

Chem_Corp_story

Overview - CHEM CORP INC	Understanding the Market Segment	Understanding Per Product Profit	Geographic Distribution	Market Opportunity	Product Divestment	Conclusion
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| CHEMCORP INCORPORATED |

Context:

ChemCorp’s current portfolio includes six primary industries and eleven different chemical products. With new startups offering optimized delivery channels for chemicals; and use of new technologies like machine learning and artificial intelligence to create new chemicals and lower the production costs for existing chemicals, the ChemCorp Inc. would like the analytics team to provide insights.

Objective:

To retain the customers and analyse loss of ~10% of sales revenue, the key focus areas are

- a) Customer Strategy – Size, Regionality, Seasonality of customers, business type and products
- b) Market Opportunities – Revenue, Profit margin and growth in business type and customer per segment
- c) Product Divestment –potential chemical products that should be divested.

Data Sources:

Sales Data(2015) :-

- Transaction Data
- Market Data




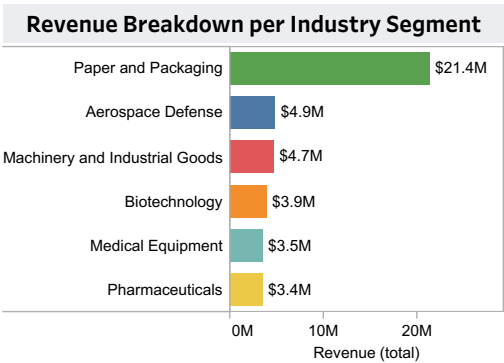
Data Analyst - Sriranjini Sridhar

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Understanding the Market Segment : CUSTOMERS

% of Customers for each Segment across Business types												% of Total Distinct count ..
Business Type (Transacti..	Chemical A	Chemical B	Chemical C	Chemical D	Chemical E	Chemical F	Chemical G	Chemical H	Chemical I	Chemical J	Chemical K	
Aerospace Defense	11.76%	18.49%	18.25%	17.84%	18.64%	18.58%	18.21%	10.77%	13.68%	12.86%	1.32%	
Biotechnology	9.41%	21.46%	20.82%	21.37%	21.82%	11.46%	24.92%	2.31%	9.47%	15.00%	1.32%	
Machinery and Industrial ..	15.29%	17.35%	19.28%	17.18%	17.05%	21.05%	16.93%	10.00%	14.74%	25.00%	1.32%	
Medical Equipment	14.12%	14.61%	15.42%	14.54%	14.09%	17.34%	12.46%	4.62%	8.95%	19.29%		
Paper and Packaging	35.29%	7.08%	7.97%	9.03%	8.18%	12.69%	6.71%	66.92%	46.84%	10.71%	94.74%	
Pharmaceuticals	14.12%	21.00%	18.25%	20.04%	20.23%	18.89%	20.77%	5.38%	6.32%	17.14%	1.32%	

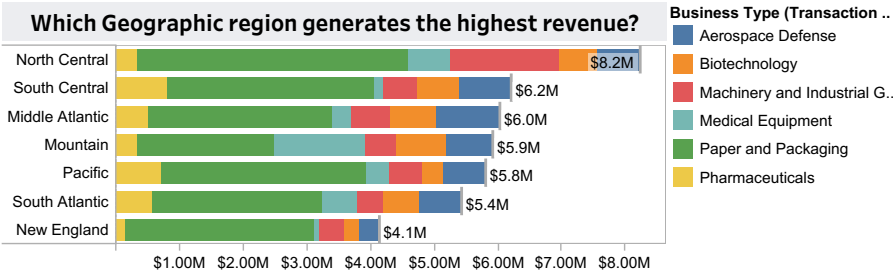


Paper and Packaging has the highest % of Customers and highest revenue amongst all the business types across all regions.

