

Data driven solution for Cost Estimation Accuracy for profit maximization

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Flow of Presentation

- Executive Summary
- Detailed Explanation of Analysis Process Method
- Results and Findings
- Interpretation of Results and Recommendation

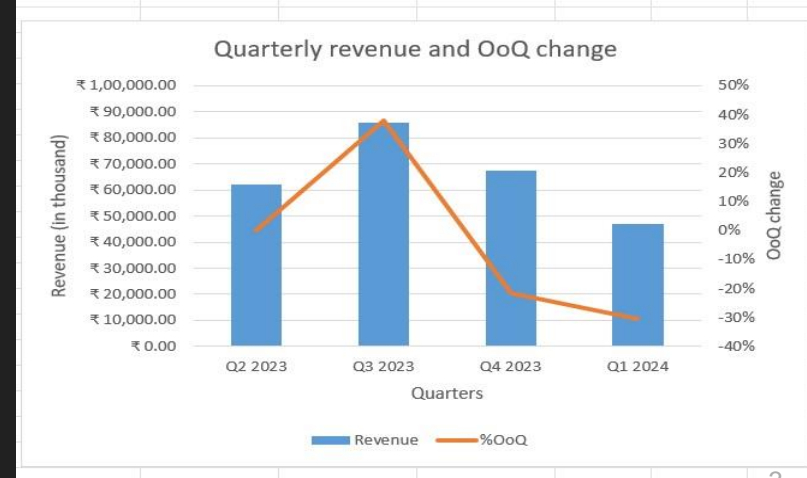
Executive Summary

About The Business

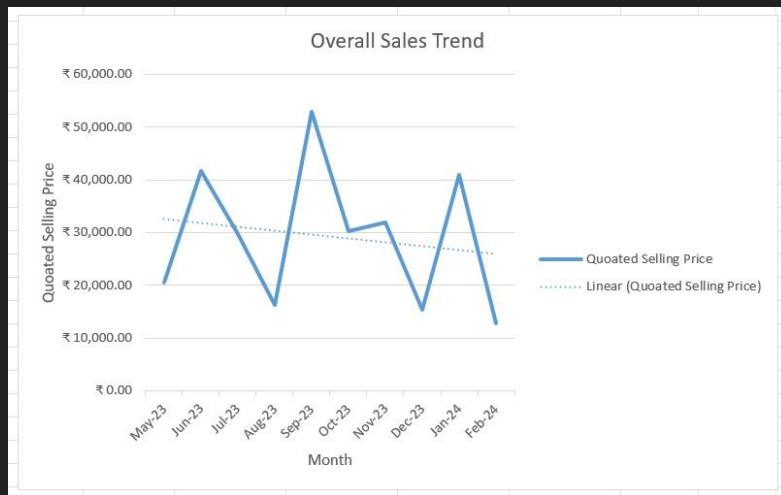
- Pioneer Furnishers is a B2B as well as B2C business located at Bowbazar, Central Kolkata
- It is running under sole proprietorship of Mr. Rathin Bhowmick
- Opened in 1985

Business Problem

- Facing profitability issues mainly after the year 2013
- Quarterly sales dropped by 30.49% (negative value) in the span of Q4 2023 to Q1 2024.
- The business is even facing issues with sales post-lockdown



Detailed Explanation of Analysis Process Method

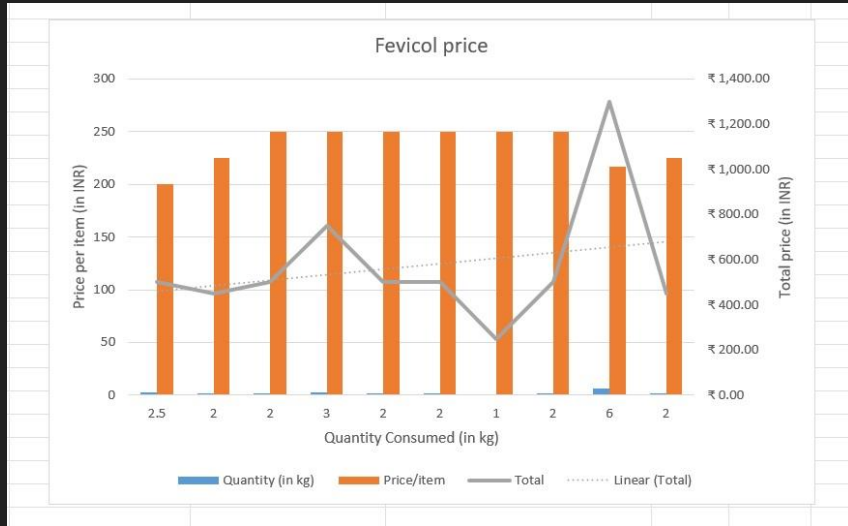


- Clear downtrend in sales
- Highest sales in September 2023
- Lowest sales in February 2024

- Clear hike in making charges
- There is no significant hike in Polish labour cost

