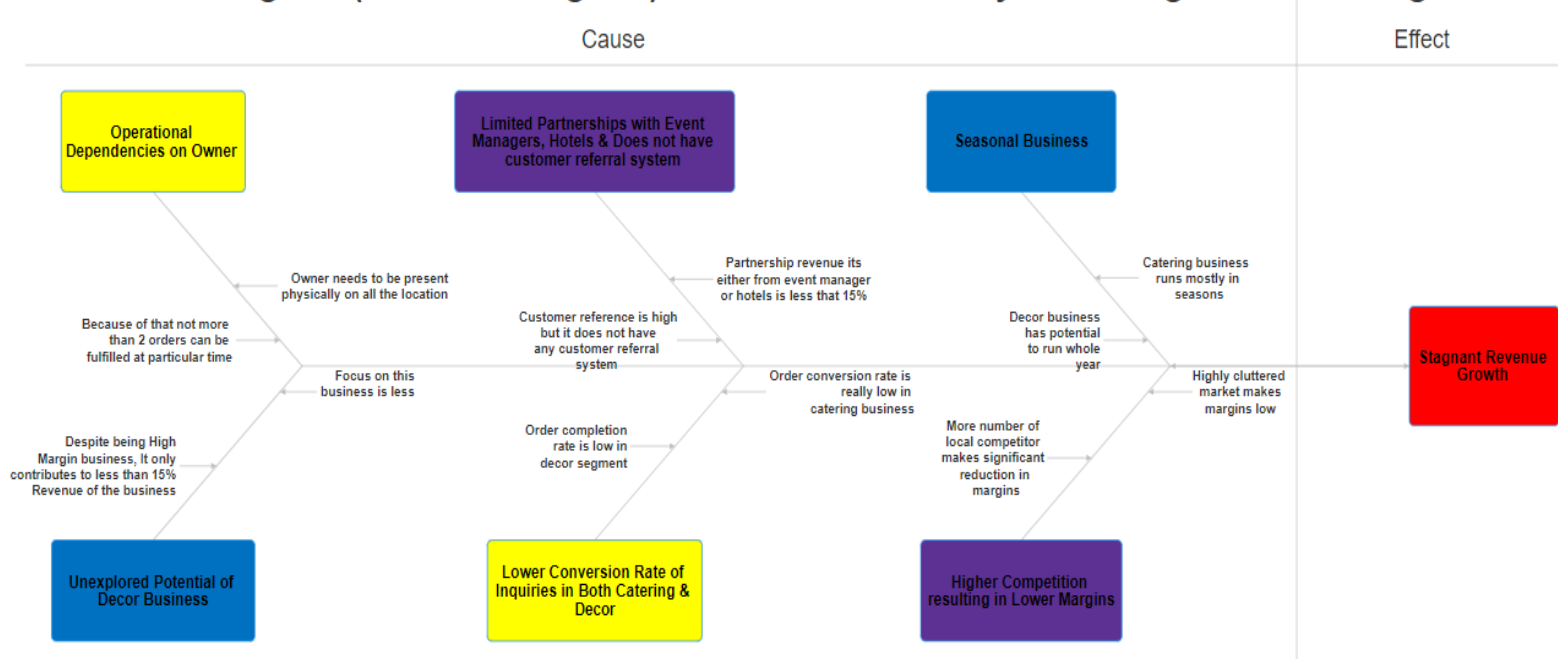
## 3. Results and Findings:

### 3.1. Root Cause Analysis Findings:

- **Operational Dependencies on Owner:** Our analysis indicates that operational limitations, particularly the owner's capacity to handle only two orders per day personally, are hindering revenue growth. This dependency restricts scalability and throughput, limiting our ability to cater to a larger volume of orders.

- **Untapped Potential in Décor Business:** While the décor segment offers higher margins compared to catering, its growth potential remains largely untapped due to the intensive involvement required from the owner. This operational bottleneck impedes the expansion of our décor services, despite their profitability.
- **Lower Conversion Rates:** The lack of a systematic approach to tracking inquiries and the absence of sufficient manpower to handle orders have resulted in lower conversion rates for both catering and décor services. This inefficiency reduces our ability to capitalize on potential business opportunities and diminishes overall revenue potential.

## Fishbone diagram (Ishikawa diagram) for Root-Cause analysis of stagnant revenue growth



- **Underutilized Partnerships:** Our analysis highlights the underutilization of partnerships with event managers and hotels for securing orders. Leveraging these partnerships, particularly through commission-based arrangements, presents an opportunity to increase order volumes and revenue streams.
- **High Competition:** Intense competition within the industry exerts downward pressure on margins, limiting revenue growth. Our business faces challenges in maintaining competitive pricing while sustaining profitability amidst market competition.
- **Seasonal Nature of Business:** Additionally, the seasonal nature of the catering and décor industry contributes to revenue stagnation during certain periods. The fluctuating demand throughout the year necessitates strategic planning to mitigate the impact of seasonality on revenue streams.
- **Conclusion:** Addressing these root causes identified through our analysis is essential for overcoming revenue stagnation and driving sustained growth. By implementing targeted strategies to mitigate operational dependencies, capitalize on untapped opportunities, and navigate industry challenges, we can position our business for enhanced competitiveness and long-term success.

