

ChemCorp Incorporated

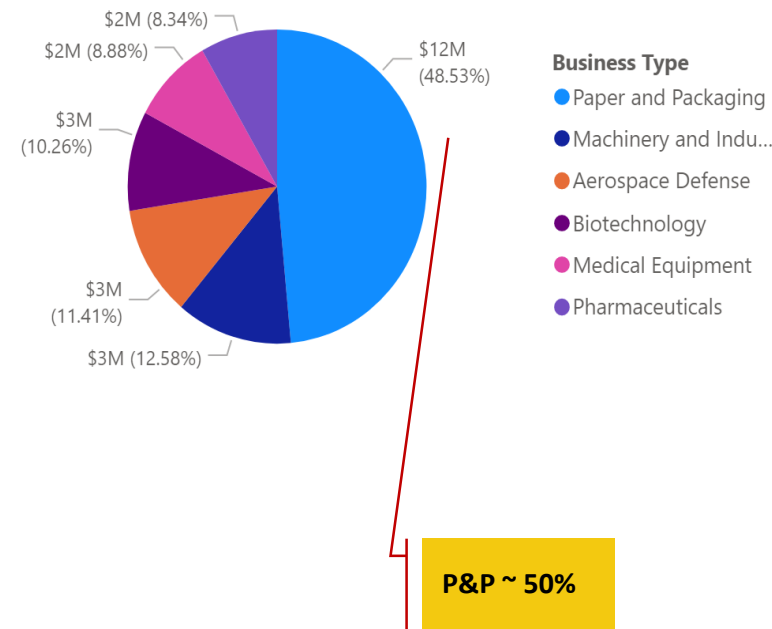
Non-Technical Presentation

Increased competition leading to customer attrition has eroded sales revenue requiring strategic review of Customer Strategy, Market Opportunities and Product Divestment

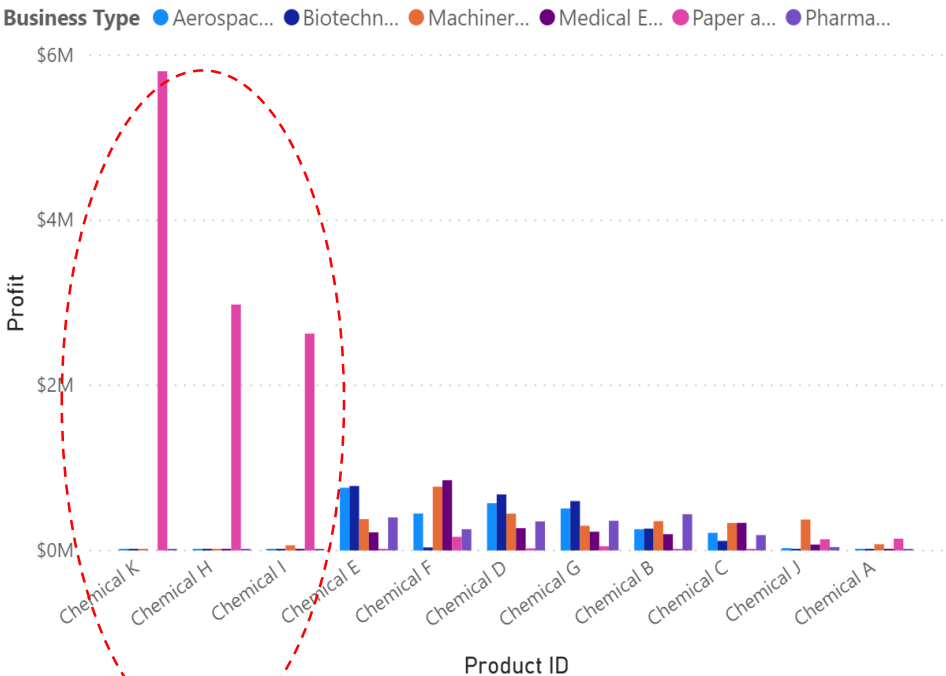
1	<p>Problem 1</p> <p>Favorable growth rates and lowered barriers to entry has attracted increased competition</p>	<p>New startups are offering optimized delivery channels for chemicals and lowering the production costs for existing chemicals.</p>
2	<p>Problem 2</p> <p>Customer Attrition</p>	<p>5 long term customers already left. After these customers left, sales revenue dropped by ~ 10%</p>
3	<p>Problem 3</p> <p>The future looks bleak</p>	<p>If this trend were to continue unchecked, ChemCorp's market share and potential customer-base would gradually erode, damaging the board's confidence in existing management.</p>

