



**Indian Institute of Technology Indore**  
**Department of Metallurgy Engineering and**  
**Materials Science**

# Vision Plan for Acobitan to Go Sustainable

Strategy to sail through the Risk and Challenges

## PRESENTED BY

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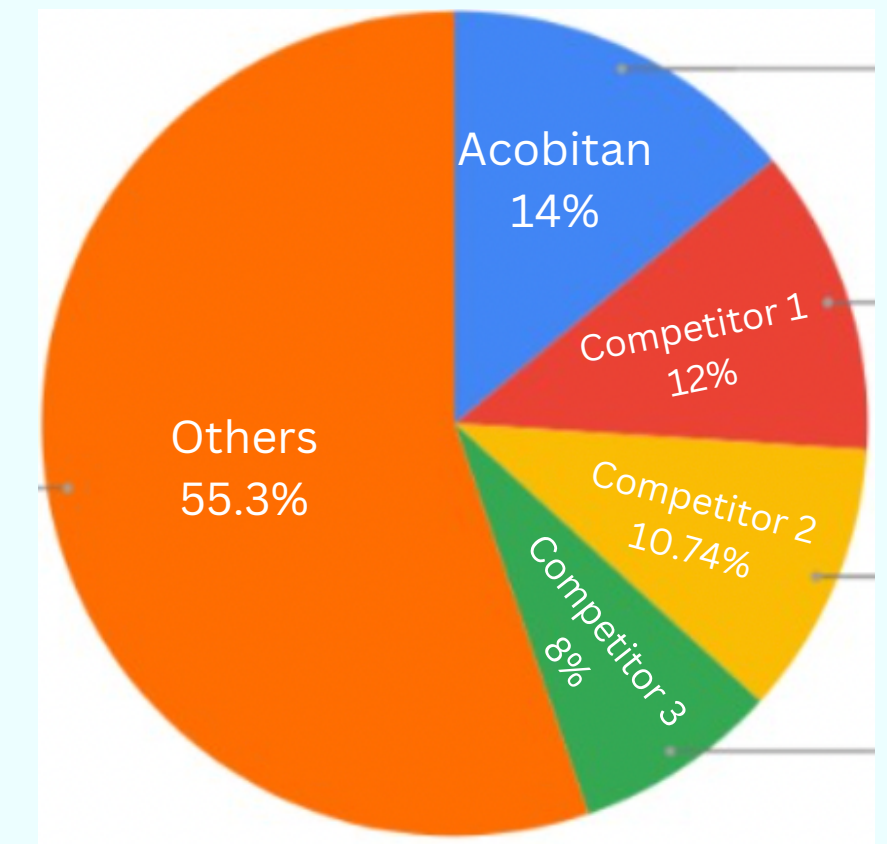
# Agenda

- **Company Overview**
- **Sustainability and CSR**
- **Risks and Opportunities**
- **Vision Plan**
- **Action Plan**
- **Benefits**

# Company Overview

- Acobitan is a traditional FMCG (Fast-Moving Consumer Goods) company, which means it's another contingent in a competitive market.
- We currently enjoy the largest market share in the industry because of our loyal customer bases.
- But to stay ahead of our competitions in these changing environments where regulators and our customers want us to go sustainable.
- We need a vision plan which sets us up for future risks challenges towards our way for sustainability.

## Market Share



- Established Brand
- Strong Supply Chain
- Innovation
- Experienced leadership.
- Diversified product line



- Competition
- Consumer preferences
- Potential for higher prices

# HOW DOES SUSTAINABILITY & CSR APPLY TO THE BUSINESS?

## **Sustainable sourcing**

FMCG companies can ensure that the raw materials they use are sustainably sourced

## **Energy efficiency**

FMCG companies can reduce their carbon footprint by implementing energy-efficient practices in their operations.



## **Packaging**

FMCG companies can reduce their environmental impact by using eco-friendly packaging materials

## **Social responsibility**

Supporting local communities, promoting fair labor practices, and ensuring that their products are safe for consumers.

# Priorities in CSR

## ENVIRONMENTAL SUSTAINABILITY

Prioritizing environmental sustainability initiatives can benefit the company by improving its brand reputation and reducing operational costs in the long run.

## ETHICAL LABOR PRACTICES

Prioritizing ethical labor practices can improve the company's reputation and help it attract and retain employees.

## COMMUNITY INVOLVEMENT

Prioritizing community involvement initiatives can help the company build a positive image and foster goodwill in the communities where it operates.

## DIVERSITY AND INCLUSION

Prioritizing diversity and inclusion initiatives can help the company attract and retain talent, enhance its reputation, and better understand the needs of diverse customers.

