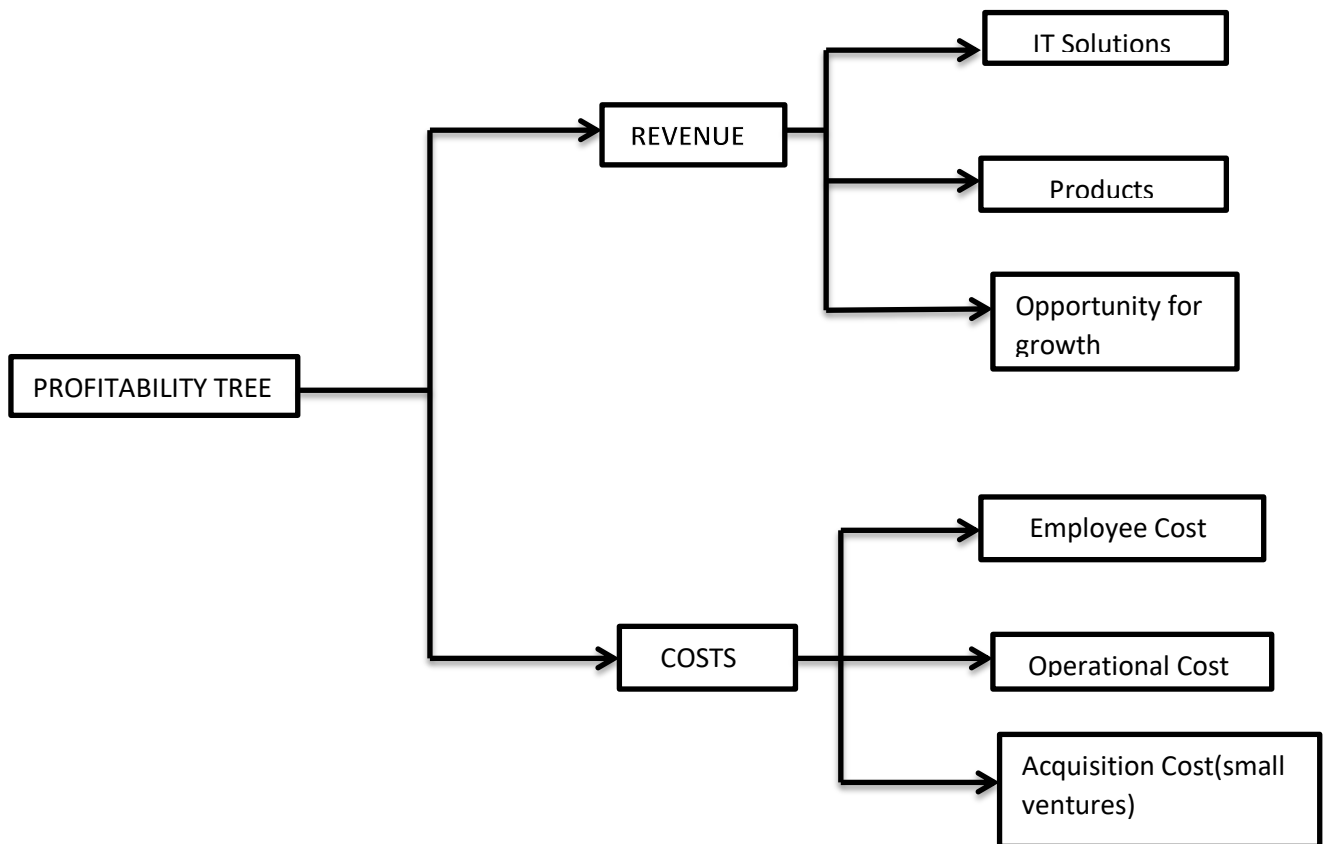


PROJECT-1

Root Problem

The company is struggling to keep up with competitors on year-on-year margin improvement (11% vs. 26%). Despite having strong revenue streams, its profitability is limited by high contractor costs, low-margin geographies (India, Asia-Pacific), and reliance on a few revenue sources (BFSI and digital marketing).

Issue Tree



COMPANY IS LOOKING FORWARD TO INVEST IN INDIA, US AND EUROPE

Potential Growth_for different sectors in these geographical locations:

1. In India:

- Low margin of 9%
- But 60% of contractors are from this region which would save the cost.
- BFSI is strong and growing in this region which will help generate revenue.

2. In Us:

- High margin of 48% (much profitable in this region).
- Customers present are also high in this region.
- Since the margin is high company can hire permanent employees which will reduce the cost of contractors by 1.4 times.
- Healthcare growth opportunity is also increasing.

3. In Europe:

- High margin of 44% (more profitable than India).
- Customer rate is also relatively high of 20%.
- Healthcare growth opportunity is also increasing.

Sectoral opportunities in these geographical regions:

1. BFSI

- High margin of 42%.
- High revenue generating sector(46%).
- Increasing potential growth in India.

2. HealthCare

- 21% revenue generating sector.
- High scope of growth in US and Europe.

3. Digital Marketing

- Highest revenue generating product(90%).
- But the company is highly dependent on this single product, diversification of customers into DevOps and Cybersecurity may help more in increasing income for the company.

4. Other sectors (33%)

- Retail offers strong margins (39%).
- Public sector and Manufacturing show moderate growth but lower margins.

RECOMMENDATIONS

1. Revenue Improvement:

- Expand Healthcare Offerings in the US and Europe:
 - Invest in IT solutions tailored for healthcare providers (e.g., hospital management systems, patient engagement platforms).
 - Develop partnerships with healthcare companies to cross-sell products and services.
- **Diversify Product Revenue**
 - The whole revenue generating model depends on single product i.e: Digital Marketing.
 - Diversify customer attraction towards DevOps and Cybersecurity as well.

2. Cost Optimization:

- **Reduce contractor dependency**
 - Switch from contractors to permanent employees which will reduce the salary by 1.4 times.
- **Streamline Operations in Low-Margin Regions:**
 - Automate processes in India and Asia-Pacific to reduce operational costs
 - Focus on high-margin sectors in these regions (e.g., BFSI in India).

3. Acquisition Strategy:

Target Niche Companies in High-Margin Sectors:

- Acquire healthcare focused companies in US to gain expertise in this sector.
- Consider BFSI specialized organisations in India for expansion.

Focus on Technology Synergies

- Look for companies with expertise in emerging technologies such as AI, Machine Learning and Cloud Computing which will help in the growth of IT sector of the company.

