

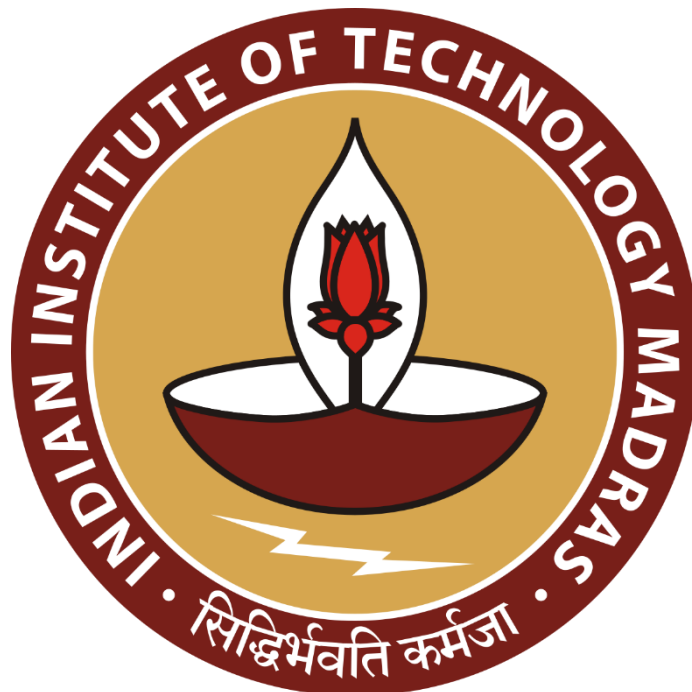
Direct-to-Consumer Milkman Business Expansion: Maximizing Revenue and Efficiency

A Proposal report for the BDM capstone Project

Submitted by

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Declaration Statement

I am working on a Project titled “Direct-to-Consumer Milkman Business Expansion: Maximizing Revenue and Efficiency.” I extend my appreciation to Mr. Rajesh Dubey, for providing the necessary resources that enabled me to conduct my project.

I hereby assert that the data presented and assessed in this project report is genuine and precise to the utmost extent of my knowledge and capabilities. The data has been gathered from primary sources and carefully analyzed to assure its reliability.

Additionally, I affirm that all procedures employed for the purpose of data collection and analysis have been duly explained in this report. The outcomes and inferences derived from the data are an accurate depiction of the findings acquired through thorough analytical procedures.

I am dedicated to adhering to the principles of academic honesty and integrity, and I am receptive to any additional examination or validation of the data contained in this project report.

I understand that the execution of this project is intended for individual completion and is not to be undertaken collectively. I thus affirm that I am not engaged in any form of collaboration with other individuals, and that all the work undertaken has been solely conducted by me. In the event that plagiarism is detected in the report at any stage of the project's completion, I am fully aware and prepared to accept disciplinary measures imposed by the relevant authority.

I understand that all recommendations made in this project report are within the context of the academic project taken up towards course fulfillment in the BS Degree Program offered by IIT Madras. The institution does not endorse any of the claims or comments.

Signature of Candidate:



Name: Himanshu Tiwari

Date: 04.03.2024

1 Executive Summary

The project revolves around a small milkman-operated business in Sultanpur, Uttar Pradesh, specializing in B2C milk delivery services. This business also caters to local dairies, extending its services to B2B.

The milkman encounters significant challenges primarily related to low profitability and the need for business expansion. Despite dealing in fresh milk, eliminating concerns regarding inventory management, he grapples with minimal profits due to various factors. Expanding his business remains a priority, necessitating strategies to overcome existing constraints in reaching a wider customer base.

Our approach to enhancing the milkman's profitability and expanding his business prioritizes practical solutions. Additionally, we propose establishing direct sales channels to consumers, increasing profit margins by selling milk directly at higher prices. Furthermore, diversifying the product range to include value-added dairy products attracts new customers.

The proposal provides a detailed background to the problem. It also details the data collection methods, problem-solving approaches, expected timeline and data analysis tools used to solve business problems.

2 Organization Background

The milk delivery service, based in Sultanpur, Uttar Pradesh, commenced its operations three years ago. This local business specializes in providing fresh milk directly to households operating as a for-profit venture serving the community. The milk delivery service was launched to enhance convenience and accessibility for residents. As the service continues to evolve, its steadfast commitment remains to deliver fresh, high-quality milk while fostering community engagement and satisfaction.

3 Problem Statement

- 3.1 Direct-to-Consumer Sales: The milkman currently sells milk to dairy at lower prices, missing out on potential revenue from direct sales to customers. This indirect sales channel limits profit margins and inhibits business growth.
- 3.2 Business Expansion Constraints: The milkman's business faces challenges in expanding its operations and reaching new markets, hindering its potential for sustainable growth and revenue generation.