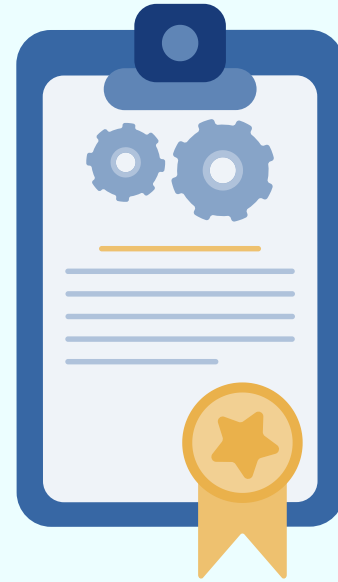
## TRANSPARENCY AND ACCOUNTABILITY

Prioritizing transparency and accountability initiatives can help the company build trust with stakeholders and reduce the risk of negative publicity or legal action.

# Risks



**Losing Customers**



**Quality control risk**



**Environmental concerns**

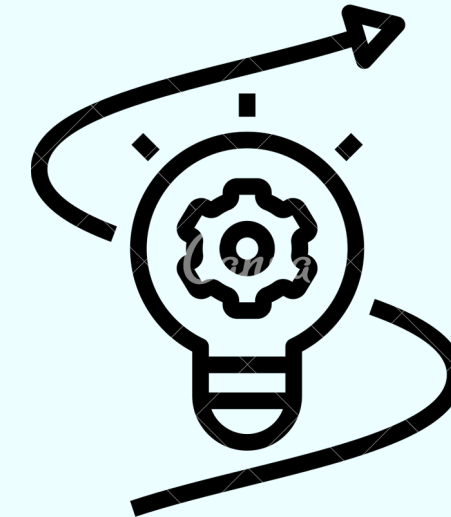


**Climate Change**

# Opportunities



**Accessing new markets**



**Innovation**



**Improved brand reputation**



**Sustainability and social responsibility**



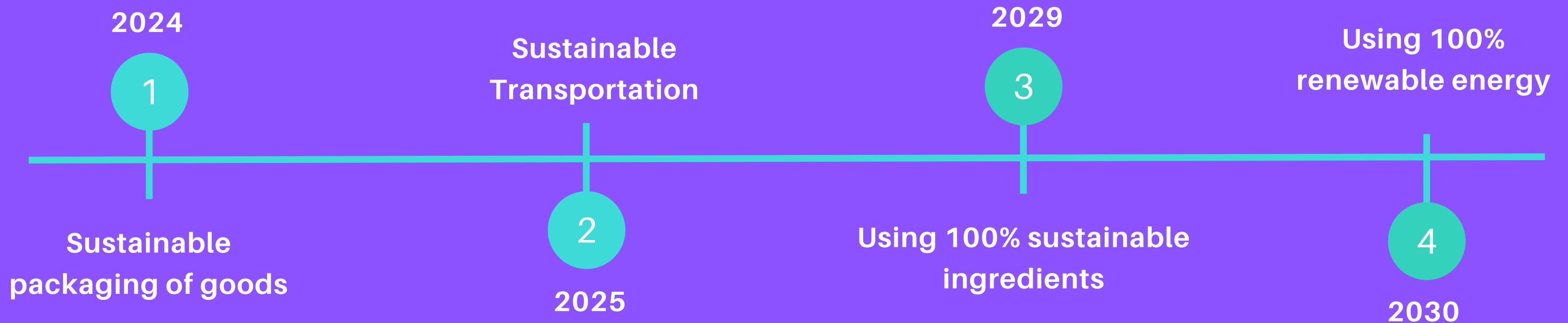
**Growing demand for organic snack products.**