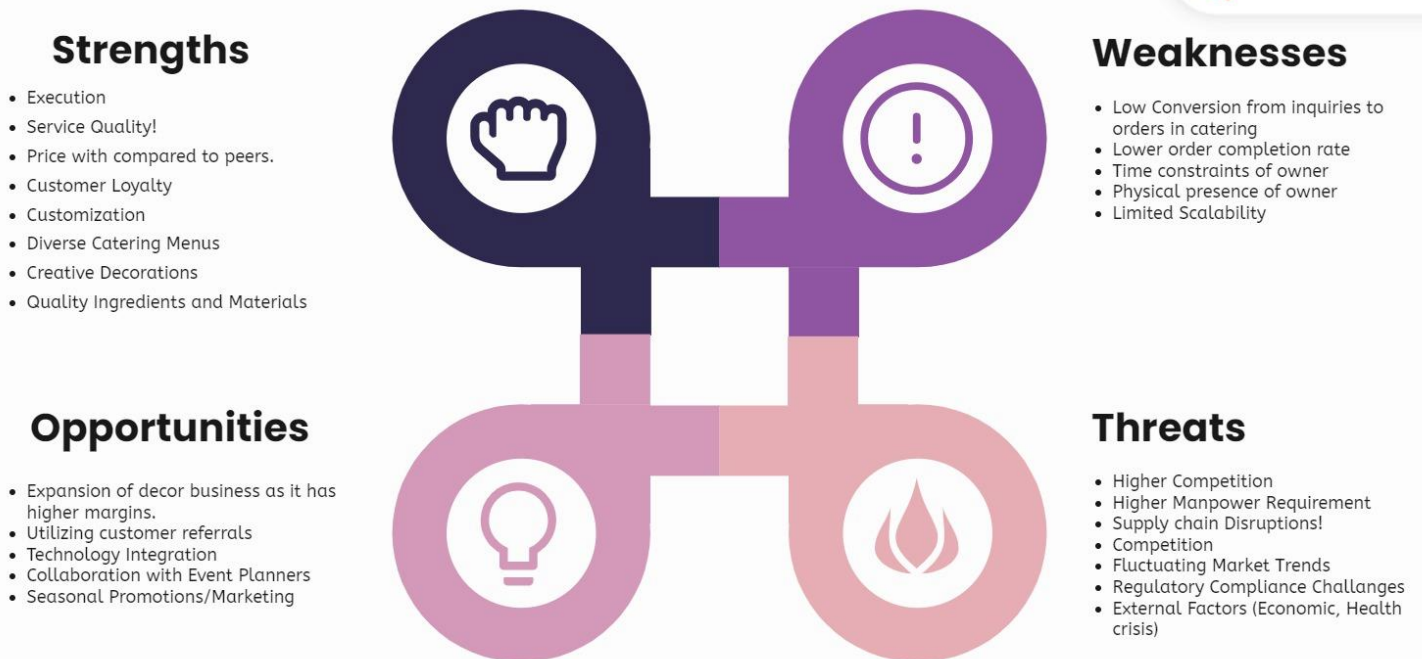
### 3.2. SWOT Analysis Findings:

- **Strengths:**

- **Customization and Quality:** Prajapati Caterers and Decorators excels in providing customized services tailored to meet the unique needs and preferences of their clients. Their commitment to quality ensures customer satisfaction and fosters loyalty.
- **Customer Loyalty:** The business enjoys a strong base of loyal customers who appreciate the personalized attention and high-quality services consistently delivered by Prajapati Caterers and Decorators.
- **Diverse Menus:** Offering a wide range of catering menus catering to various tastes and dietary requirements enhances their appeal to a diverse customer base, attracting more clients and increasing revenue streams.
- **Creative Décor:** Prajapati Caterers and Decorators' expertise in creative décor, particularly in balloon décor and artificial flowers, sets them apart in the market, attracting clients seeking innovative and unique décor solutions for their events.

- **Weaknesses:**

- **Low Inquiry Conversion:** Despite receiving a significant number of inquiries, Prajapati Caterers and Decorators struggles to convert these inquiries into confirmed orders. This indicates potential gaps in their sales and booking processes that need to be addressed.



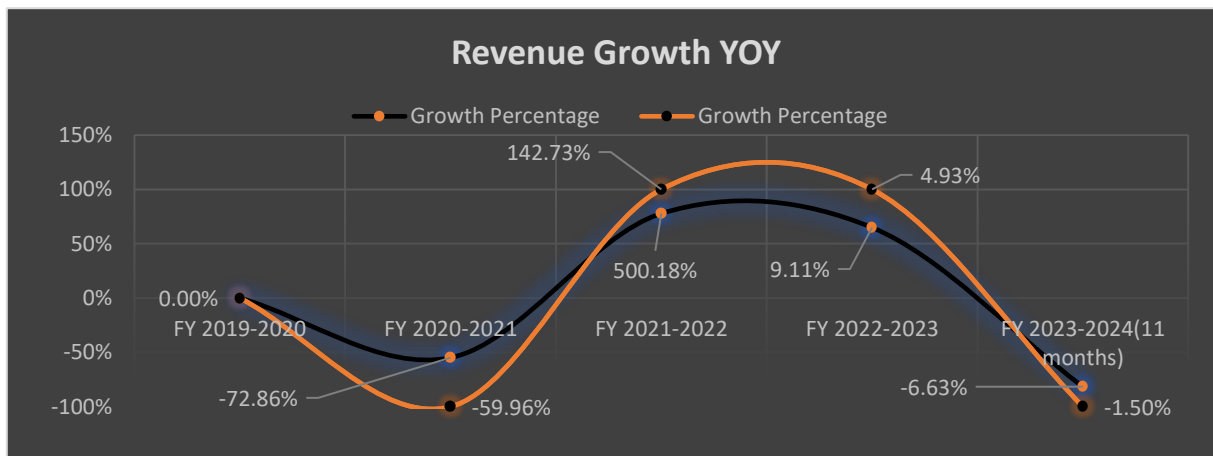
### **SWOT Analysis- Prajapati Caterers and Decorators**