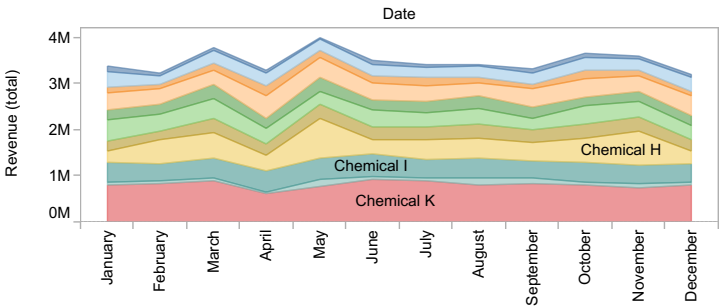
Chemical K is performing well throughout the year compared to other products.

There is a similar pattern of revenue drop and increase for majority of the chemicals during March-June

Let's continue our analysis on profit percentage.

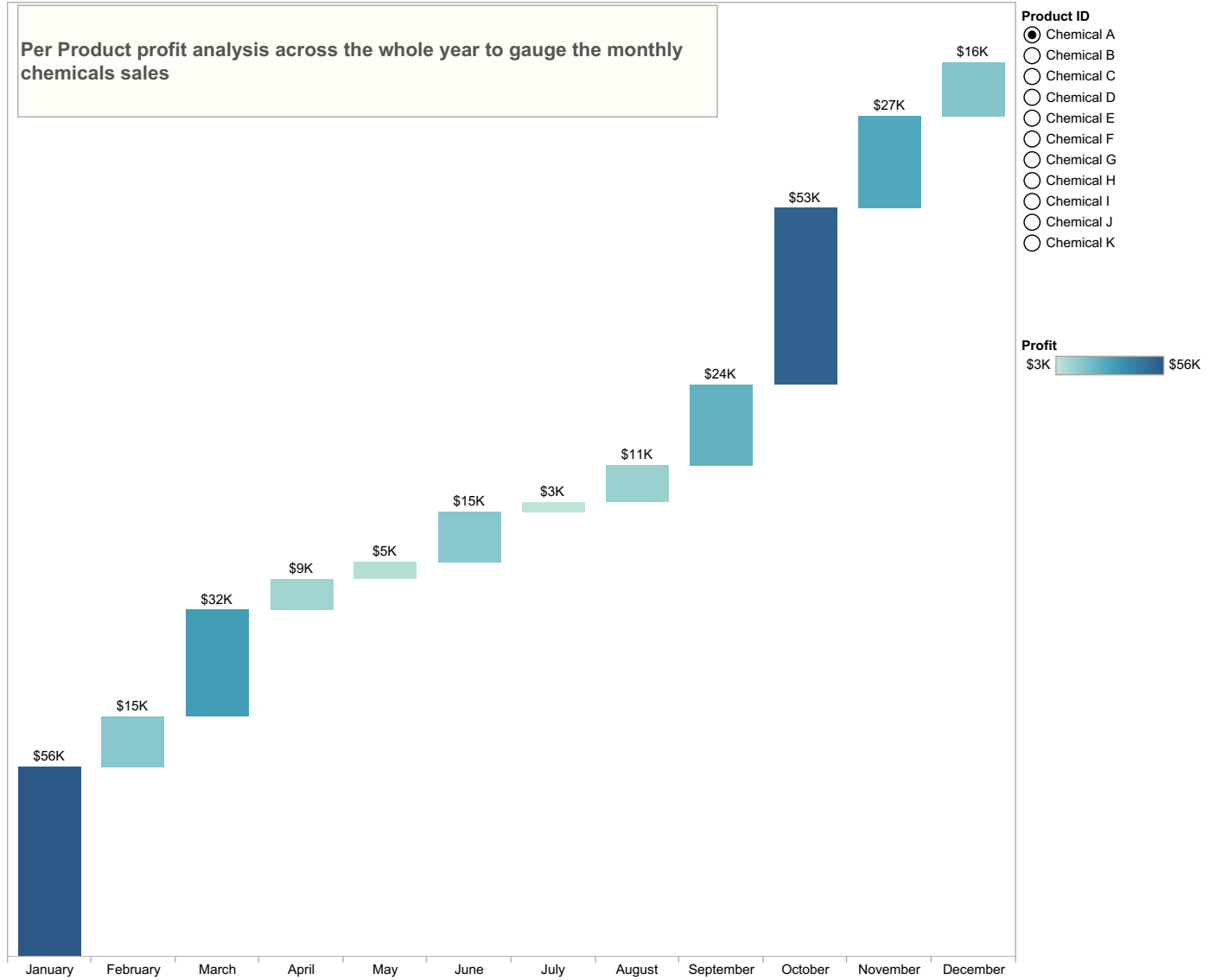


Chemical Sale Fluctuations observed quarterly for year 2015.