**Cost Saving**



# Vision Plan to go Sustainable



# Sustainable Packaging of Goods (by 2024)

## Benefits

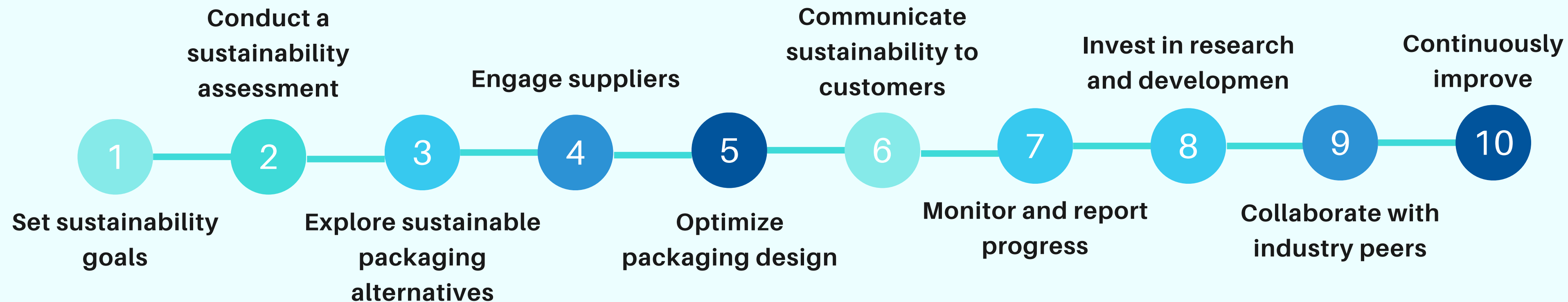
- Improved brand reputation
- Cost savings
- Compliance with regulations
- Increased sales
- Reduced environmental impact

## Options

- Plant-based packaging
- Recyclable packaging
- Reusable packaging
- Biodegradable packaging
- Minimal packaging



## Action Plan





# Sustainable Packaging of Goods (by 2024)

Amongst all methods Plant Based Packaging turns out to be best. Let's know why.

## Why

- **Sustainable:** It is made from renewable resources like cornstarch, sugarcane, and potato starch.
- **Reduced carbon footprint:** Low carbon footprint than traditional petroleum-based plastics.
- **Improved Consumer Perception**
- **Regulatory Compliance:** Governments are implementing policies for sustainable packaging, so this can help us from future fines and Penalties.

## Startups working on Plant Based Packaging



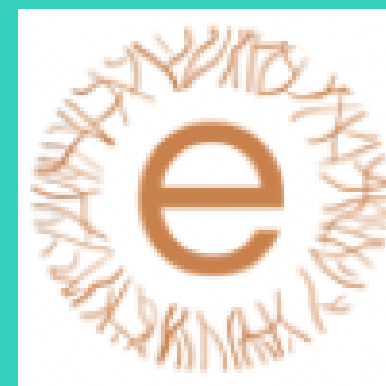
### Biorgani (Startup From Guatemala)

- Biorgani is a startup in Guatemala that makes high-quality and affordable plant-based biopolymers.
- Their resins range from **bio-based grade up to compostable grade** and are also compatible with conventional plastic machinery.



### Jordisk (Norweign Startup)

- It makes plant-based packaging from **sugarcane**. The startup extracts polylactic acid (PLA) from sugarcane to create packaging solutions.
- They offer **PLA bottles** that are industrially compostable and are suitable for packaging a range of beverages like water, juice and dairy products.



### Embellium L'emballage (French Startup)

- They offers cultivated packaging solutions.
- It grows Embellium, a combination of different plant fibers from hemp, corn cobs, and mycelium. As a result, Embellium-based packaging is impact-resistant, non-flammable, and sound-proof.

# Sustainable Packaging of Goods (by 2024)

## Feasibility Analysis

### Revenue

Increasing Sustainable Packaging Demand

### Expenditure

- Research Own Solutions
- Startup Investments



### Assumptions

- Company produces 10 million units of snacks annually
- Each unit of snack has an average packaging weight of 10 grams
- The cost of switching to plant based packaging will be an additional \$0.10 per unit of snack.
- Company has a profit margin of 10% on each unit of snack sold
- The market demand for sustainable packaging is expected to increase by 10% annually

### Guesstimates

- Current revenue 10 million units \* \$1 per unit = \$10 million
- Current profit from selling snacks is \$1 million (10% of \$10 million)
- Additional cost of sustainable packaging per unit is \$0.10 so total additional cost of \$1 million (10 M units \* \$0.10 per unit)
- An increase in Sustainability Demand will allow a 10% price rise.(\$1 million)
- **Final Profits of \$1 M** (10% of \$10 M) as profit with a 3-4% year on year increase because of new customers.
- Hence, the company will not face a hit in its first year and is set for further annual profit growth.

