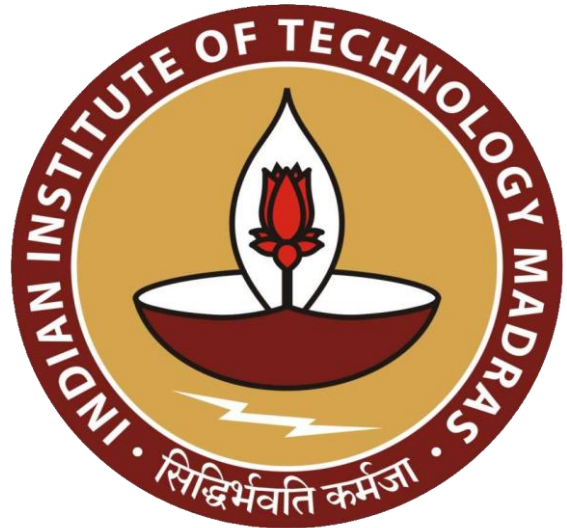


BDM CAPSTONE PROJECT PROPOSAL



Effective Sales Strategies for Profit Enhancement in Phoenix Pharma



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Executive Summary:

Phoenix pharma is located at Ramnagar in Visakhapatnam. The business is a B2B that deals in the segment of Pharmaceuticals.

Phoenix pharma is facing challenges in maintaining profit margins due to excessive inventory stocks. The overstocking of products leads to increased storage costs and money blockage, which impacts the overall profitability of the organization. They are also planning to expand their supply chain.

The project aims to optimize inventory management and increase profits. Analytical approaches such as demand forecasting, inventory turnover analysis, quarterly trends, and SWOT analysis will be used to tackle a few of the issues. Geographical analysis will be done for expansion and optimize supply chain logistics.

Organization Background:

Name: Phoenix Pharma

Owner: Mr. Ravi

Address: First floor, 12-1-15/5, Sowmithri Apartments, Ramnagar, Visakhapatnam.

Phoenix pharma is a pharmaceutical retailer in Ramnagar, who acts as a bridge in between the drug manufacturing units and the local area distributors. It deals with nephrology and cardiology related drugs. It was established during the medical boom that arose during the time of covid pandemic. Mr. Ravi established the organization in 2021. They hold a firm market position and operate in the south of Visakhapatnam. Their services include over the counter products, health and wellness, and offer guidance and support through in-store pharmacists.

The structure of the management include:

- Pharmacy operations: To maintain the medicines in the inventory and check the medical details of the drug. The wing consists of 2 members.
- Marketing and Retail operations : For sales management and price negotiations. 6 people
- Accounts operations: To maintain the sales and purchases data . 2 members.

Aim: To be the leading pharma retailer in Neurology and Cardiology related drugs and maintain a supply chain over the city.

Mission: To provide high-quality pharmaceutical products, which might help improve the well-being of the city.

Problem statements:

- 1) Identifying the right margin to increase the profit and sales.
- 2) Identifying underserved markets .
- 3) Optimizing supply chain efficiency through better inventory management.

Background of the problem:

Pharmaceutical retailers struggle to find the balance between pricing and profit margin. It affects both the sales and profitability of the organization. Identifying the right margins is crucial for sustaining and growing the business. However , setting the margins bar too high could lead to decreased sales volume while lowering the margins could lead to decreased profit. Internal problems like logistic charges , inconsistent pricing decisions, pressure to offer a discount to stay in the race might affect the profit margin. Externally inflation , pricing strategies by other retailers and medical health of the environment take a toll.

Pharmaceutical retailers play a crucial role in providing access to medications and healthcare products. However, several challenges impact their ability to serve effectively. One significant problem is the identification and servicing of underserved markets. Many regions, particularly rural and lower income urban areas, suffer from a lack of retail pharmacy, leading to limited access of essential medications and health services.

Pharmaceutical retailers face challenges such as stockouts, delayed deliveries, and logistical issues. These problems often arise from inadequate distribution networks, poor inventory management practices, and external factors like transportation disruptions and regulatory constraints. Regulatory constraints, including price controls by governments on essential medications, affect the margin determination. The inability to maintain a consistent and

timely supply of products not only affects customer satisfaction but also impacts public health outcomes.