- **Operational Dependencies:** The business heavily relies on the owner for day-to-day operations, leading to constraints in scalability and growth potential. This operational dependency limits the business's ability to expand and diversify.
- **Opportunities:**
  - **Expansion:** There are opportunities for Prajapati Caterers and Decorators to expand their customer base and market reach by exploring new geographical locations or target segments.
  - **Referral Utilization:** Leveraging existing satisfied customers to generate referrals can be a cost-effective way to attract new clients and increase order volumes.
  - **Technology Integration:** Integrating technology solutions such as online booking platforms or customer relationship management (CRM) systems can streamline operations, improve efficiency, and enhance the overall customer experience.
  - **Strategic Marketing:** Implementing targeted marketing strategies to promote Prajapati Caterers and Decorators' unique strengths and offerings can help them stand out in a crowded market and attract more customers.
- **Threats:**
  - **High Competition:** The catering and décor industry is highly competitive, with many players vying for market share. Intense competition can put pressure on prices and margins, impacting profitability.
  - **Cluttered Market:** The market is saturated with numerous catering and décor service providers, making it challenging for Prajapati Caterers and Decorators to differentiate themselves and attract customers.
  - **Supply Chain Disruptions:** Potential disruptions in the supply chain, such as ingredient shortages or transportation issues, can impact Prajapati Caterers and Decorators' ability to deliver services on time and maintain customer satisfaction.
- **Conclusion:** By leveraging their strengths in customization, quality, and customer loyalty, while addressing weaknesses such as low inquiry conversion and operational dependencies, Prajapati Caterers and Decorators can position themselves for sustained growth and success in the competitive market. By capitalizing on opportunities for expansion, referral utilization, tech integration, and strategic marketing, while mitigating threats posed by high competition, market saturation, and supply chain disruptions, Prajapati Caterers and Decorators can navigate challenges and achieve their business objectives.

### 3.3. Revenue Analysis and Insights:

- **Business Revenue Composition:**

- The analysis reveals that over 90% of the total revenue is derived from the catering business, indicating its significant contribution to Prajapati Caterers and Decorators. Despite fluctuations in the market, both catering and décor revenue have remained relatively constant from FY 2019-20 to the present, underscoring the stability of these revenue streams.

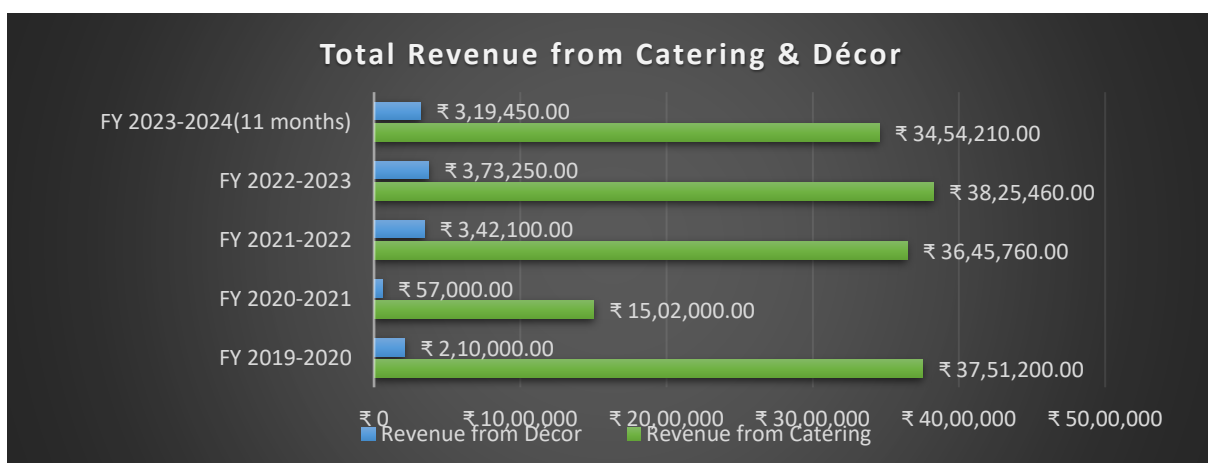


- **Impact of COVID-19:**

- The COVID-19 pandemic has had a noticeable impact on business revenue, as evidenced by the dip in revenue during the FY2020-2021 period. This decline is in line with the broader challenges faced by the hospitality industry due to lockdowns and restrictions.

- **Recommendation for Growth:**

- To counteract the effects of COVID-19 and drive revenue growth, strategic initiatives are recommended. Diversification emerges as a key strategy, with potential avenues including expanding service offerings or exploring new markets. By adapting to changing customer needs and market dynamics, Prajapati can capitalize on emerging opportunities for growth.



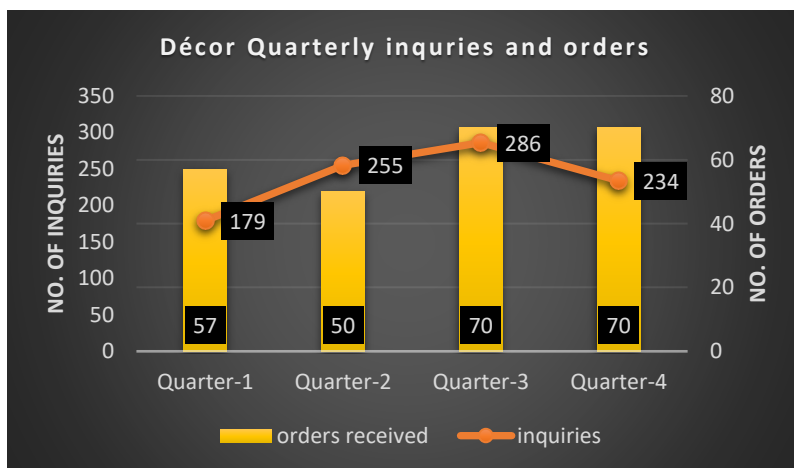
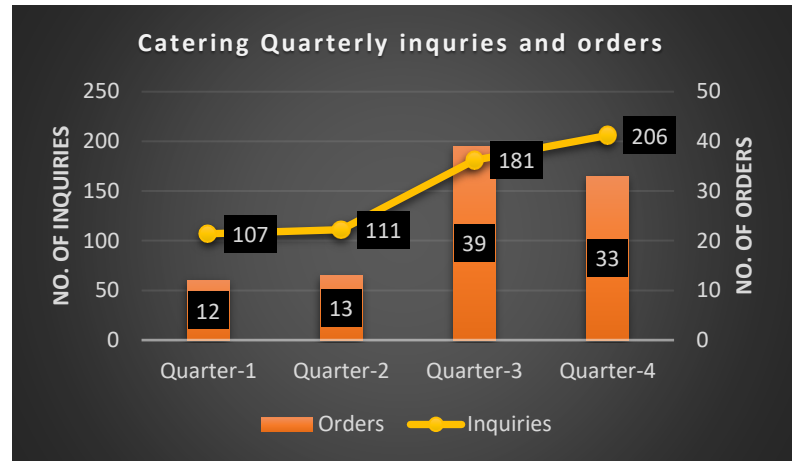
- **Operational Dependency on Owner:**

