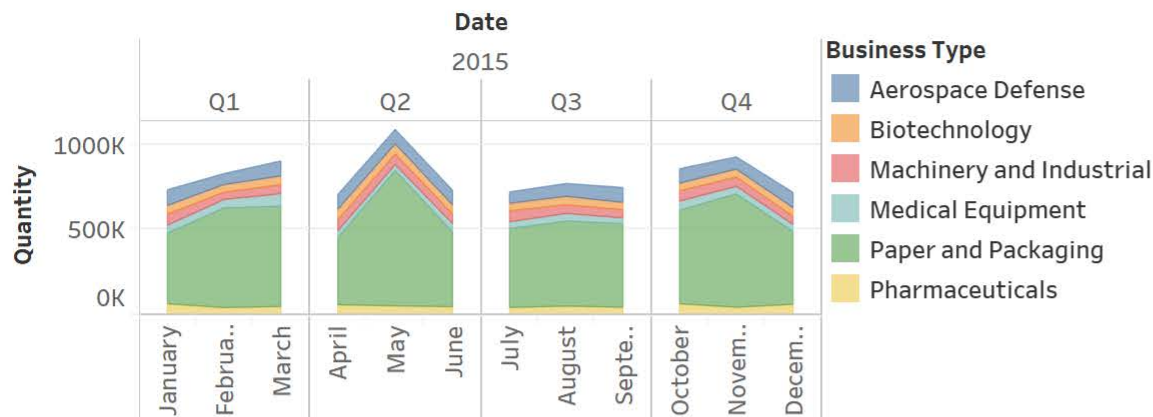


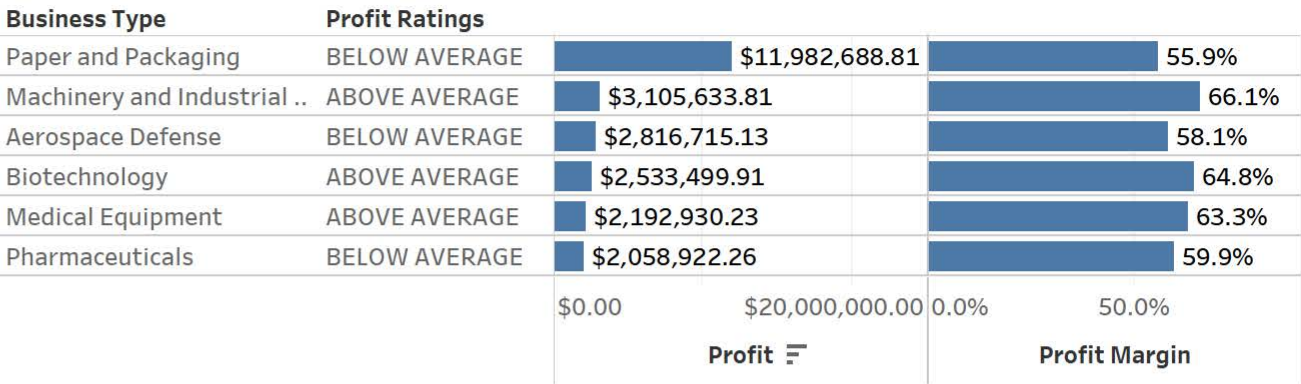
CHEMICORP CUSTOMER SEGMENTATION PRESENTATION

Springboard Casestudy

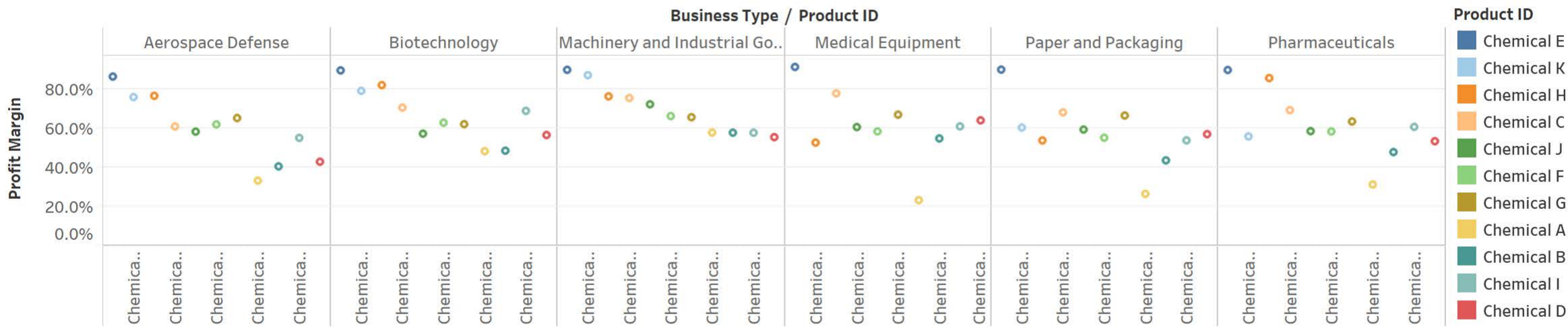
Quantity Seasonality



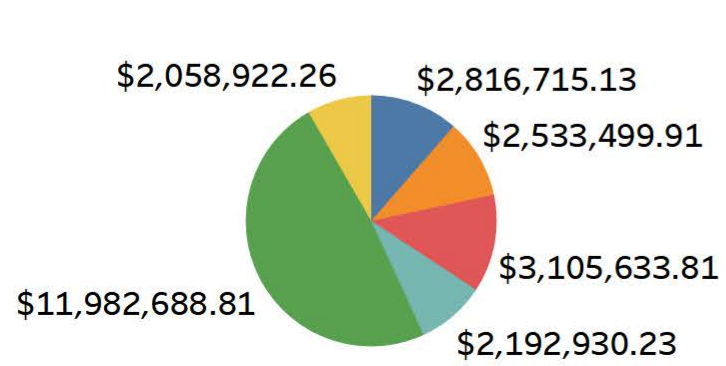