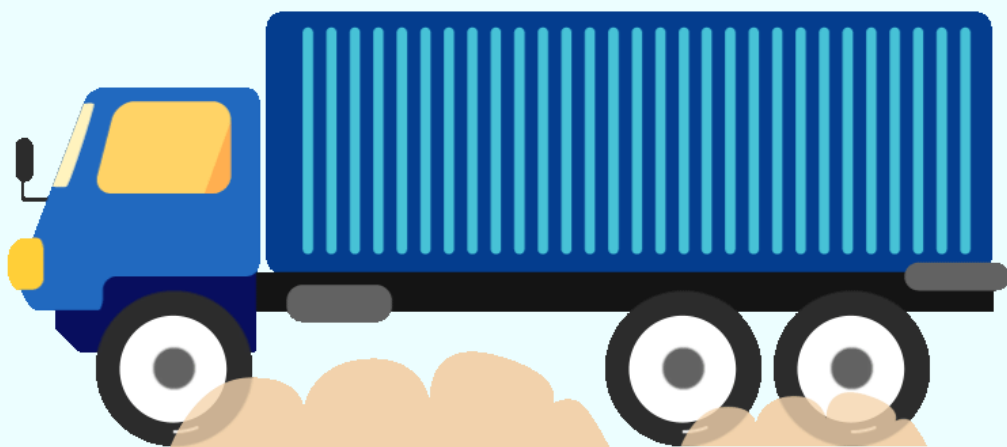
# Sustainable Transportation of Products (by 2025)

## Benefits

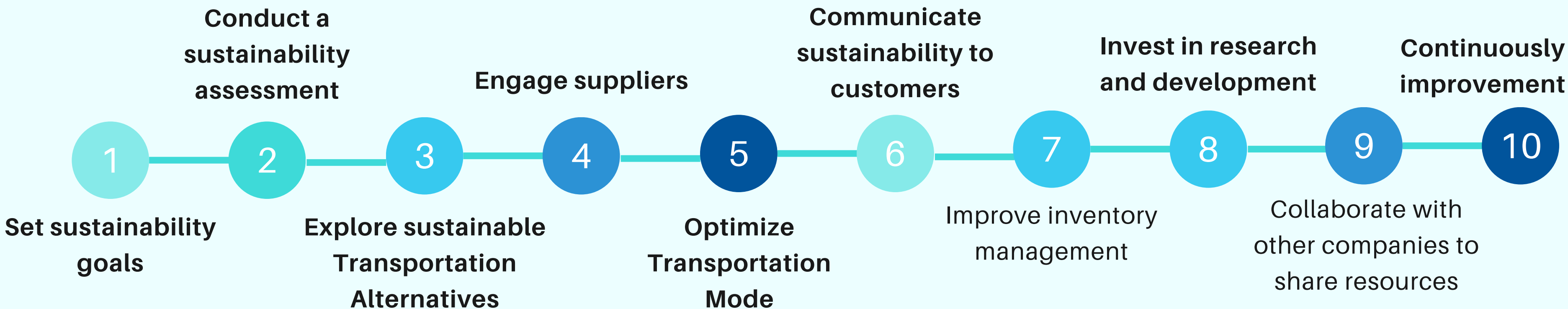
- Improved brand reputation
- Cost savings
- Increased operational efficiency
- Increased sales
- Reduced environmental impact

## Options

- Rail
- Electric vehicles
- Hybrid vehicles
- Waterways
- Hybrid Transport



## Action Plan



# Sustainable Transportation Mode (by 2025)

The general mode of transport that we are preferring are the railway, but we choose e-vehicles for last mile distribution

## Why

- **Lower Cost:** Rail transport is often cost-effective for long-distance transport. Electric vehicles have lower operational costs
- **Environment Effect:** Reduced carbon emissions and improved air quality.
- **Government incentives:** For adoption of electric vehicles, such as tax credits, rebates.
- **Improved Consumer Perception and Brand Image**

## Startups working on E-Vehicles



### Spring Free EV (San Francisco)

- It makes EV affordable and simple to acquire through fintech. As the creator of a first-of-its-kind pay-per-mile subscription model designed to benefit high-mileage drivers.
- Spring Free EV enables fleet owners to lower fuel and maintenance costs with EVs.

The logo for Rivian, featuring the word 'RIVIAN' in a bold, black, sans-serif font.

### Rivian Automotive (Irvine-based startup)

- Involves designing vehicles tough enough to go off-road. It promises far more range per battery charge than existing electric cars.
- Rivian EVs are designed for adventure, including off-road and all-weather situations. Rivian vehicles also look more traditional and come with unique storage features.



### Lucid Motors (startup from Newark)

- The newly launched car, Lucid Air, produces zero emissions, and the actual driving part isn't the only emission-free part.
- The car has been designed as a luxury vehicle, and that design goes beyond the materials lining the inside and outside of the car. Driving one may be fun, but passengers are in for a good time too.