After comparative analysis, it's obvious that the company should ramp up investment in Paper & Packaging where ~50% of profit is being generated whilst optimizing profit driving chemicals

Profit by Business Type and Total Businesses



Profit by Product ID and Business Type

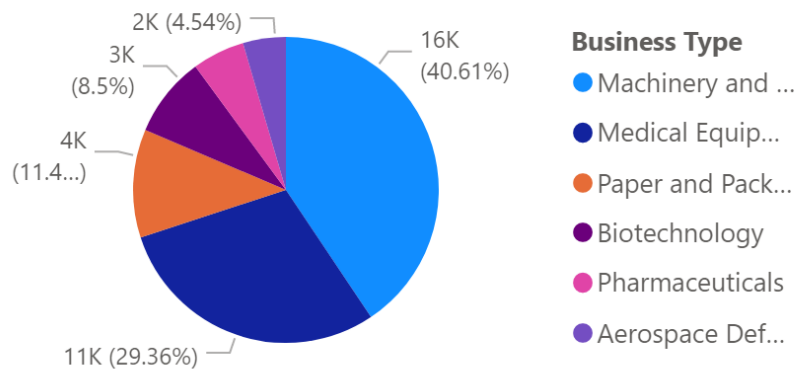


Paper and Packaging proves to be most attractive and three products driving the profit are