Margin by Business Segment



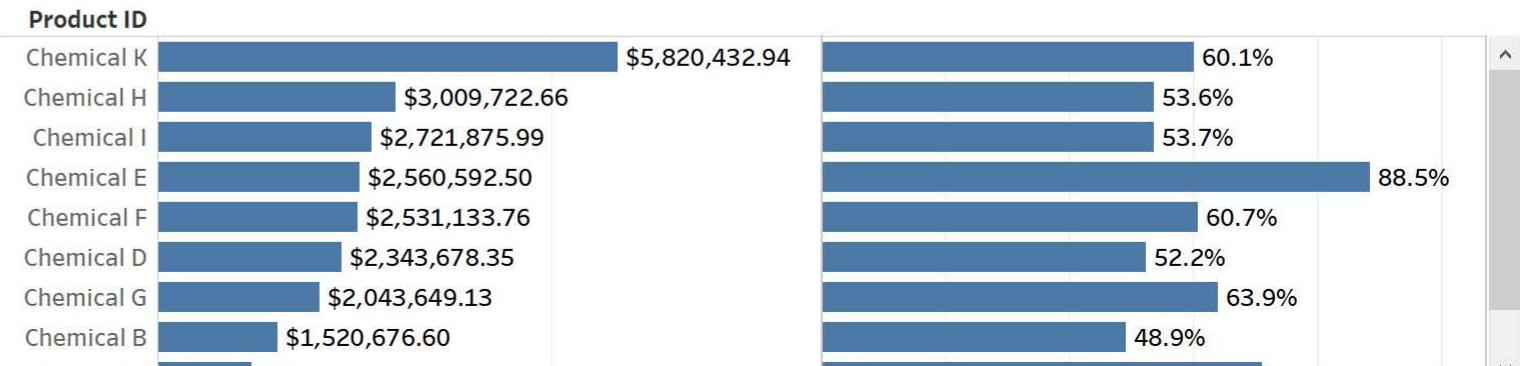
Margin by Products



Profit by Business Segment



Profit by Product



CHEMICORP CUSTOMER SEGMENTATION

Segment Characteristics: Along business segments, the chemical products critical to their operations are:

- Aerospace Defense – Chemical D and E
- Biotechnology – Chemical D and E
- Machinery and Industrial Goods – Chemical F and D
- Medical Equipment – Chemical F
- Paper and Packaging – Chemical H, K and I
- Pharmaceuticals – Chemical B and D

Revenue by Industry

- Aerospace Defense – \$4,851,571
- Biotechnology – \$3,912,204
- Machinery and Industrial Goods – \$4,696,402
- Medical Equipment – \$3,463,282
- Paper and Packaging – \$21,425,630
- Pharmaceuticals – \$3,435,314

Seasonality and Volatility in Sales

There are strong signs of seasonality in most business segments except Pharmaceuticals. Upswing in product orders in the second quarter of the year, more specifically the month of May, shows a more robust product order activity with Paper and Packaging segment showing more volatility than other segments.

Geographic Distribution

- **Profit** – The state of California is the state with the *highest profit in absolute terms*.
- **Margin** – The State of West Virginia is *relatively more profitable* than other States with a profit margin of 71 percent while the state of Missouri presents the lowest profit margin of 51 percent. On the whole, the products have very healthy profit margins.
- **Quantity** – The state of California tops other states in the number of quantities of products at 1,090,476 with Chemical K topping the order list amongst others at 375,119.

Most Attractive Segments:

- **By Profit** – Paper and Packaging business segment generated the highest profit of \$11,982,689; next in line was the Machinery and Industrial Goods segment
- **By Profit Margin** – Although Paper and Packaging generated the highest profit, Machinery and Industrial Goods had the highest margin of 66 percent profit margin. At this rate, Machinery and Industrial Goods segment is generating a net income or gets to keep of \$0.66 for every dollar of total revenue earned. While Paper and Packaging generated 55% profit margin i.e. \$0.55 for every dollar of total revenue earned.

The question is, which is more attractive?

- With very healthy margins, both business segments remain attractive, however, the Machinery and Industrial Goods segment should have priority over any of the segments because it bears a higher profit margin.

Average Profit Margin: The average profit margin amongst the business segments is 59% .

- **Above Average**

Machinery and Industrial Goods (66%)

Biotechnology (64.8%)

Medical Equipment (63.3%)

- **Below Average**

Pharmaceuticals (59%)

Aerospace Defense (58%)

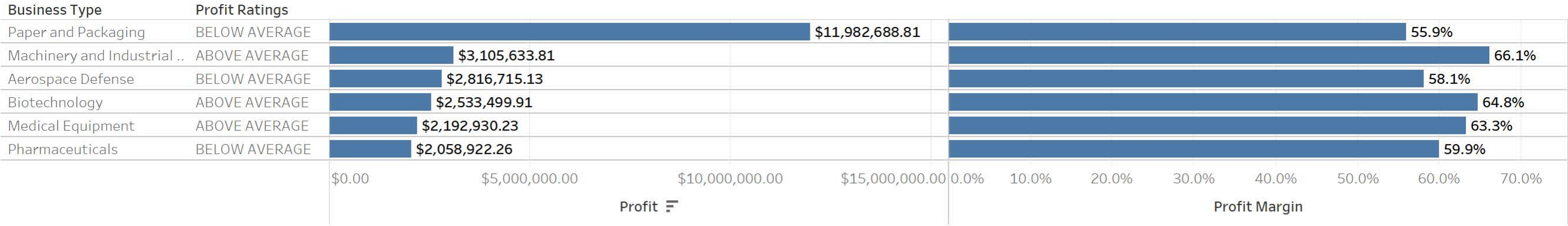
Paper and Packaging (55%)

The product with the highest profit in the Machinery and Industrial Goods segment is Chemical F at \$772,872.48 whereas the most profitable product is Chemical E producing a rate of dollar value at \$0.89/\$1.