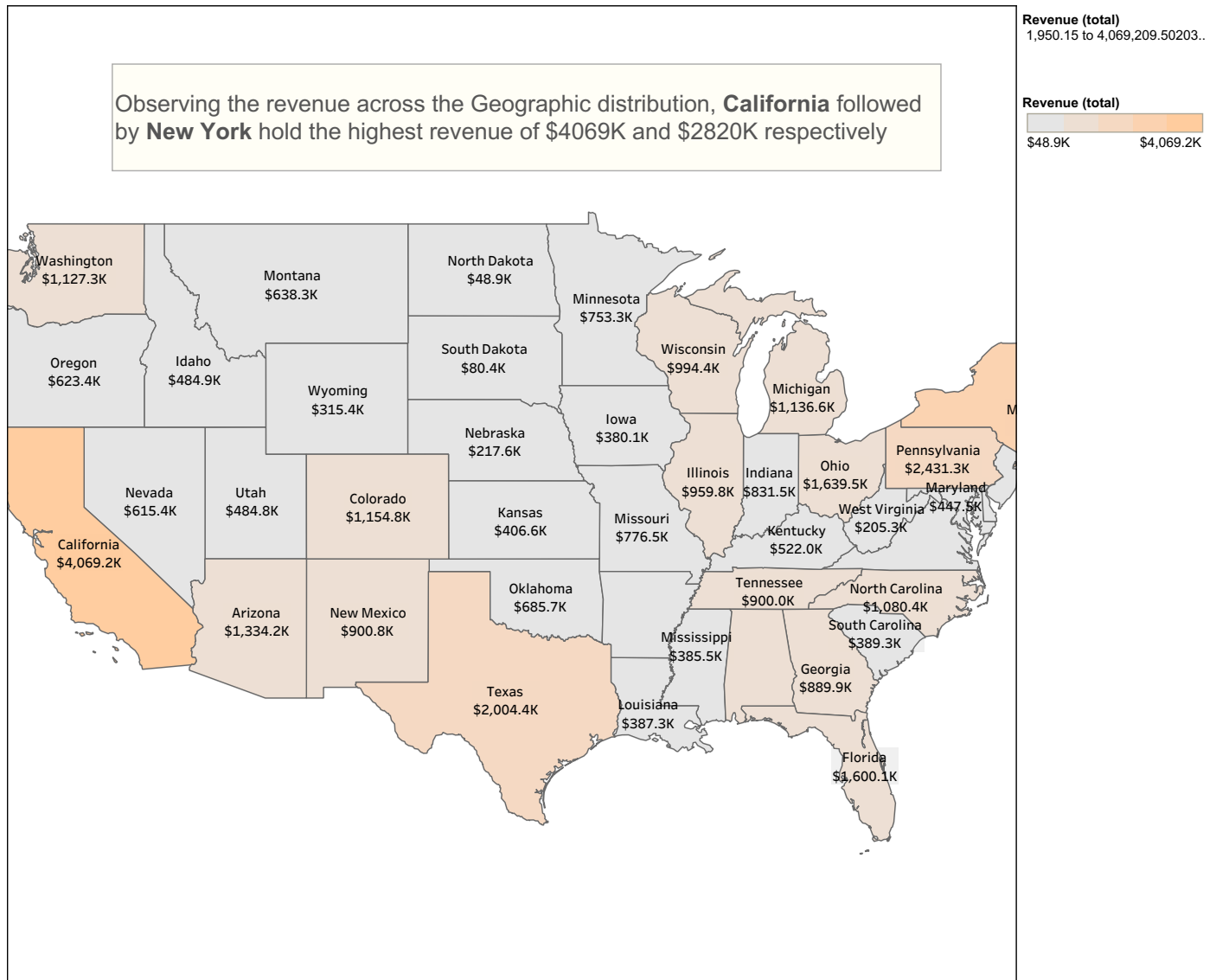
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