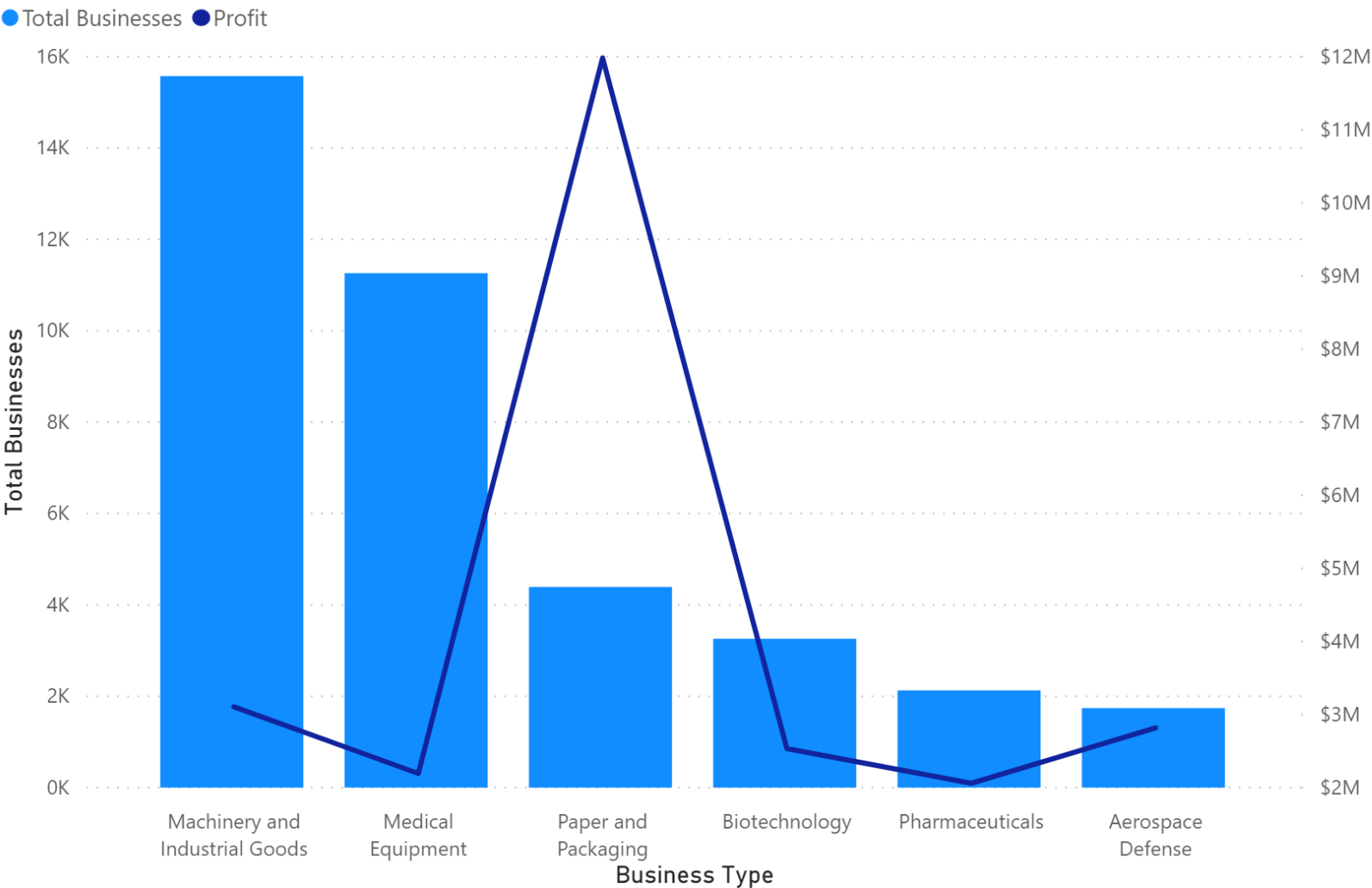
1. Chemical K - 23.52%
2. Chemical H - 12.07%
3. Chemical I - 10.64%

Despite Machinery and Industrial goods generating most of the business (40.61%) it accounts for only 12.58% of profit while Paper and Packaging with 12% of total business is generating almost half of the entire profit (48.53%)

Total Businesses and %GT Profit by Business Type



Total Businesses and Profit by Business Type



Key Insight

It's clear that Paper & Packaging generates the most profit whilst pharmaceuticals generates the least profit, thus management may consider divesting from pharmaceuticals and see how more profits can be generated from Machinery and Industrial goods already generating large business volumes.

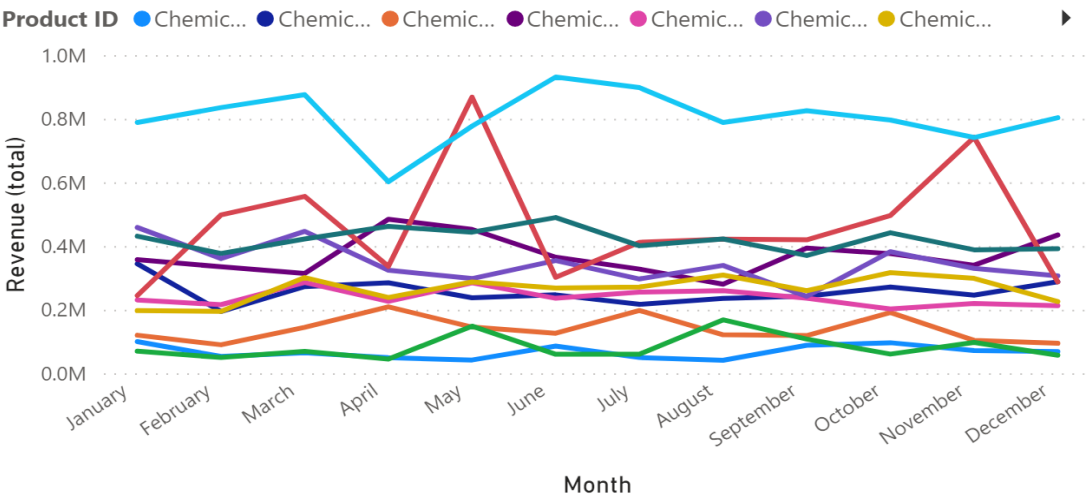
Whilst Chemicals K & H account for the highest profit, they also account for the most seasonal fluctuation. Management to synchronize customer order with Optimal Inventory Management to avoid overproduction at any point in time.



