

Customer Diversification and Revenue Optimization of a Medical Equipment Supplier

A Proposal report for the BDM capstone Project

Submitted by

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Declaration Statement

I am working on a Project Titled “Customer Diversification and Revenue Optimization of a Medical Equipment Supplier”. I extend my appreciation to **Al Wafer Medical Equipments and General Trading LLC**, 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 through 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 information 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 agree that all the recommendations are business-specific and limited to this project exclusively, and cannot be utilized for any other purpose with an IIT Madras tag. I understand that IIT Madras does not endorse this.

Signature of Candidate: 

Name: Haifa Abdul Sathar

Date: 01/10/2024

1 Executive Summary

This project is based on the business practices of a Medical Equipment Supplier 'Al Wafer Medical Equipments and General Trading LLC', located in Dubai, UAE. It aims to conduct an in-depth analysis of the organisation's business data and provide meaningful insights.

The key problems of the business are concentration of major sales in few customers and failing to retain new customers. Also, an absence of regular records of monthly expenses makes it difficult to compute exact profit margins and growth over time.

The Project begins by conducting an in-depth analysis of existing customers, using different analytical approaches to identify key customers and purchasing trends. By understanding the core characteristics of the current customer base, the project will assess potential gaps and opportunities for targeting untapped market segments. The purchase and sales data will be analysed to identify patterns which will help to develop ways to enhance profit generation.

2 Organization Background

Business Name: AL Wafer Medical Equipments and General Trading LLC

Address: Opp California Hotel, Deira, Dubai, UAE

Owner's Name: Mr. Abdullah Thotton

AL WAFER MEDICAL EQUIPMENTS AND GENERAL TRADING LLC which was established in 2013, is a premier medical and dental equipment supplier that provide a combination of new and durable professional refurbished equipments, disposable and material to medical professionals around the globe. The business operates in both B2B and B2C capacities with more than 10 years of experience. The business is owned by a medical graduate with years of experience in the Medical field.

3 Problem Statement

- 3.1 There is a concentration of major sales in a few customers which may pose a risk to the financial stability of the business. Losing even one of those customers or changes

in their buying patterns can impact the business negatively.

- 3.2 There is an absence of proper records of monthly costs and expenses which limits the ability to estimate proper profit margins and devise ways to grow the business.

There is a need to attract new customers and retain existing customers to maintain business stability. A structured Data recording and Organisation is required to have clear understanding of the business operations and its effects.

4 Background of the Problem

The issues faced by Al Wafer Medical Equipments and General Trading LLC could be due to ineffective marketing strategies for customer acquisition. Constant revenue from specific customers has led to neglect of diversifying the customer base. A lack of focus on broadening market outreach or exploring new customer segments may have led to an over-reliance on existing customers.

Inability to estimate proper profit margin arises from lack of a proper system of recording individual costs and operational expenses. The annual expenses are approximated by the owner in an unclear state which makes data-driven computations for estimating clear profit margins difficult.

Addressing these challenges becomes essential for bringing financial clarity and smooth operations to the business.

5 Problem Solving Approach

5a. Details about the methods used with Justification:

The problems faced by Al Wafer Medical Equipments and General Trading LLC motivates a comprehensive approach involving both quantitative and qualitative methods.

Quantitative Methods:

Time-Series Analysis: A time-series analysis will help in identifying underlying trends and

patterns to identify seasonal nature and customer behavioral changes in the market.

Quantitative Market Research: This approach uses the collected data to analyse market trends and customer behaviors. It includes measures such as studying customer purchasing habits and customer clusters.

Qualitative Methods:

SWOT Analysis: This helps in identifying the Strengths, Weaknesses, Opportunities and Threats which will help in devising ways to improve profit margins and expand the business.

Benchmarking: This compares the business's performance against industry best practices or competitors to identify areas for improvement.

5b. Details about the data collected with Justification:

Purchase Data:

The data collected includes purchase details over a year containing the suppliers' names, dates of purchases and purchase amounts. It provides valuable insights needed to manage costs, ensure compliance, and make strategic decisions regarding sourcing and procurement.

Sales Data:

The sales data includes sales data over a period of one year containing customer names, dates of sales and sales amounts. It helps in analyses on revenue and financial growth of the business over time. It also helps in gaining insights about the customer base, customer value to the business and customer purchasing patterns which will help in making informed decisions regarding customer diversification and marketing strategies.

Annual Expenses:

The annual expenses were communicated by the owner which will be used to calculate profit margins.

5c. Analysis Tools and Justification:

Analysis Tools:

Microsoft Excel: It is used for preliminary data processing, data cleaning and analysis with the help of excel tools to uncover meaningful insights. It is a popular tool for fundamental computations and chart creation.

Python with Pandas and Matplotlib: Will be used to complement Excel functionalities and help to explore data more comprehensively, create visual representations and gain additional insights. These libraries enable advanced data manipulation and sophisticated visualizations for a more comprehensive understanding of the dataset.

6 Expected Timeline

6.1 Work Breakdown Structure:

- Data Collection: Talking to the owner and collecting necessary data was completed by 12th September 2024.
- Data Cleaning: The data was cleaned and prepared for further analysis.
- Preparation of Problem Statement: Communicating with the owner along with basic data analysis was done to prepare the problem statement by the 24th of September.
- Proposal Preparation: The project proposal has been prepared by the end of September.
- Data Analysis: Detailed data analysis has been started in October and is intended to go on till November.
- The project submission is planned to be completed by mid November with useful insights and conclusive recommendations.

6.2 Gantt Chart

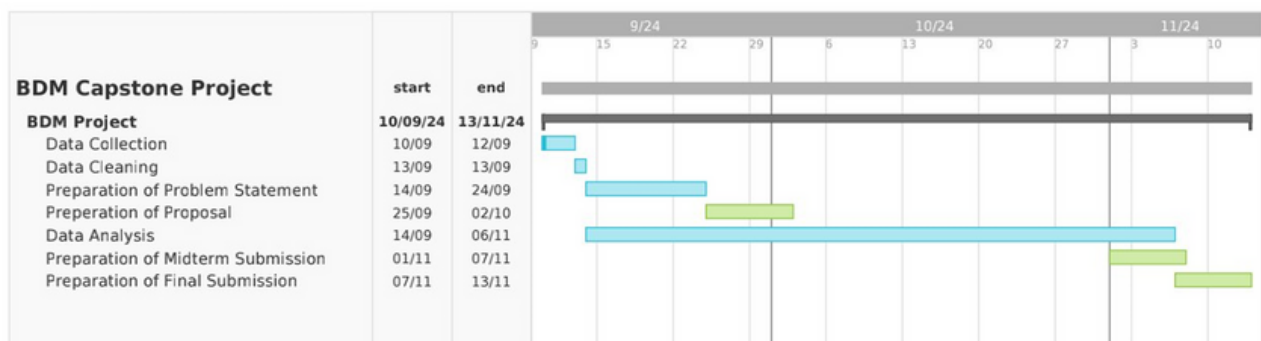


Figure 1 Expected timeline for completion of project

7 Expected Outcome

- Provide a comprehensive financial overview of the business through data-driven analysis of various aspects including customer value, purchase and sales trends and business performance.
- To devise strategies to diversify customer base and drive more sales by attracting more new customers.
- To identify ways to retain existing customers and increase their value.
- Make informed decisions by bringing a more structured way of data recording and organization leading to increased profit margins and growth.
- Identifying opportunities for expanding the business to gain prominence in the market.