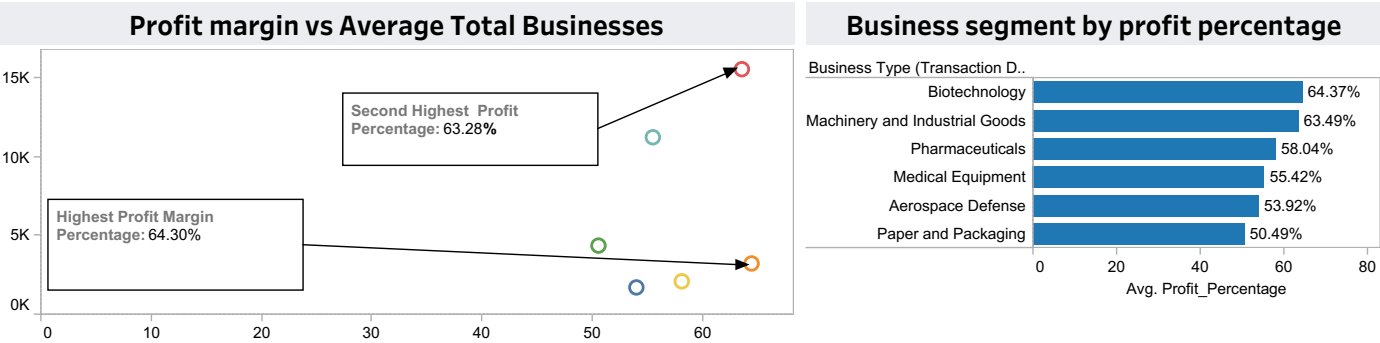
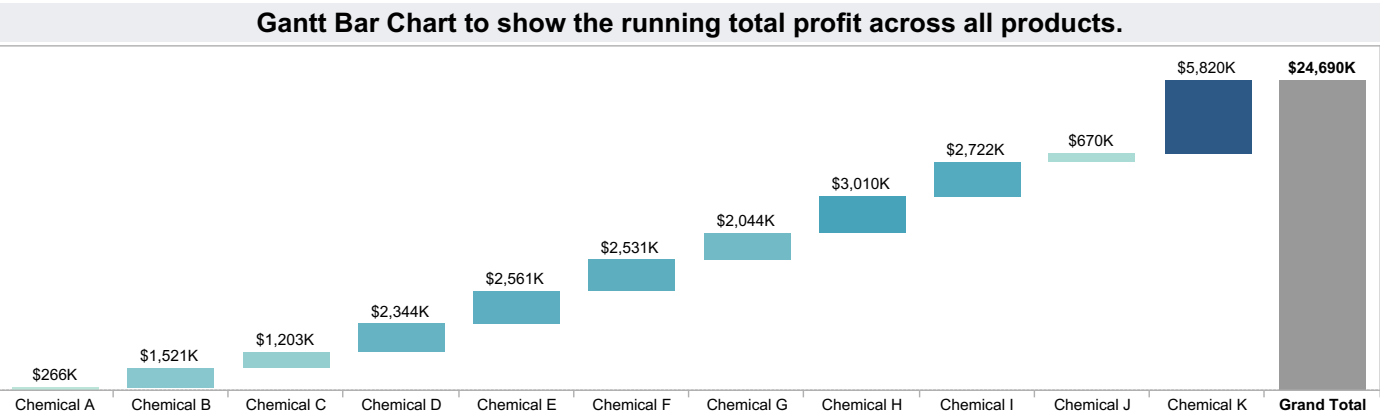