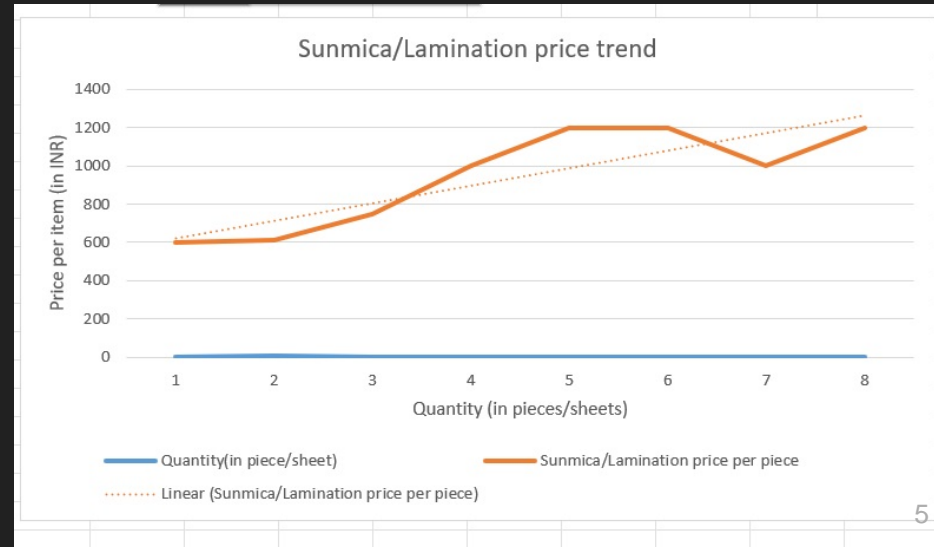


Detailed Explanation of Analysis Process Method

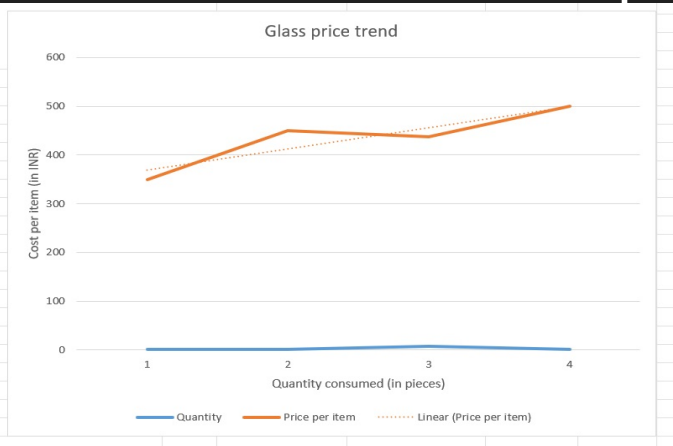


- Interestingly Sunmica prices also increased

- Clear price hike in Fevicol Prices
- The consumption of the SKU 'Fevicol' did not increase



Detailed Explanation of Analysis Process Method



- Clear uptrend in Glass prices
- Clear uptrend & hike in Making charges
- It is clear that Making Charges is one of the main deciding factors for overall manufacturing cost estimation

Results and Findings

7Ps Marketing Strategy

1. Product
2. Price
3. Promotion
4. Place
5. People
6. Process
7. Physical Evidence

Price Strategy Matrix

| Quality → | Price → | | | |
|-----------|---------|---------------|---------------|--------------|
| | | High | Medium | Low |
| | High | Premium | High Value | Superb Value |
| | Medium | Over-Charging | Average | Good Value |
| | Low | Rip-off | False Economy | Economy |

Table-Fig-3: Price Strategy Matrix with Markers

Ref: <https://getlucidity.com/strategy-resources/guide-to-kotlers-pricing-strategies/>

Results and Findings

Pure Commodity Good - Pure Service Window

Pure Commodity Good

Pure Service

| | | | | | | | | | |
|------|----------------|-------|------------|-------------------------|--------------------|-------------|--------------------|-----------------------|--------------------------|
| Salt | Soft Drinks | Radio | New car | Fast food service | Doctor's advice | Certificate | Running account | Public conveyances | Local enquiry desk |
|------|----------------|-------|------------|-------------------------|--------------------|-------------|--------------------|-----------------------|--------------------------|

Table-Fig-4: Pure Commodity Good – Pure Service window

Interpretation of Results and Recommendation

For Profit Maximization:

1. Listing out the services for the project
2. Dedicating time to each task
3. Choose a Pricing system
4. Using the correct rate
5. Systemising the price
6. Cross-Check the price using another system

Important Factors to be considered:

1. Overtime and Contractual
2. Punctuality and Return on Investment
3. Hiring process of workers
4. Usage of Lamination
5. Optimization of excess Raw Material usage
6. Understanding the market and optimizing the labor cost
7. Finding new fields of work
8. Project rates and costing
9. Making an online presence
10. Finding alternatives of some specific SKUs
11. Building a dedicated portfolio
12. Exploring the potential at the bottom of the pyramid

Thank You

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