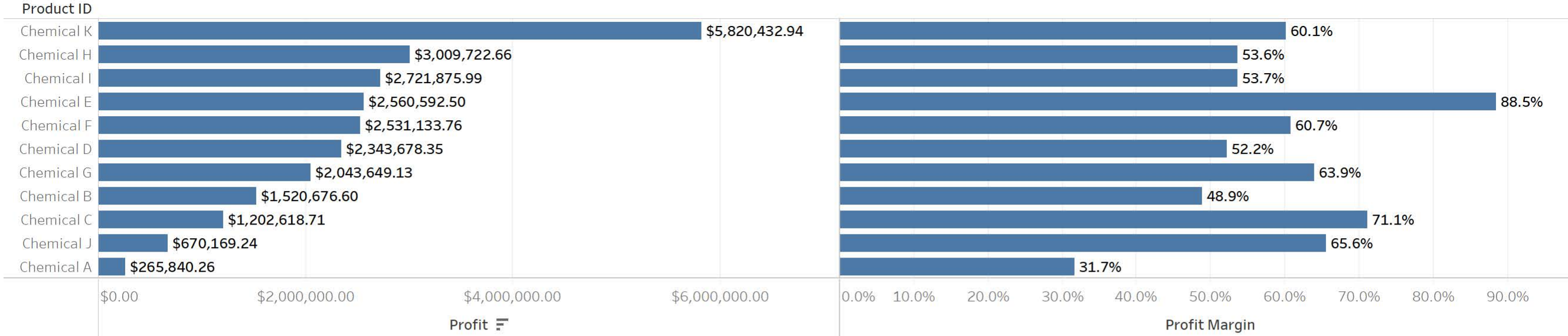
Additional Insights:

- Chemical E is the most profitable product across all business segments. Its average returns to the dollar earned is over \$0.85/\$1
- State of California has the highest cost of sales across every product except Chemical A and J.
- North Dakota and Delaware may present opportunities for expansion because of the low cost of sales.