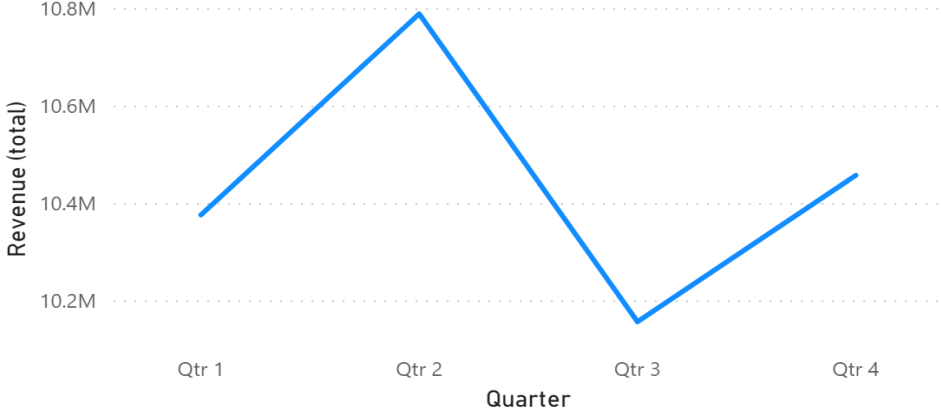
Seasonality feature identified is from May - December where there is a sharp drop in revenue from Q2 -Q3

Chemicals K & H account for most of the fluctuation.