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Market Opportunity :

Are there any existing opportunities ChemCorp should focus on when examining its existing customer segments?



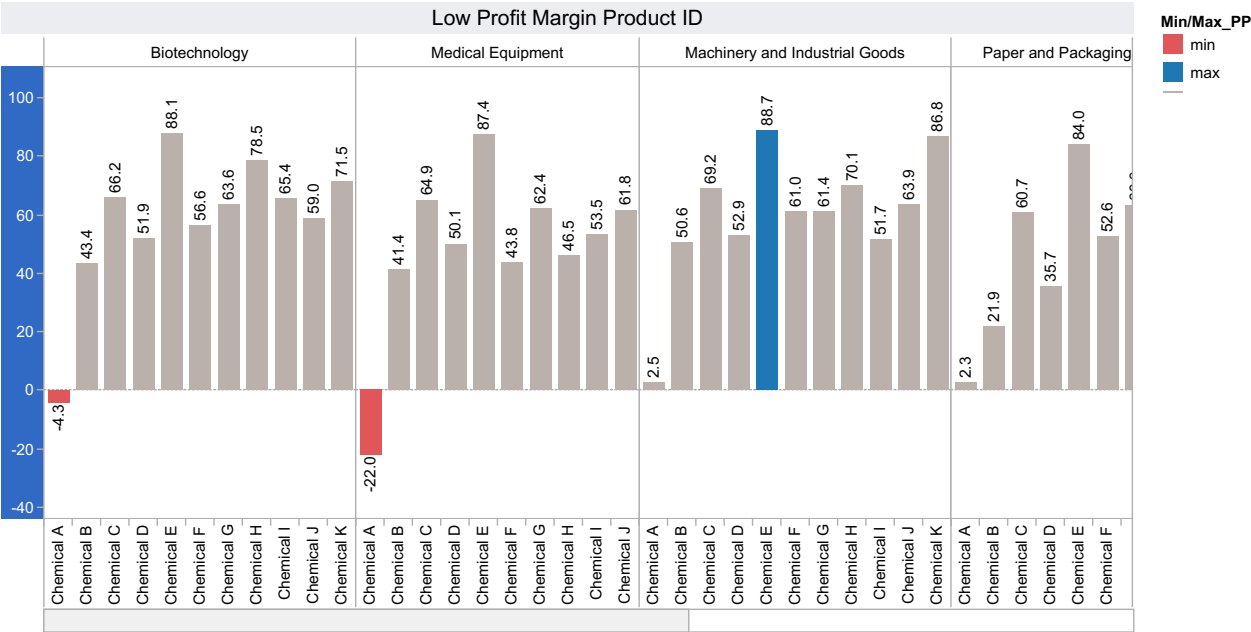
Inferences:

- 1.) Across all business segments, **Biotechnology** has the highest profit margin of 64.7%
- 2.) **Chemical K** tops the list of all products with a profit of more than \$ 5 Million, while **Chemical A** has the lowest profit of \$ 265 K
- 3.) **Paper & Packaging segment**, while attracting high revenue has opportunity for increased profit margins

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Of the current products that ChemCorp produces, does there exist any chemicals or industries that they should divest themselves of?



Recommendation:

- If the company were to divest in a particular business segment,
1. Considering the poor performance of **Chemical-A** across all the segments, this product should be divested.
 2. Biotechnology and Medical Equipment businesses should be focussed for further analysis after divesting in chemical A and check on the improvement in customer engagement.

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Focus Areas and Recommendation:

Analyzing the performance of ChemCorp's six primary industries and eleven different chemical products. Following are the final recommendations to the management team.

- 1.) Across all business segments, **Biotechnology** has the highest profit margin of 64.7% but product **Chemical A** needs to be divested due to average profit percentage of -4.3 % in Biotechnology and -22.0% in Medical Equipment. Customer engagement needs to be monitored for potential improvement across the other chemical products.
- 2.) **Chemical K** tops the list of all products with a profit of more than \$ 5 Million, while **Chemical A** has the lowest profit of \$ 265 K
- 3.) **Paper & Packaging segment**, while attracting high revenue has lowest profit percentage of 50.49%. Scope of improvement to be analyzed further after the divestment.

Reach out to Sriranjini Sridhar @ ssriranjini.81@gmail.com for further queries.