- An important finding of the analysis is the operational dependency on the owner, which poses a bottleneck to scalability and efficiency. To address this constraint, the recommendation is to employ skilled fixed employees capable of handling back-office operations and managing events independently. This would not only reduce dependency on the owner but also enhance operational efficiency and service delivery.

- **Conclusion:** While the revenue analysis highlights the dominance of the catering business, it also underscores the need for strategic initiatives to foster growth and mitigate operational challenges. By diversifying revenue streams, addressing operational dependencies, and adapting to changing market conditions, Prajapati Caterers and Decorators can position themselves for sustained success in the competitive hospitality industry.

### 3.4. Inquiries Conversions:

- **Quarter-1** consistently reflects a dip in both catering and decoration orders, indicating an **off-season** trend. Catering orders correlate directly with inquiries, while decoration orders display a more nuanced relationship, suggesting

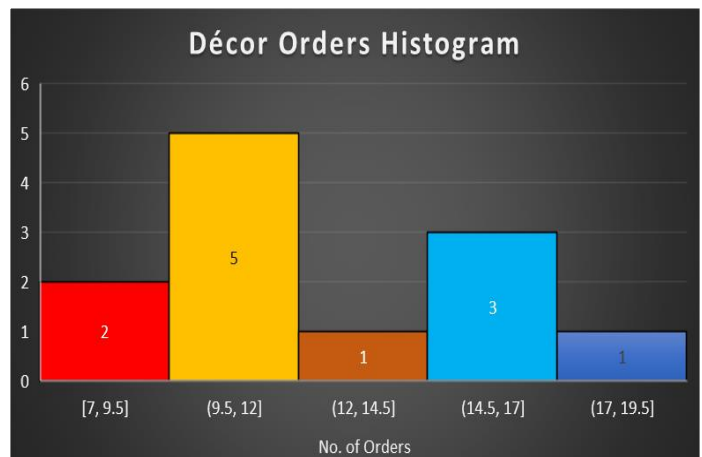
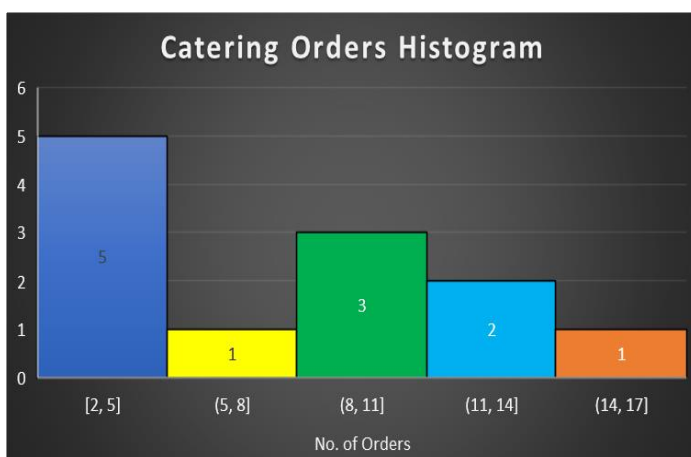


varied decision factors.

- Quarter-2 is also reflecting a dip in both catering and decoration orders, which also significantly portrays that only Quarter-3 and Quarter-4 are having higher inquiries and orders in the year.

- This graph portrays that only 2 Quarters I a year has demand and other 2 Quarters is off-season for the business.

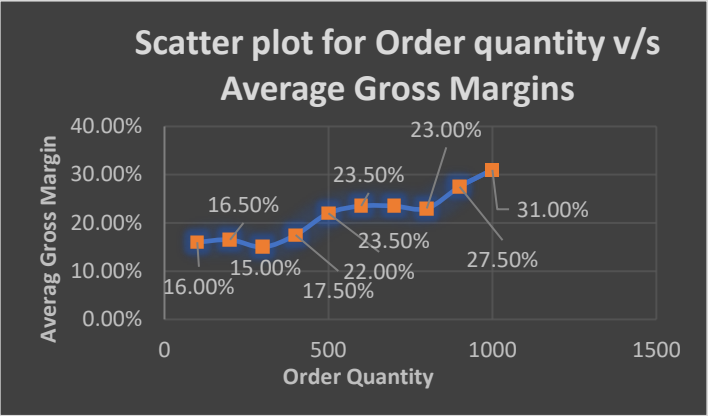
### 3.5. Order Histograms:



### 3.6. Margins Analysis:

- **Catering Services Gross Margins:**

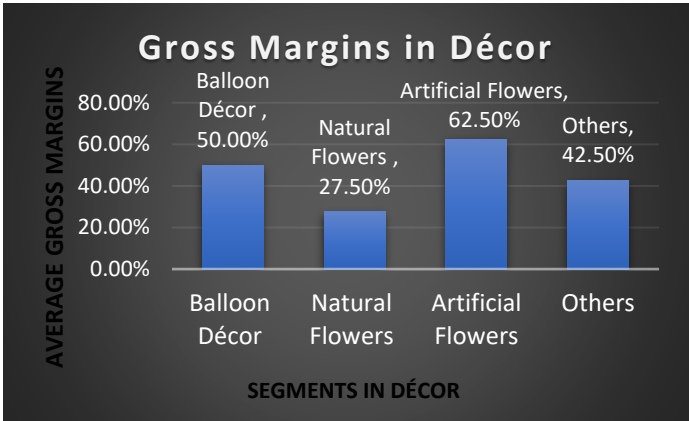




○ The analysis of catering gross margins reveals a notable trend wherein margins demonstrate a steady increase with order quantities. At their peak, gross margins reach an impressive 30-31%, indicating healthy profitability in the catering segment. This suggests that as order volumes rise, Prajapati Caterers and Decorators can capitalize on economies of scale to enhance profitability further.

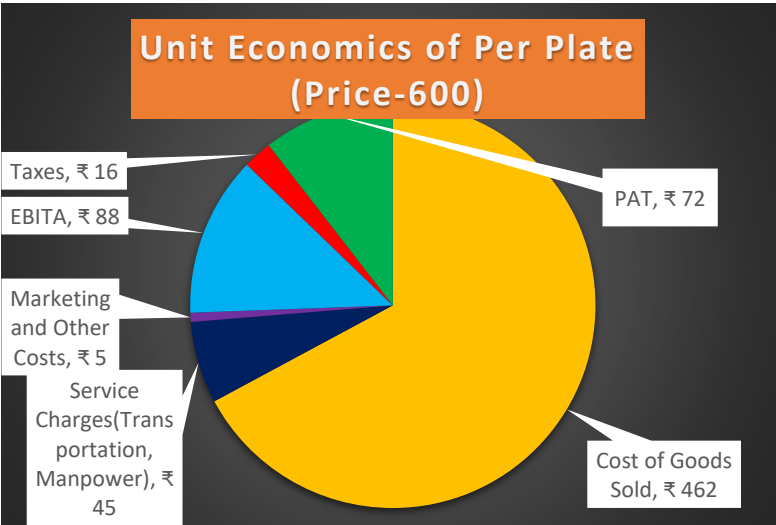
### • Décor Services Gross Margins:

- In contrast to catering, décor services exhibit even more promising gross margins, particularly in balloon décor (50%) and artificial flowers décor (62%). These high-margin offerings present lucrative opportunities for Prajapati to diversify revenue streams and tap into the growing demand for premium décor services. By strategically positioning these services and optimizing marketing efforts, the business can unlock additional revenue streams and bolster overall profitability.



### 3.7. Case Study for Analysis of Unit Economics for Catering Order:

- **Introduction:** This presents a detailed analysis of the **unit economics** associated with a **catering order**, focusing on key financial metrics such as revenue, costs, and profitability. By dissecting the components of unit economics, this analysis aims to provide insights into the financial performance and viability of the catering business.



### ○ Revenue Analysis:

The **total revenue** generated from the catering order amounts to **₹3,00,000**, based on a **price per plate of ₹600** and a **total of 500 plates served**. This represents the top-line income earned from the order.

### ○ Cost Analysis:

The **cost of goods sold (COGS)** accounts for **₹2,31,000**, comprising **77% of the total expenditure**. This includes expenses related to

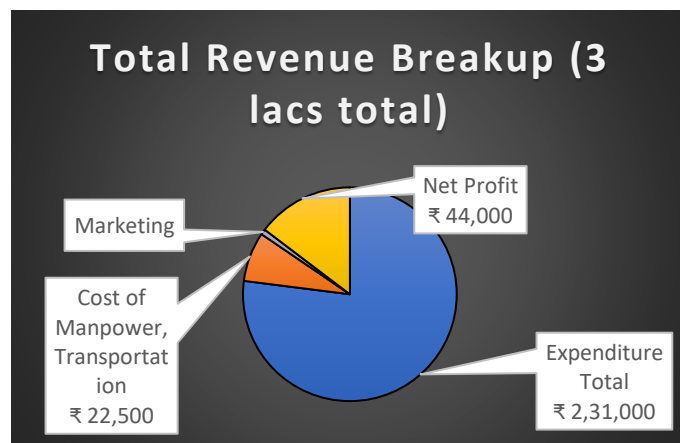
ingredients, food preparation, and other direct costs associated with fulfilling the catering order.



Additional costs, such as manpower, transportation, and marketing, amount to ₹22,500, ₹2,500, and ₹5 respectively. These costs contribute to the overall operational expenses incurred by the business.

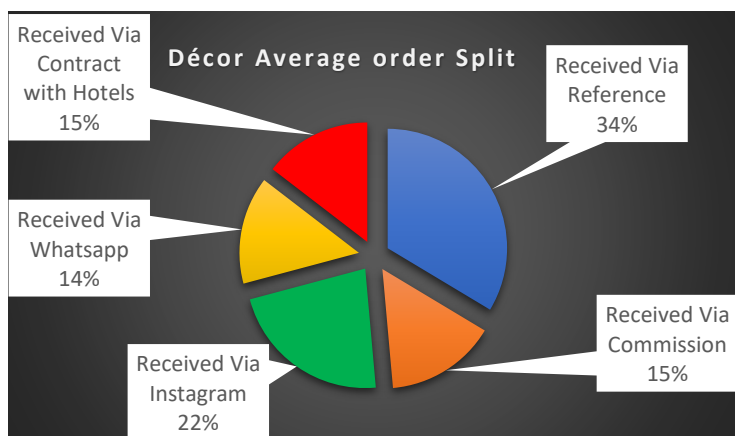
○ **Profitability Metrics:**

- The gross margin for the catering order is ₹138, representing a 23% margin on the total revenue. This indicates the profitability of each plate served after accounting for the direct costs of goods sold.
- The EBITA (Earnings Before Interest, Taxes, and Amortization) stands at ₹88, reflecting a 15% margin on the total revenue. This metric provides insights into the operational profitability of the catering business.
- After accounting for taxes, the Profit After Tax (PAT) amounts to ₹72, representing a 12% net profit margin. This metric measures the bottom-line profitability of the catering order, taking into consideration all expenses and tax obligations.