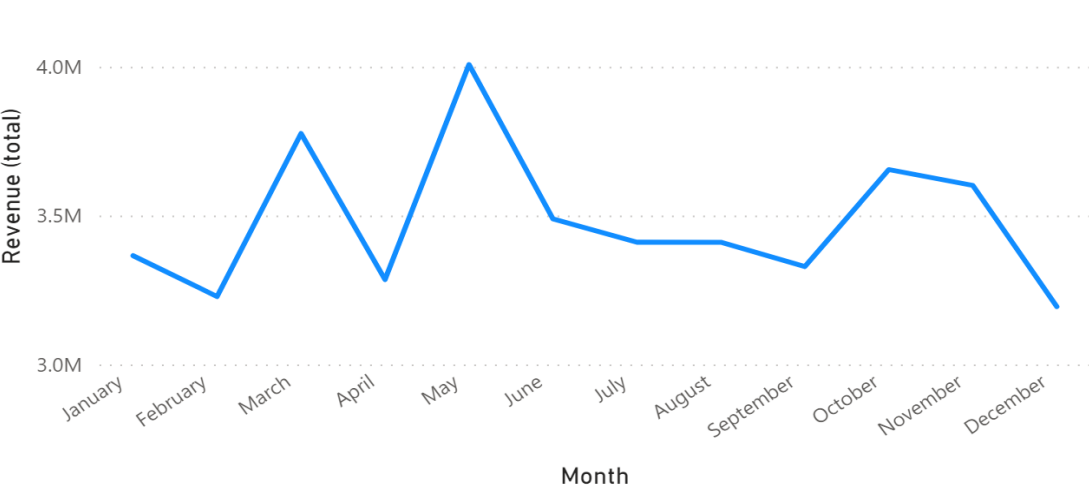
Revenue (total) by Month and Product ID



Revenue (total) by Quarter



Revenue (total) by Month

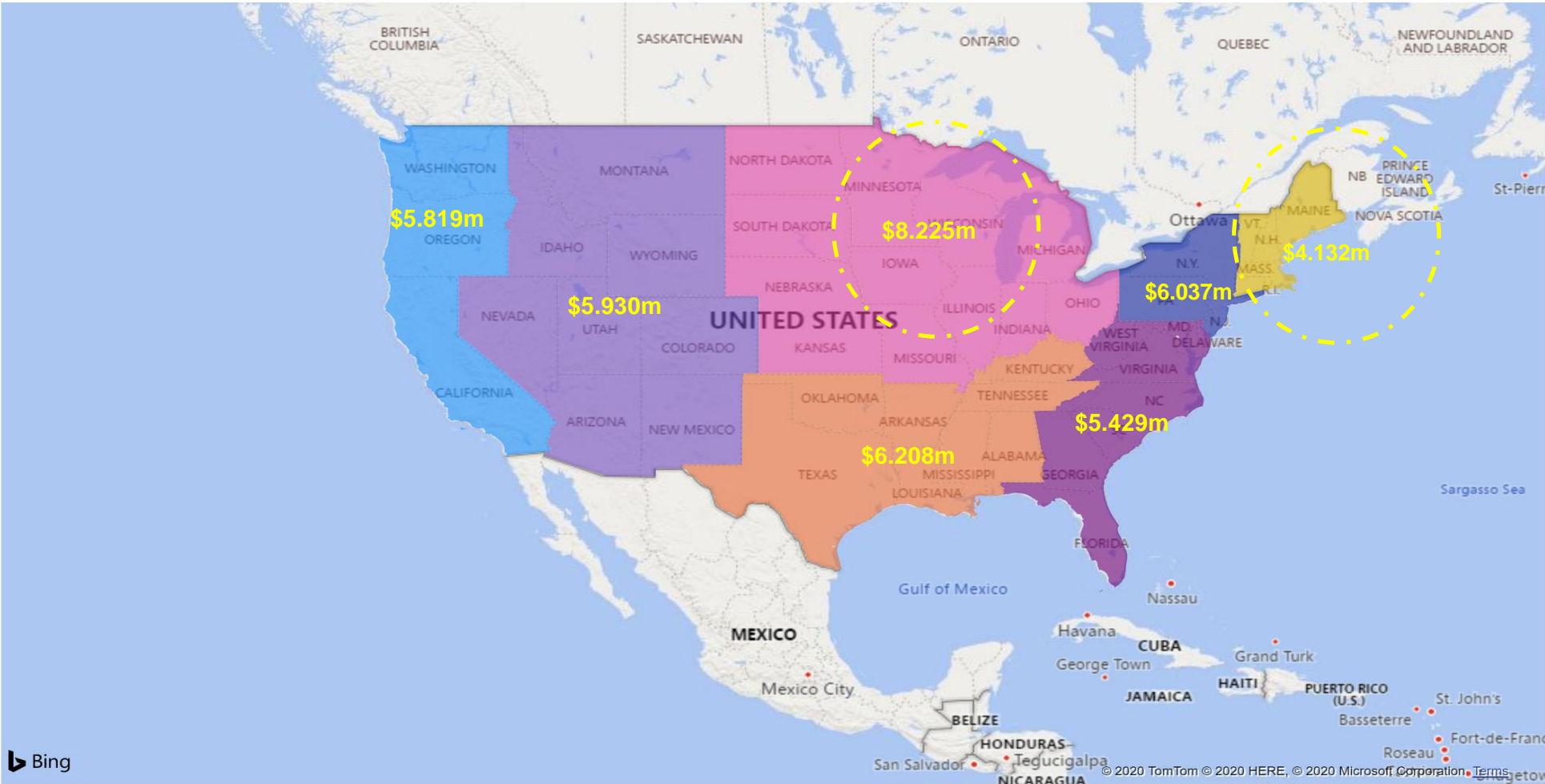


Region of highest profit is North Central while region of least profit is New England. Management to increase research and focus more resources to region of highest profit.