4 Background of the Problem

The milkman-operated business is confronted with significant hurdles arising from both internal and external factors. In the case of direct-to-consumer sales (3.1), the business's current practice of selling milk to dairies at discounted rates represents a fundamental internal challenge, resulting in missed opportunities for direct customer sales and reduced profit margins. Externally, market competitiveness and evolving consumer preferences contribute to the complexity of transitioning to a direct sales model. Additionally, the business expansion constraints (3.2) stem from internal limitations such as resource constraints and operational inefficiencies, impeding the business's ability to expand operations and explore new markets. External barriers like regulatory complexities and market saturation further restrict the business's growth potential. Addressing these multifaceted challenges requires a strategic approach that addresses internal shortcomings while navigating external market dynamics to unlock avenues for sustainable growth and profitability.

5 Problem Solving Approach

5.1 Research Approach:

This project entails extensive discussions with the milkman-operated business's owners and employees to comprehend its current operational challenges. Multiple meetings will be conducted to pinpoint the underlying factors contributing to the identified issues and explore potential solutions. Data relevant to these challenges will be systematically collected for in-depth analysis to uncover critical trends and patterns necessary for problem resolution.

5.2 Data Collection Strategy:

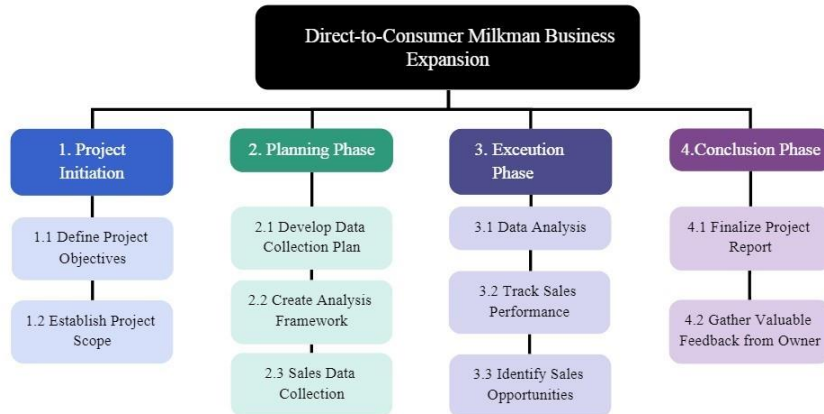
The milkman-operated business faces significant challenges related to low revenue generation due to its current sales model. To address this issue, data pertaining to sales and purchases will be meticulously gathered from the business's records. All collected data will undergo thorough analysis to identify causal factors contributing to the identified challenge of low revenue.

5.3 Analytical Tools and Techniques:

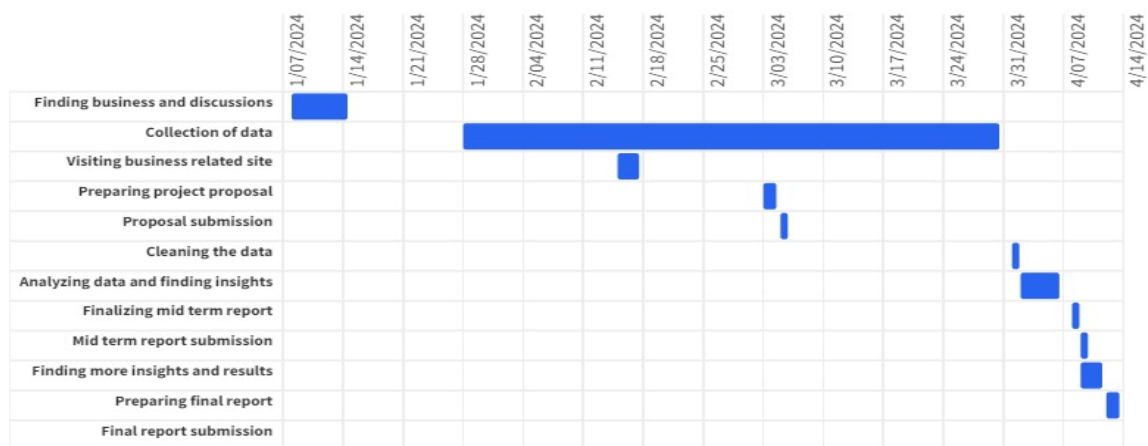
In this project, Excel and Python will serve as the primary analytical tools for conducting various data cleaning procedures and performing in-depth analysis. These tools will facilitate the identification of trends and patterns within the data, aiding in the optimization of sales strategies. Through meticulous analysis using Excel and Python, actionable insights will be derived to enhance the business's revenue streams and support its expansion efforts.

6 Expected Timeline

6.1 Work Breakdown Structure:



6.2 Gantt chart



7 Expected Outcome

1. **Enhanced Revenue Streams:** By shifting towards direct-to-consumer sales channels, the milkman can unlock new revenue streams previously untapped through intermediary sales to dairies. This transition is expected to bolster profit margins and drive overall revenue growth for the business.
2. **Sustainable Business Growth:** Overcoming constraints related to business expansion will enable the milkman to pursue opportunities for scaling up operations and accessing new markets. This, in turn, will lay the foundation for sustained growth and long-term viability of the business.