- **Conclusion:** In conclusion, the analysis of unit economics for the catering order reveals a healthy gross margin and profitability, with the business generating positive returns after accounting for all costs and expenses. By carefully managing costs, optimizing operational efficiency, and exploring opportunities for revenue growth, the catering business can further enhance its financial performance and drive sustainable profitability in the long run.

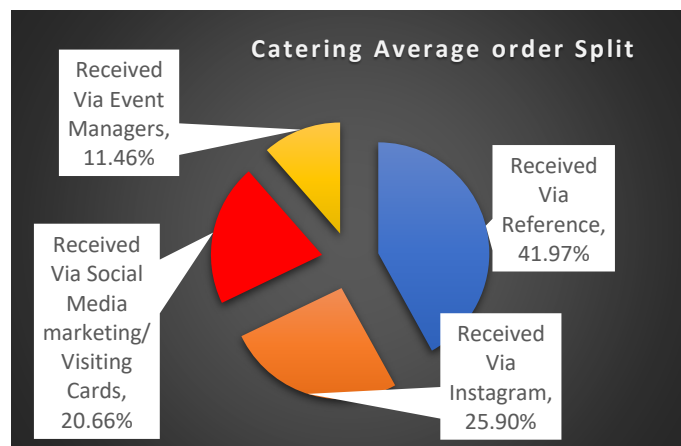
**3.8. Order Receiving Channel splits:**



another 14.57% from contracts with hotels.

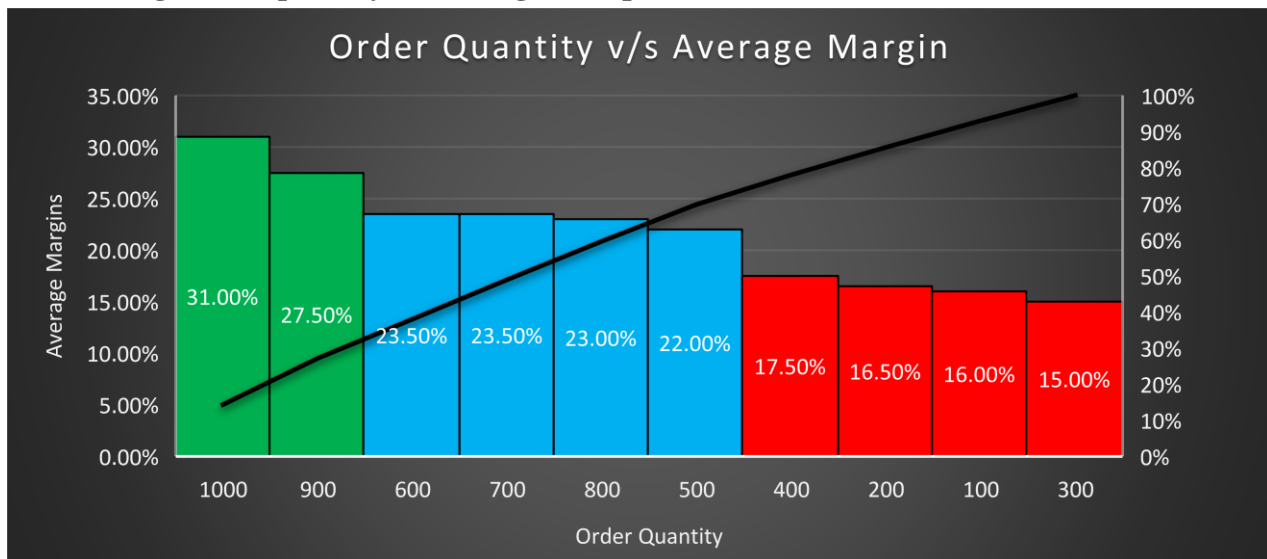
- In comparison, for catering, the majority of orders 41.97% originated from references, followed by 25.90% from

- The breakdown of orders for Prajapati Caterers and Decorators shows that in décor, the highest proportion of orders 33.60% came from references, followed by 14.98% from commission-based referrals, 22.27% from Instagram, 14.57% from WhatsApp, and



Instagram, 20.66% from social media marketing/visiting cards, and 11.46% from event managers.

### 3.9. Catering Order quantity and Margin comparison:



- **Positive Correlation:** There is a **clear positive correlation between the number of dish orders and the average margin**. As the number of dish orders increases, the average margin tends to rise as well. This suggests that handling larger order quantities may lead to improved profitability for Prajapati Caterers and Decorators.
- The significant increase in the average margin when the number of dish orders reaches 900 indicates the presence of economies of scale. This means that as the business scales up and handles larger volumes, it becomes more efficient and cost-effective, resulting in higher margins.
- While the average margin continues to increase beyond 900 dish orders, the rate of increase slows down, indicating diminishing returns. This suggests that there is a limit to the extent to which increasing order quantities can boost margins, and further growth may yield diminishing marginal benefits.