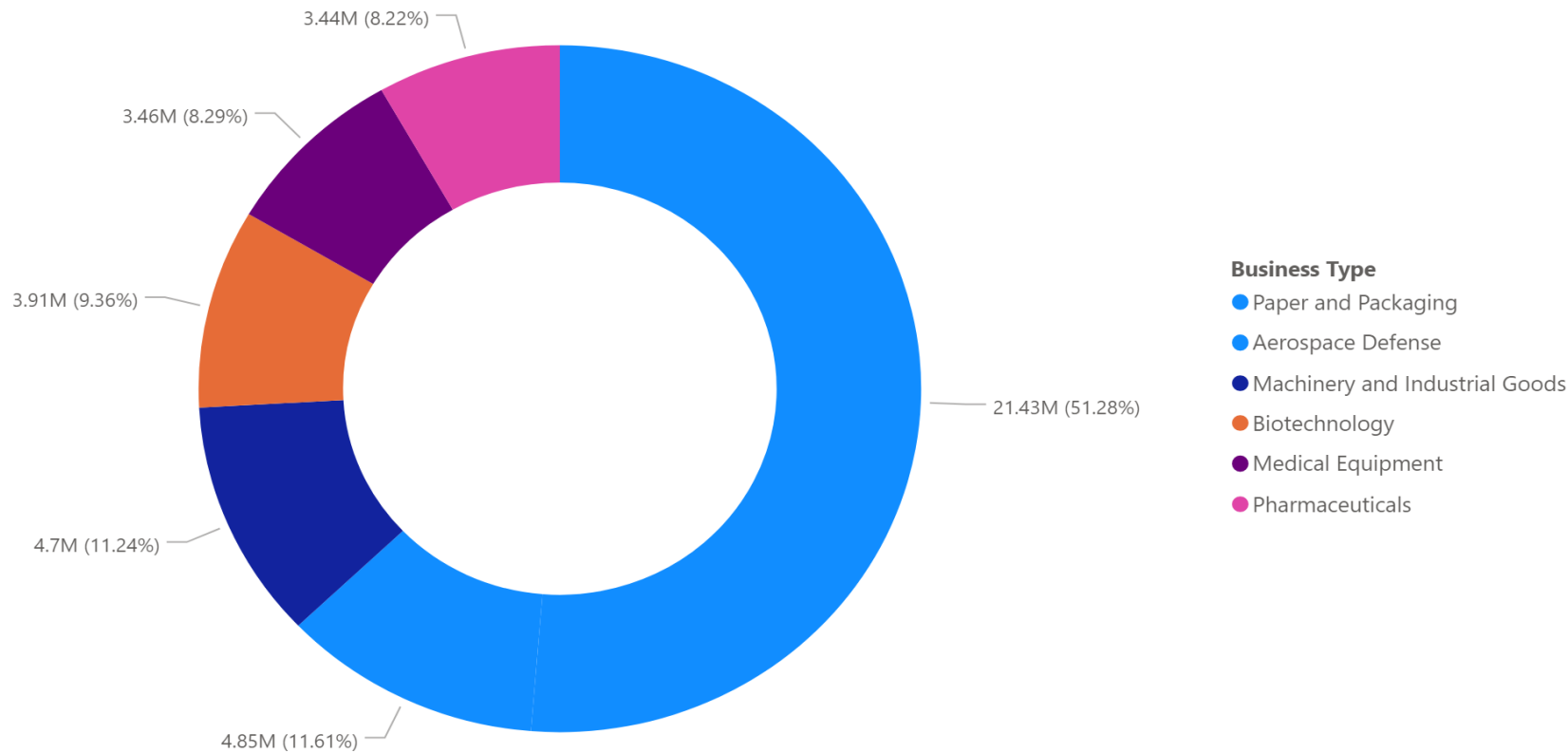
Average of Revenue (total) and Profit by State and Region

Region ● Middle Atlantic ● Mountain ● New England ● North Central ● Pacific ● South Atlantic ● South Central



Paper and Packaging provide largest inflow of Revenue. Management to consider how lowering cost of sale can yield lower market prices thus edging out competition.