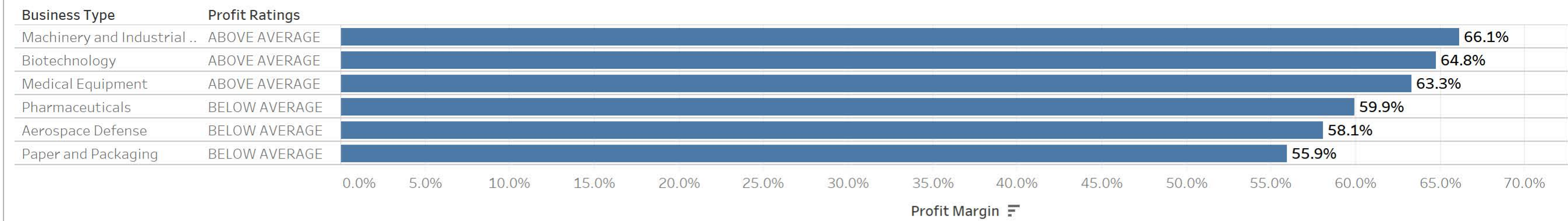
Margin by Business Segment



Profit by Product



Profit Margin



Profit by Business Segment

Business Type

Aerospace Defense

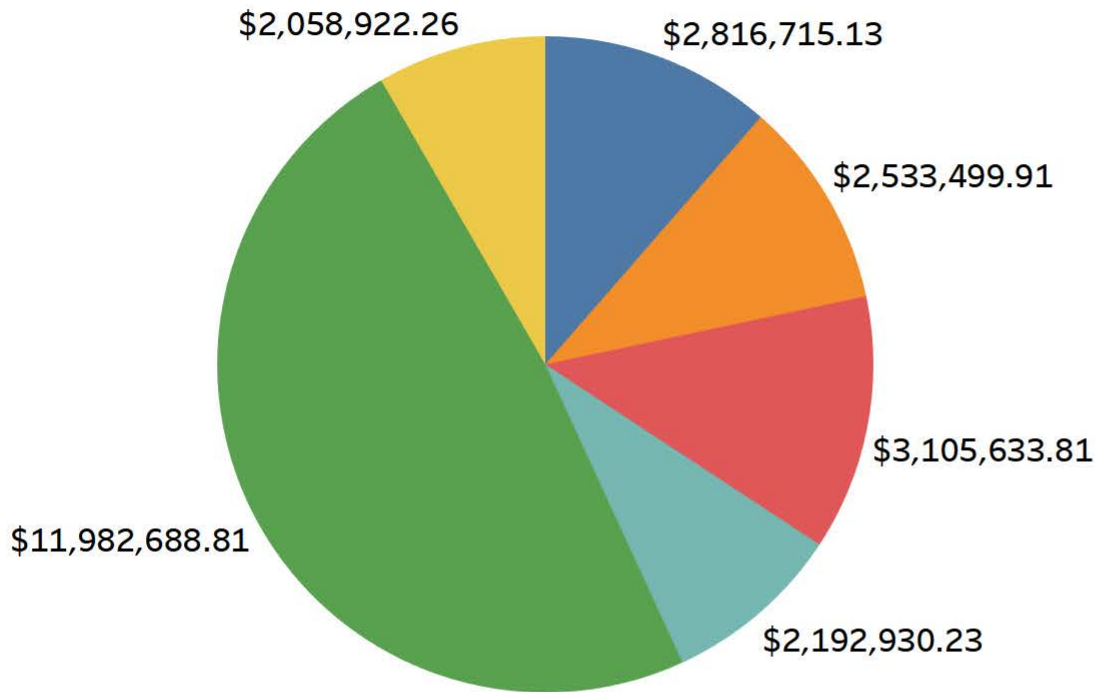
Biotechnology

Machinery and Indus..