### 3.10. Catering Order Frequency breakdown:

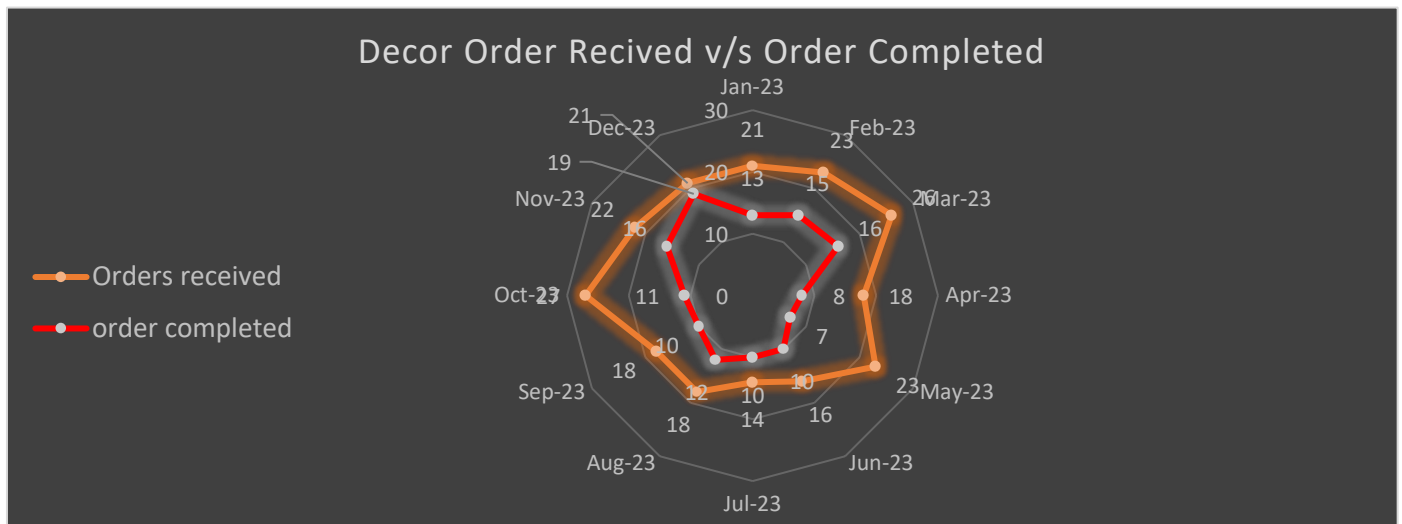
- The breakdown of catering orders by quantity reveals a varied distribution across different order sizes. The **majority of orders fall within the range of 250-500 dishes**, with fewer orders exceeding this range or falling below 250 dishes.
- There is variability in monthly order trends, with some months experiencing higher order volumes compared to others. For example, **November and December 2023 witnessed the highest total number of orders, while April and May 2023 had the lowest order volumes**.
- The data suggests the presence of seasonal patterns, with certain months consistently showing higher order volumes compared to others. This could be attributed to factors such as the timing of events, holidays, or seasonal variations in demand for catering services.

- There is a notable preference for mid-sized orders ranging from 250-500 dishes, as evidenced by the higher frequency of orders within this range compared to smaller or larger order sizes.

Catering Order Details breakdown											
Month	100	150-200	250-300	350-400	450-500	550-600	650-700	750-800	850-900	1000+	
Jan-23	1	1	2	3	0	1	1	1	0	0	10
Feb-23	3	0	3	0	2	1	1	0	1	1	12
Mar-23	1	1	1	1	3	2	0	1	0	1	11
Apr-23	0	0	0	2	1	0	1	0	0	0	4
May-23	0	0	0	1	1	1	0	0	0	0	3
Jun-23	2	1	1	0	1	0	0	0	0	0	5
Jul-23	1	0	3	0	1	0	0	0	0	0	5
Aug-23	0	2	0	0	0	0	0	0	0	0	2
Sep-23	1	1	1	3	0	0	0	0	0	0	6
Oct-23	1	1	0	1	3	0	1	1	0	2	10
Nov-23	2	5	3	0	0	1	1	0	1	0	13
Dec-23	2	1	1	2	4	1	1	1	1	2	16
Total	14	13	15	13	16	7	6	4	3	6	97

### 3.11. Décor Order Received and completed analysis:

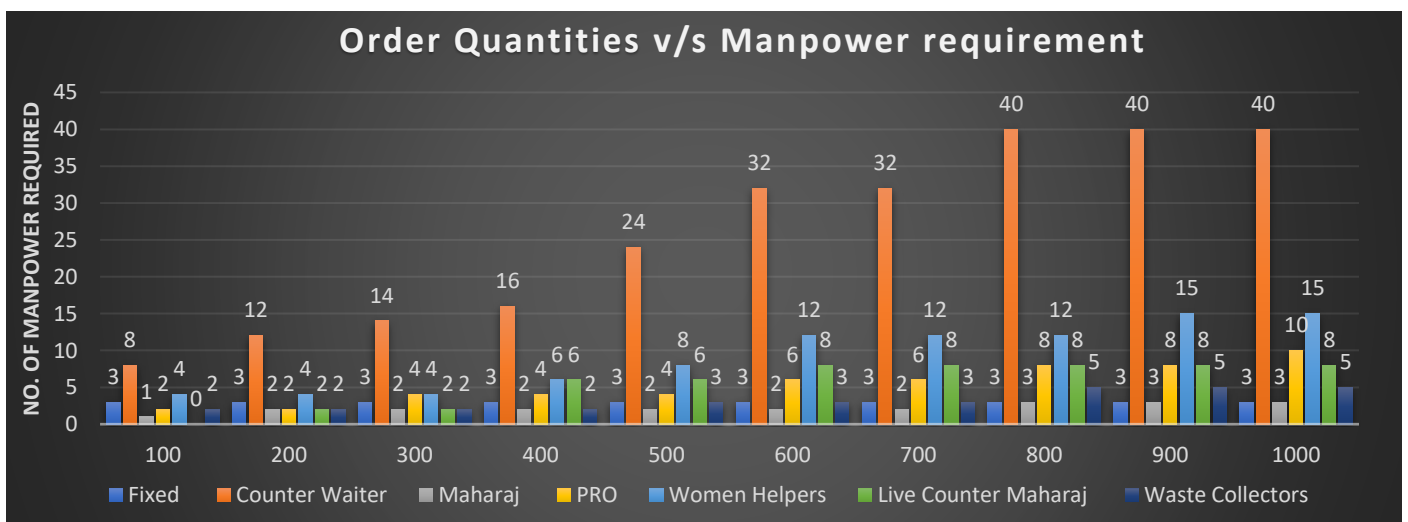
- **Trend Analysis:**
  - The data shows fluctuations in the number of orders received and completed throughout the year.
  - There is a **general increasing trend in the number of orders received from January to October, followed by a slight decrease in November and December.**
  - However, the **number of completed orders does not consistently follow the same trend, indicating potential operational challenges in fulfilling orders.**
- **Comparison:**
  - A **comparison between orders received and completed reveals discrepancies in certain months.**
  - For instance, in May 2023, there were 23 orders received but only 7 completed, suggesting a significant backlog or operational inefficiencies.
- **Monthly Performance:**
  - January and February witnessed a steady increase in both orders received and completed.
  - March and April saw a slight decline in completed orders despite a rise in orders received, indicating possible capacity constraints or resource issues.
  - June and July experienced a decrease in both received and completed orders, reflecting a seasonal downturn or external factors influencing demand.
  - August to October showed a recovery with increased orders received, although completion rates varied.