# Sustainable Transportation of Goods (by 2025)

## Feasibility Analysis

Increasing  
Sustainable  
Transportation  
Demand

- Research Own Solutions
- Startup Investments

### Assumptions

- Produces 10 million units of snacks annually.
- Long-distance transportation is 500 km/unit.
- Last-mile distribution is 10 km/unit.
- The cost of transporting each unit of snack by rail is \$0.02
- The cost of last-mile distribution is \$0.05
- Current cost is \$0.08 /unit
- Profit margin is 10% on each unit of snacks sold



### Guesstimates

- Cost of Long-distance transportation annually: \$200,000
- Cost of last-mile distribution annually: \$500,000
- Cost of current transportation method annually: \$800,000
- Total cost savings from using both rail and electric vehicles:  
 $\$800,000 - \$700,000 = \$100,000$
- Total revenue from selling snacks annually: 10 million units \* \$1 per unit = \$10 million
- Total profit from selling snacks annually: \$10 million \* 10% = \$1 million
- If FMCG company saves \$100,000 from using sustainable transportation, their profit would increase to \$1.1 million (\$1 million + \$100,000).



# Sourcing 100% sustainable ingredients (by 2029)

## Benefits

- Environmental benefits
- Cost savings
- Improved supply-chain resilience
- Positive brand image
- Regulatory compliance

## Options

- Partnering with sustainable ingredient suppliers
- Implementing sustainable farming practices
- Using alternative ingredients



## Action Plan





# Using 100% renewable energy (by 2030)

## Benefits

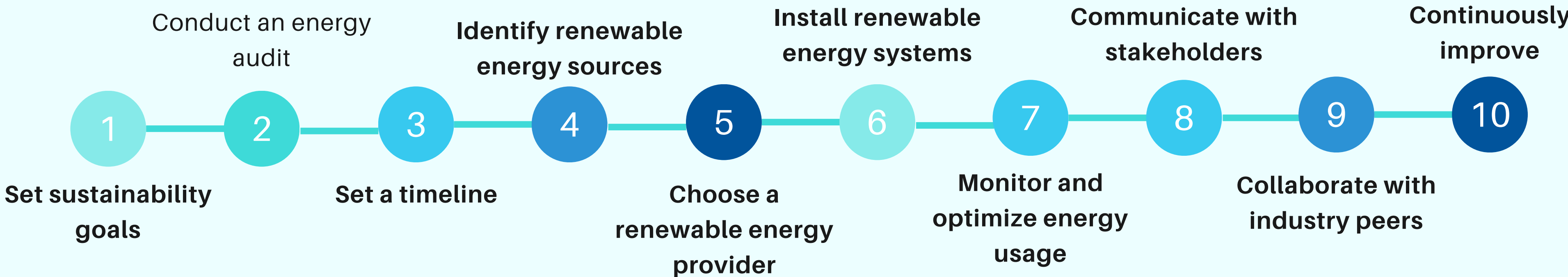
- Environmental benefits
- Cost savings
- Improved brand reputation
- Energy independence
- Compliance with regulations

## Options

- Solar energy
- Wind energy
- Geothermal energy
- Hydro energy
- Biomass energy



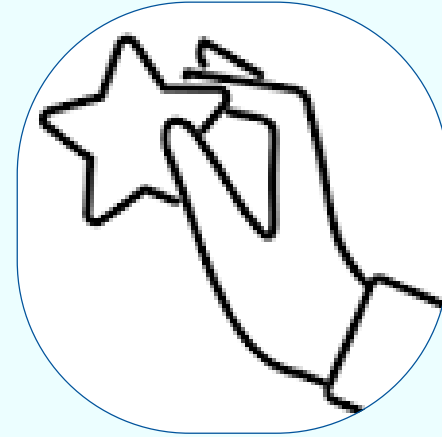
## Action Plan



# Benefits



**Environment Friendly**



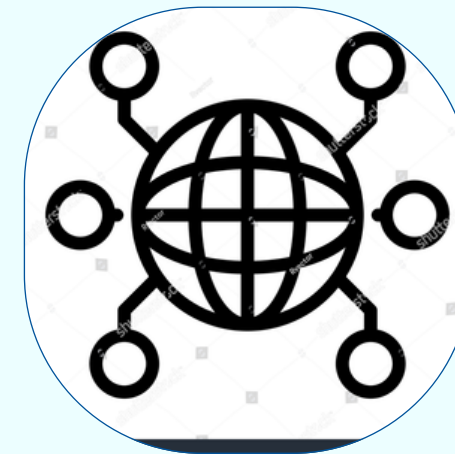
**Brand Reputation**



**Cost Saving**



**Attracting and retaining  
Talent**



**Access to New Markets and  
Customers**

*Thank You!*

**If you're not reducing, you're producing. And producing waste is so last season.**