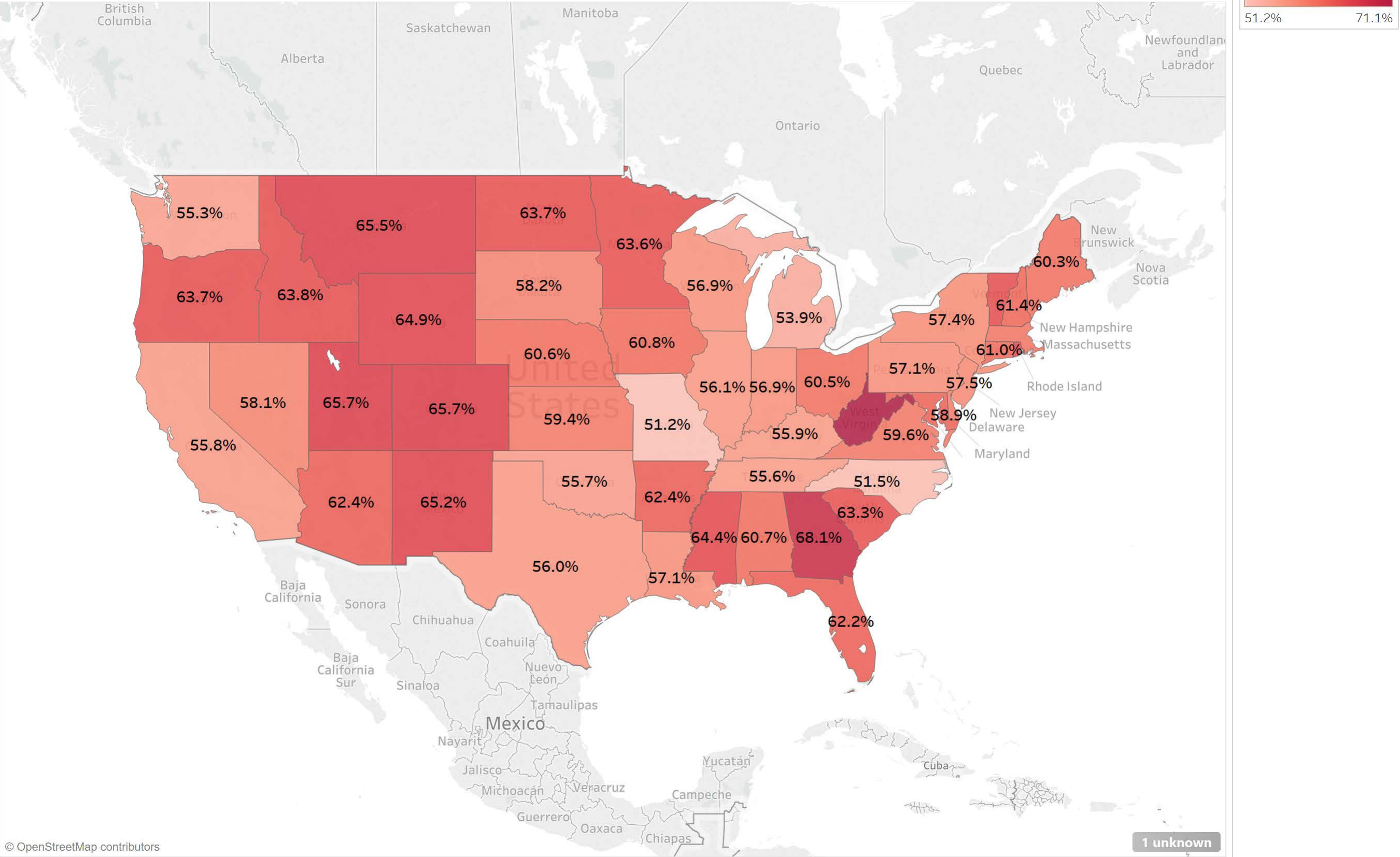
Medical Equipment

Paper and Packaging

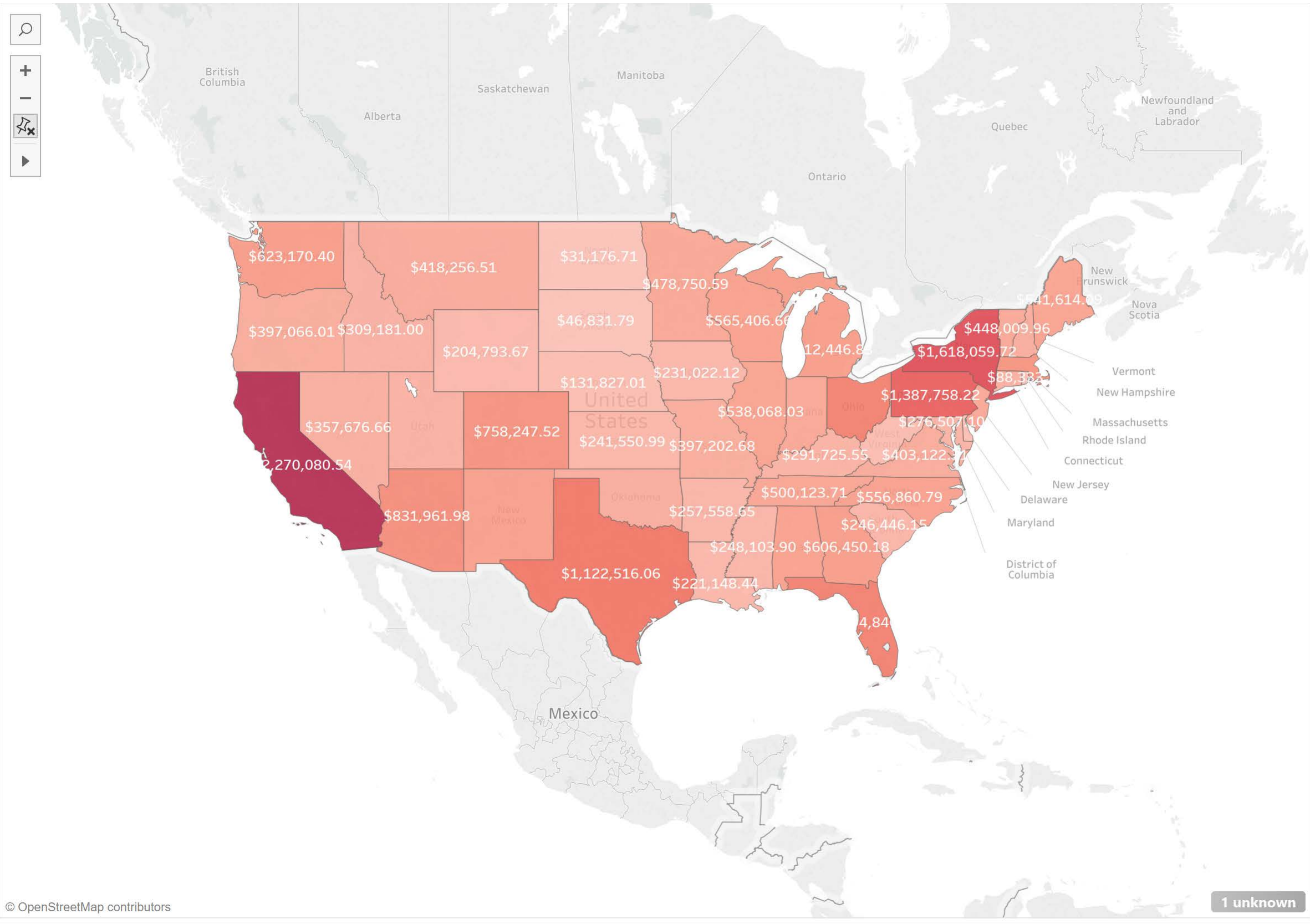
Pharmaceuticals



Geo Distribution of Profit Margins



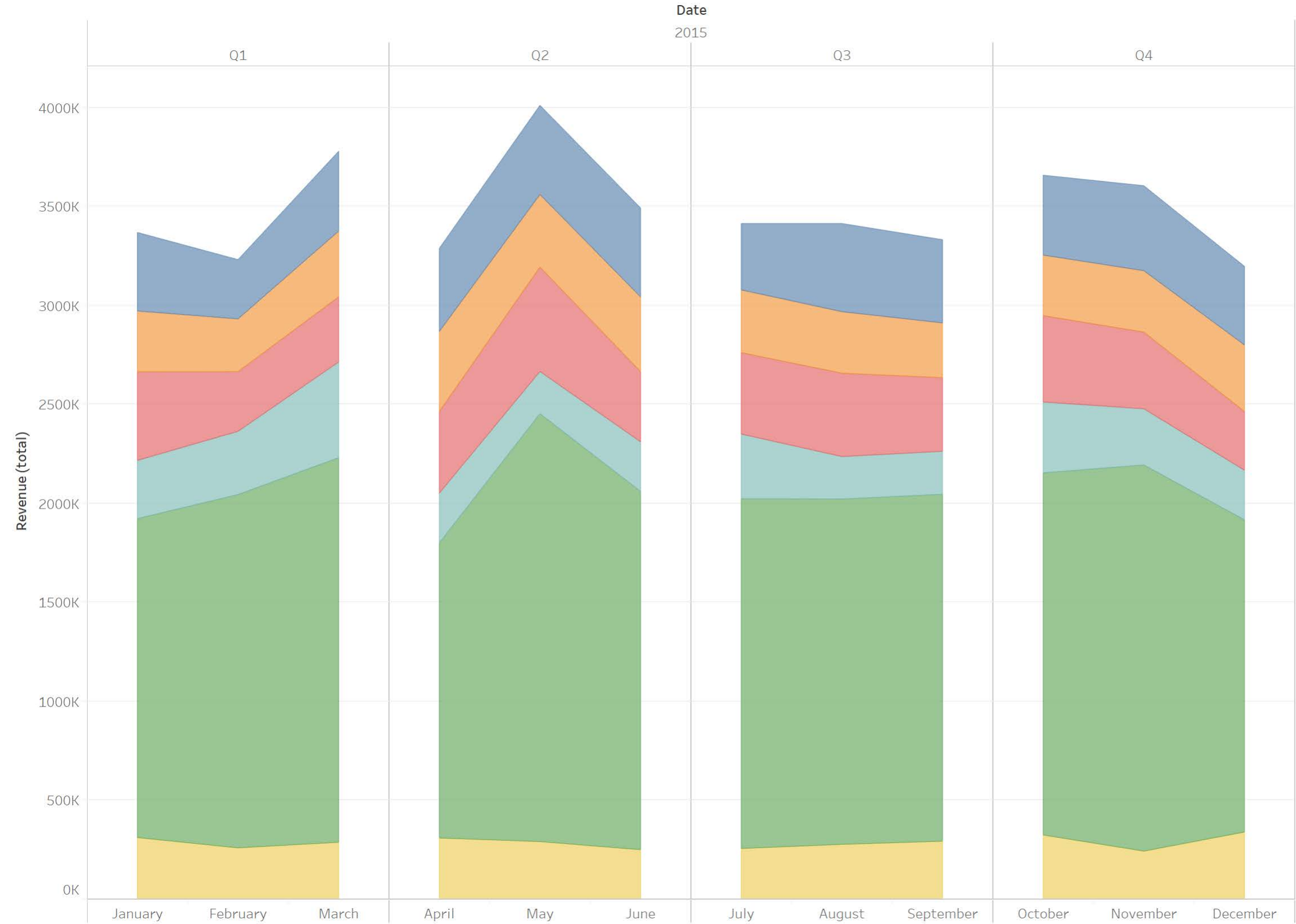
Geographic Distribution of Profits



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1 unknown

Seasonality



Business Type

- Aerospace Defense
- Biotechnology
- Machinery and Indus..
- Medical Equipment