- Conclusion:** The analysis highlights fluctuations in monthly orders received and completed by Prajapati Caterers and Decorators. While there is a general increasing trend in orders received, completion rates fluctuate, indicating potential operational challenges that need to be addressed.

### 3.12. Manpower Analysis:

- The correlation analysis between order quantity and required manpower reveals crucial insights. Notably, there exists a **clear relationship where an increase in order quantity corresponds to a higher demand for manpower**. This trend underscores the importance of scaling manpower resources in tandem with the business's operational requirements.
- However, a noteworthy **observation is the significant involvement of the owner in back-office tasks and planning, supported by a fixed team of 3 skilled individuals**.
- These tasks encompass critical aspects such as inventory procurement, transportation coordination, and overseeing the movement of necessary inventory to catering locations.
- Given this scenario, there arises an opportunity for growth by strategically expanding the fixed skilled manpower team. By augmenting skilled personnel, especially in back-office and planning functions, Prajapati Caterers and Decorators can enhance operational efficiency, accommodate a higher volume of orders, and facilitate overall business growth.



## 4. Interpretation of Results and Recommendation:

### 4.1. Interpretation of Results:

- **Root Cause Analysis Findings:**
  - Operational dependencies on the owner and limited scalability are identified as key factors contributing to stagnant revenue growth.
  - Untapped potential in the décor business and low inquiry conversion rates further hinder revenue maximization.
  - Operating within a seasonal business framework constrains scalability and perpetuates a state of revenue stagnation.
- **SWOT Analysis Findings:**
  - Strengths such as customization, quality, and customer loyalty are countered by weaknesses like operational dependencies and low inquiry conversion.
  - Opportunities for expansion, referral utilization, and tech integration and strategic marketing exists but threats from high competition and market saturation persist.
- **Revenue Analysis and Insights:**
  - Catering dominates revenue composition, but the impact of COVID-19 is evident, necessitating diversification strategies for growth.
  - Operational dependencies on the owner pose challenges to scalability and efficiency.
  - The revenue growth has remained stagnant over the past three years, indicating a lack of significant increase in revenue from the business.
- **Inquiries Conversions and Margins Analysis:**
  - Inconsistent inquiry conversion rates and underutilized partnerships highlight areas for improvement.
  - Catering and décor services exhibit promising gross margins, signaling revenue potential.
- **Order Receiving Channel Splits and Décor Order Analysis:**
  - Majority of orders originate from references, indicating the importance of customer referrals.
  - Fluctuations in monthly orders received and completed suggest operational challenges that need to be addressed.
- **Manpower Analysis:**
  - Correlation between order quantity and required manpower underscores the need for scalable staffing solutions.
  - Strategic expansion of skilled personnel can enhance operational efficiency and accommodate business growth.

### 4.2. Recommendations:

- **Mitigate Operational Dependencies:**

- Invest in hiring skilled fixed employees to handle back-office operations and event management, reducing reliance on the owner.
- **Leverage Décor Business Potential:**
  - Develop strategies to streamline décor services and explore partnerships to capitalize on higher-margin offerings.
- **Enhance Inquiry Conversion Rates:**
  - Implement a systematic approach to track inquiries and allocate sufficient manpower to improve conversion rates.
- **Optimize Revenue Channels:**
  - Strengthen partnerships with event managers and hotels to increase order volumes and revenue streams.
- **Diversify Revenue Streams:**
  - Explore new markets, integrate technology solutions, and implement targeted marketing to expand service offerings and attract more clients.
- **Improve Operational Efficiency:**
  - Scale manpower resources strategically, especially in back-office functions, to accommodate business growth and enhance operational efficiency.
- **Create Systematic feedback system:**
  - Creation of systematic feedback collection and storage system can significantly improve quality by knowing exactly what customer wants.
  - Analyzing the data can give really good insights about the business.
- **Conclusion:** By addressing operational dependencies, optimizing revenue channels, and leveraging growth opportunities identified through the analysis, Prajapati Caterers and Decorators can overcome challenges and achieve sustainable growth in the competitive catering and décor industry. Implementation of targeted strategies aligned with the recommendations will be crucial in driving the business towards its objectives and ensuring long-term success.