Revenue (total) by Business Type



Paper & Packaging provide largest inflow of Revenue - \$21.43m = 51.28% of total revenue

41.78M
Revenue (total)

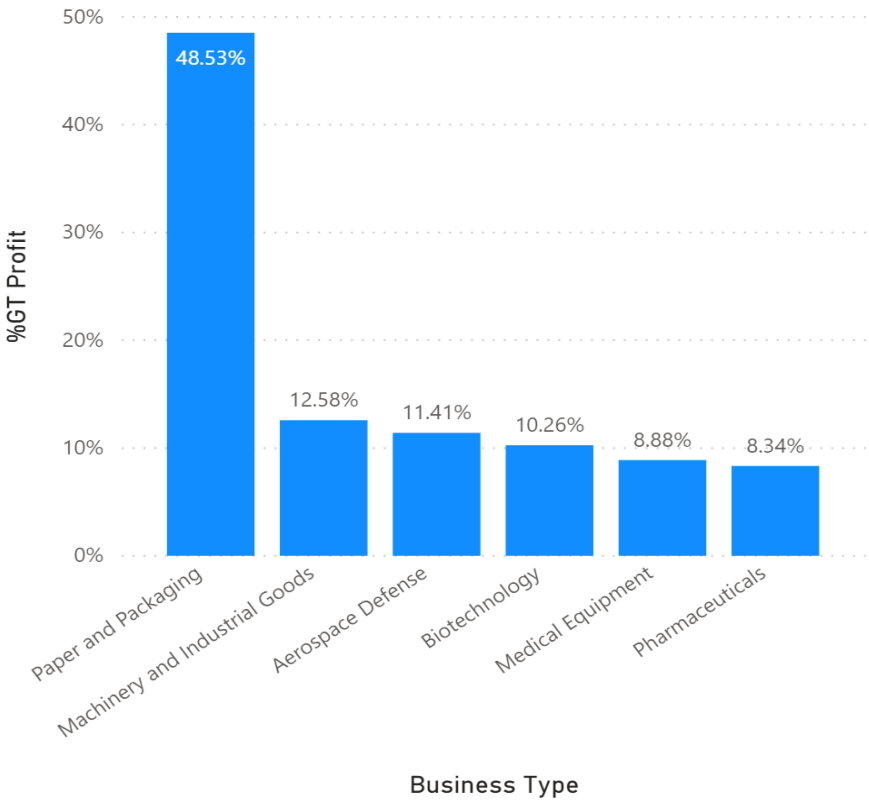
Management to consider divesting from non-performing products amongst other identified key insights

Key Insights

ChemCorp may want to consider the following :

- 1. Divesting from 3 products each doing less than 5% each of % gross total of profit. These are Chemical A – 1.08% , Chemical J – 2.71% , and Chemical C – 4.87%. Chemicals K,H & I should be the focus
- 2. The Business Types under health sector are not bringing in healthy profits. That is Pharmaceuticals, Medical Equipment and and Biotechnology. Thus focus should be placed on other business segments generating more healthy relative profits. More investment into Paper and Packaging will give leverage.
- 3. Paper and Packaging is an area of growth being 12% of total business but generating almost 50% of entire profit.
- 4. North Central is the region of highest profit, more resources should be directed there.

%GT Profit by Business Type



%GT Profit by Product ID