- Paper and Packaging
- Pharmaceuticals

Product Critical Revenue Share

Business Type	Product ID											Grand Total
	Chemical A	Chemical B	Chemical C	Chemical D	Chemical E	Chemical F	Chemical G	Chemical H	Chemical I	Chemical J	Chemical K	
Aerospace Def..	0.02%	1.59%	0.91%	3.60%	2.32%	1.40%	0.19%	0.01%	0.03%	0.01%	0.00%	10.09%
Biotechnology	0.00%	1.18%	0.32%	2.47%	1.78%	0.11%	0.25%	0.02%	0.04%	0.01%	0.02%	6.20%
Machinery and ..	0.03%	1.10%	0.72%	1.70%	0.84%	2.01%	0.11%	0.02%	0.28%	0.09%	0.00%	6.89%
Medical Equip..	0.03%	0.68%	0.64%	0.72%	0.41%	3.09%	0.08%	0.00%	0.03%	0.03%		5.70%
Paper and Pack..	0.22%	0.04%	0.06%	0.09%	0.04%	0.68%	0.02%	25.33%	13.69%	0.06%	24.85%	65.08%
Pharmaceuticals	0.01%	2.01%	0.55%	1.45%	0.89%	0.94%	0.14%	0.02%	0.01%	0.02%	0.00%	6.05%
Grand Total	0.31%	6.60%	3.21%	10.02%	6.28%	8.22%	0.78%	25.40%	14.08%	0.22%	24.87%	100.00%

Margin by Products