The inventory costs occurred are high as the medicines need to be maintained in a cool and dry place. Temperature regulation through conditioners is necessary to store the medicines. Some injections and medicines are stored in refrigerators as they are needed to be maintained in negative temperatures. This increased inventory management cost leads to the decrease of the project margin.

Effective management of medicine expiry dates is crucial for pharmaceutical retailers to ensure product safety and compliance with regulations. Medicines with expired dates cannot be sold, which eventually leads to wastage and financial losses. Additionally, the presence of expired products on shelves can damage the retailer's reputation and pose significant health risks while undergoing an inspection.

Inventory and flexi of the organization:



Problem solving approach:

Methods used:

- **Automated Inventory Management:** Implementing automated inventory management systems that offer real-time tracking of stock levels helps in proactive decision making and reduces the likelihood of expired stock. They reduce human error and provide accurate data of the stock in the inventory.
- **FEFO(First Expiry First Out):** FEFO inventory management method ensures that medicines with the nearest expiry dates are sold first. It prioritizes the sale of older inventory.
- **Predictive Analytics:** Utilizing predictive analytics to forecast demand for medications based on historical data, seasonal trends, and emerging health concerns. An analysis

can be made on predicting underserved markets. It minimizes the risk of overstocking or stockouts.

Intended Data Collection:

- **Inventory Data:** Collecting data on current stock , expiry dates, and historical sales data from the inventory management system. It can be used to understand market dynamics and create predictive models.
- **Purchase Data:** Collecting data on the quantities of medicines purchased, purchase dates, and purchase prices from suppliers. It can be used to analyze demand and patterns in the market.
- **Sales Data:** Gathering sales records , date of sale, and customers. It helps in demand forecasting and margin variation according to the trends in the market.

Analysis Tools:

- **IMS(Inventory management Software)** platforms can be used in providing inventory reports.
- **Predictive analysis** platforms like Python – based machine learning techniques can be used for demand forecasting. Pearson correlation can be used to analyze the contribution of a variable on the total profit.
- **Data visualizations tools:** Power BI and excel can be used to create visual tables and charts related to performance. It is easier to understand the visualized data to arrive at a conclusion.

Expected timeline:

I intend to collect sales and purchase data for the previous 6 months from the organization. The records are maintained using tally software. It will be converted to excel for analysis purpose.

WBS with Gantt chart template:

| | Color | Name | Start Date | End Date | Progress % |
|---|-------------|--|--------------|--------------|------------|
| ☰ | Blue | Interaction with the firm owner | Jul 01, 2024 | Jul 02, 2024 | 100 |
| ☰ | Pink | Making the project proposal | Jul 03, 2024 | Jul 05, 2024 | 100 |
| ☰ | Green | Data Collection | Jul 03, 2024 | Jul 08, 2024 | 30 |
| ☰ | Yellow | Data Cleansing | Jul 09, 2024 | Jul 12, 2024 | 0 |
| ☰ | Light Green | Data Analysis | Jul 11, 2024 | Jul 22, 2024 | 0 |
| ☰ | Cyan | Preparing mid term and final term submission | Jul 19, 2024 | Aug 02, 2024 | 0 |



Expected Outcomes:

- Cost savings and Profit margin analysis.
- Inventory report.
- Demand forecasting model
- FEFO report
- Identifying Underserved Markets and establishing a new supply chain.

Declaration Statement

I am working on a Project Title “Effective Sales Strategies for Profit Enhancement in Phoenix Pharma”. I extend my appreciation to Phoenix Pharma, for providing the necessary resources that enabled me to conduct my project.

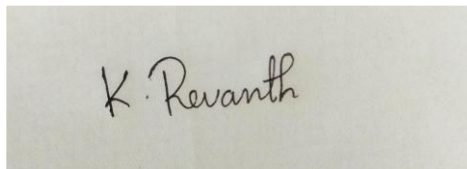
I hereby assert that the data presented and assessed in this project report is genuine and precise to the utmost extent of my knowledge and capabilities. The data has been gathered through primary sources and carefully analyzed to assure its reliability.

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 information 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 agree that all the recommendations are business-specific and limited to this project exclusively, and cannot be utilized for any other purpose with an IIT Madras tag. I understand that IIT Madras does not endorse this.

A rectangular box containing a handwritten signature in black ink. The signature is written in a cursive style and reads "K. Revanth".

Signature of Candidate: **(Digital Signature)**

Name: Kalla Revanth

Date: 05th July 2024