

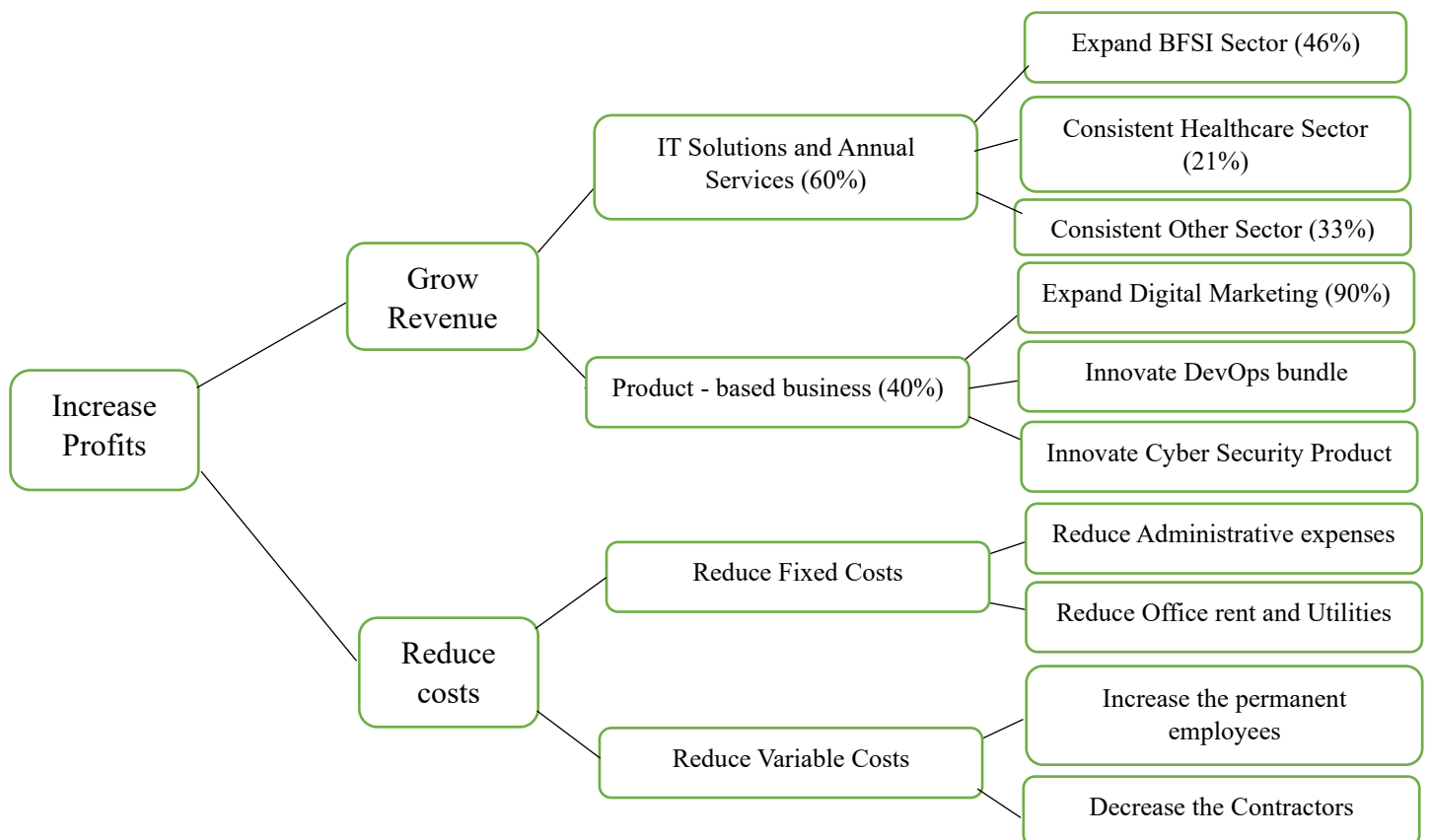
I think the idea of acquiring the smaller organisations which specialise in niche technologies and having a large customer base will help the company in increasing its employee base and expand the business.

This acquisition could improve the margins because of the following:

- The margins will improve due to the expansion of business and diversifying revenue streams by the cross – sell opportunities like providing the digital marketing at a discounted price for the products like DevOps and Cyber Security. This will increase the revenue from DevOps and Cyber Security products.
- By expanding the customer base first in the high margin sectors like BFSI and Retail will provide the base to the other sectors before entering the market of the expanded customers. This might reduce the loss which can occur for the less performing sectors like DevOps, Healthcare and Cyber Security.
- Acquiring organizations specializing in niche technologies can enhance the company's service offerings and provide a competitive edge over its rivals. This differentiation can attract more customers and allow the company to command higher margins.

**Root Problem:**

1. The company is finding it difficult to improve its year – on – year margin which is 11% when compared to 26% of its competitors in India.
2. Using MECE principle we can divide the company finance into two main streams, i.e., Revenue branch and Costs branch. We have divided based on the profitability tree down structure principle.
3. We can further divide these Revenue and Costs into sub parts as follows.



4. From above issue tree it is ideal to increase the permanent employees and cut off the contractors due to high pay of almost 1.4 times of permanent employees. This would result in less variable costs which might increase the profit.
5. Based on the geographical location the growth of different sectors is like the following:
6. **India:** Even though the company's margin from India is lower (11%) compared to others, there is significant chances of increasing its margin by using the following techniques.

- **BFSI Sector:** As the awareness of BFSI among the public is increasing in India, it seems promising. By expanding this sector will make the company to grow and also provides a boost to its year – on – year margin.
- **Healthcare Sector:** The healthcare sector in India plays a major role in enhancing the profits of the company as the population is increasing and also the need of healthcare. The company can provide its products for the advancements of digital health, and health insurance.
- **Retail Sector:** The retail sector in India has immense growth potential due to a growing middle class, increasing consumer spending, and the shift towards organized retail. Here company can focus of providing the IT solutions for the e-commerce platforms.

7. **USA and Europe:** As the margin from USA (48%) and Europe (44%) seems pretty good, by making some modifications might increase the margin and make the company even more profitable in these regions.

- **BFSI Sector:** Investigate using data analytics about the advancement of technologies in US and Europe, and invest accordingly in the BFSI sector.
- **Healthcare Sector:** The US and Europe healthcare sector seems to be promising due to steady growth of aging population and advancements in medical technology. Expanding healthcare sector will be beneficial for the company to get good gains.
- **Retail Sector:** The retail sector in the US and Europe is also experiencing a shift towards e-commerce. So, using data analytics for the emerging trends in US market and investing in it might be helpful for the company's growth.

#### 8. **Recommendations:**

- The company can invest in healthcare sector and IT solutions in USA and Europe as they are already well established there. By increasing the

investment over there will make the company base strong for boosting other sectors.

- The company can also invest in Retail sector more in India as it is providing good margins there. It can also extend its services by coupling healthcare with IT solutions and products. And also analyze the market trends using data analytics and invest accordingly.
- The company should consider acquiring smaller organizations specializing in niche technologies that complement its existing offerings. This can make the company to expand its services and reach the market demands.