

# Project-1

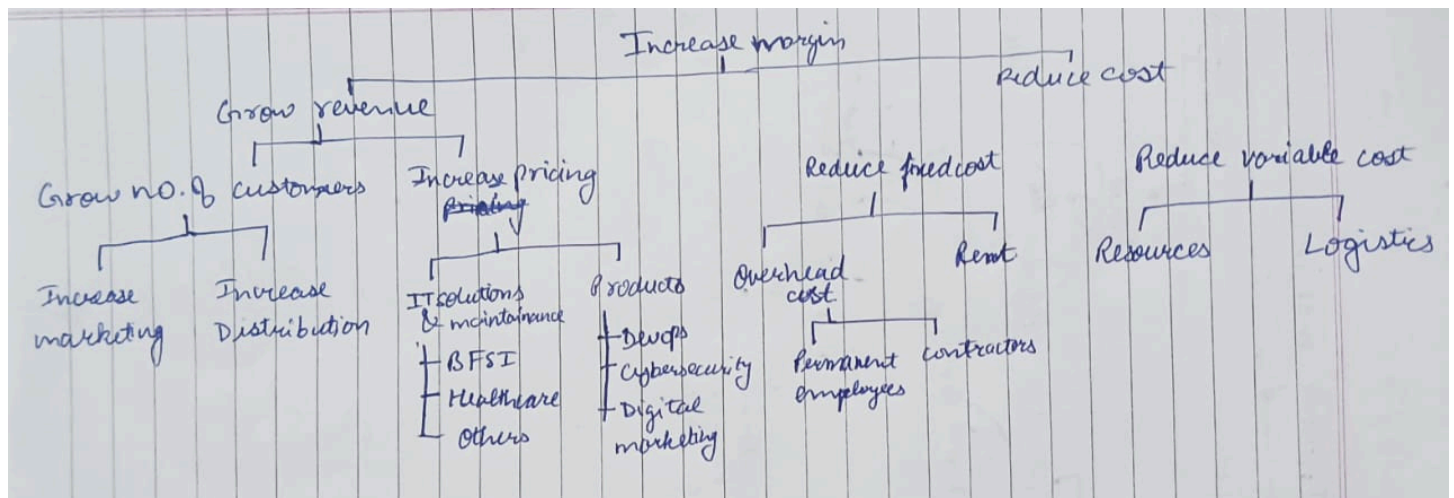
## Company Overview:

- Indian IT Service and product company
- 5000+ resources all over the globe- 73% in India
- Total employee strength- permanent employees, 690 contractors(60% India, 5% Australia, 7% Asia-Pacific centers)
- Cost of contractors = 1.4 \* cost of permanent employees
- Customer distribution(35 countries)- 32% US, 27% Middle East, 20% Europe
- Revenue generated- 60% from IT solutions and maintenance, 40% from products
- IT solutions and maintenance revenue- 46% BFSI, 21% healthcare, 33% others
- Revenue from Products- 90% Digital Marketing, 10% DevOps bundle and cybersecurity
- Margin- 42% BFSI, 39% Retail, 19% Business
- Business- 48% US, 44% Europe
- The margin is very low in business in India (9%) and other Asia Pacific countries (14%)

## Root Problem:

Finding it difficult to be at par with its competitors on a year-on-year margin improvement rate which is 11% v/s 26% by other comparable IT companies in India.

## MECE breakdown:



## Potential Growth Analysis in different geographical areas:

### **US and Europe:**

- **Healthcare Sector:** Promising growth potential.
- **BFSI Sector:** High margin (42%).
- **Retail Sector:** High margin (39%).

### **India:**

- **BFSI Sector:** Significant revenue contributor (46% of total revenue).

## Acquisition Strategy:

- Acquire companies specializing in Healthcare IT solutions in the US and Europe to tap into the promising healthcare sector and high margins.
- Explore acquisitions in the BFSI sector within India to leverage the existing market strength and improve margins.
- Acquire companies with strong presence and customer base in the US and Europe.
- Consider companies with innovative digital marketing products to boost the product-based business revenue as they contribute 90% to the total revenue from products.

### Recommendations:

- Minimize the use of contractors, especially in regions where they are significantly more expensive.
- Streamline operations in low-margin regions like India and Asia Pacific to reduce costs.
- Enhance customer service and support to retain high-margin clients, especially in the US and Europe.