Project 1

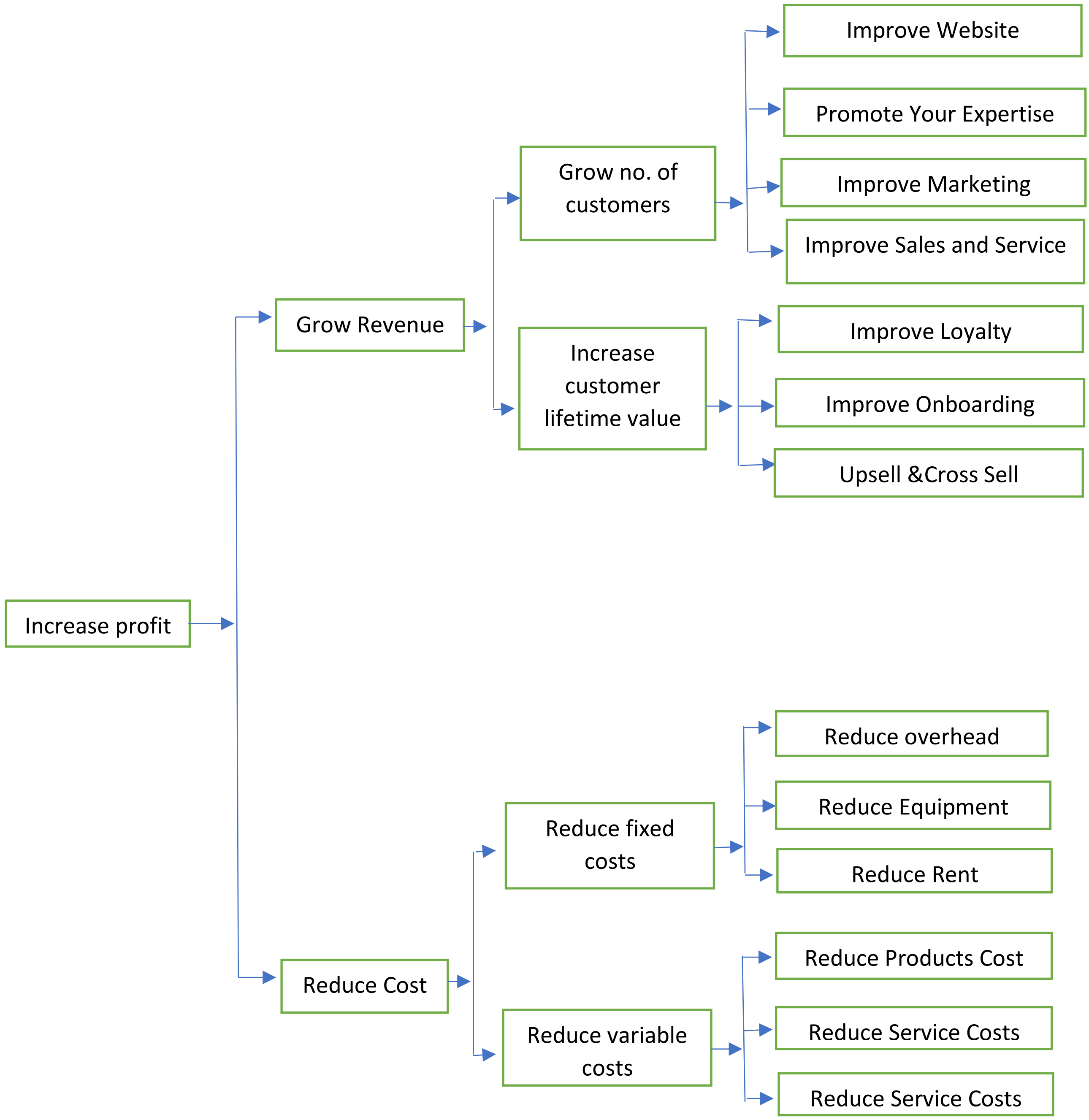
The root problem for the company is its margin improvement rate, which is lower compared to its competitors in India. To address this issue, the company is considering acquiring smaller organizations specializing in niche technologies and having a larger customer base.

Using the MECE principle, we can break down the problem into the following mutually exclusive and comprehensively exhaustive categories:

There are two ways to increase profits - Grow Revenue or Reduce costs, further to grow the revenue we have two options - Grow No. of customers and increase customer lifetime value.

In order to grow the number of customers, we can Improve website, promoting expertise, improve Marketing and Improve sales & service. To increase customer lifetime value, the company needs to improve customer loyalty, Upsell & Cross-Sell, and/or Improve Onboarding.

Cost can be reduced in two ways - By reducing fixed costs or reducing variable costs. Fixed costs can be reduced by reducing overheads, reducing rents, or reducing equipment costs. On the other hand, Variable costs can be reduced by reducing raw material costs, reducing logistics costs, or reducing service costs.



For the revenue category, the company can consider expanding its business in the healthcare sector in the US and Europe, as well as the BFSI sector in India, as these sectors show potential for growth and have good margins. Additionally, the company can consider diversifying its product offerings beyond its current three products, particularly in sectors where it has a strong presence such as the BFSI and retail sectors.

For the cost category, the company can consider reducing its reliance on contractors, as they are costlier than permanent employees, and instead focus on hiring and retaining more permanent employees. This can help the company achieve cost savings and improve its margins. The company can also consider streamlining its overhead costs by optimizing its office space usage and negotiating better rates for utilities and insurance.

In terms of acquisitions, the company should consider acquiring smaller organizations that have a strong presence in sectors with high growth potential, such as the healthcare and BFSI sectors. These acquisitions should also bring in complementary skills and technologies that can help the company expand its product offerings and improve its margin improvement rate.

In summary, the company can improve its margin improvement rate by expanding its business in sectors with high growth potential, reducing its reliance on contractors, and streamlining its overhead costs. It can also consider acquiring smaller organizations that have a strong presence in high-growth sectors and bring in complementary skills and technologies.