Preliminary Questions:

- **Objective & Timeline**
- **Product specifications & Business model**
- **Geography**
- **Customer segment & Growth rate**
- **Competitors**
- **Value Chain**

Profit

Revenue

Cost

R1 R2 R3

Segmentation if the revenue streams are known
Questions:
1. %share of each stream
2. %change in each revenue stream

Across customer segments & distribution channels

#units sold × revenue/unit (price/unit)

Pricing strategies
- Competitive pricing
- Cost based pricing
- Value based pricing

Size × share%

Industry specific issue
- Substitute
- Complimentary products
- Regulation changes (incl. Govt. taxes)
- Customer buying power

Company specific issues
- External factors
- Company / product factors
  - Quality
  - Packaging
  - Pricing
  - Company's brand perception
  - Availability
  - Accessibility
  - Range of products/ updating products with changing customer's buying preferences

Raw materials → Final product

1. Differentiate end customer of product from Client's customer
2. Step into the customer shoes
3. Think through end to end customer journey

Fixed
- Infrastructure
- Management salaries
- Taxes, EMI etc.
- Marketing budget
- R&D

Variable

Suggested approach: Dig deeper into variable costs through value chain

Procurement → Production → Packaging

Production: Raw materials | Labour / Machines | Utilities

Packaging → Transportation → Distribution → Sales → After sales

Supply side

Raw materials → Production → Distribution

Production
- Production constraints
- Efficiency issues

Distribution
- Packaging
- Storage
- Transportation
- Retailers

Benchmark w.r.t. time & competitors

Demand side

Pre-sales
- Brand Intangibles
  - Image
  - Awareness
  - Controversy
- Accessibility
- Frequency of buying
- Price of comp. product

At the point of sale
- Visibility
- Offers & Combo
- Product parameters
- Payment methods
- Selling offers

After sales
- Loyalty programs
- Maintenance services
- Pre-sales options
- Life
- Terms & Conditions
- Compatability

Benchmark w.r.t. time & competitors

(c) Smarthveer Sidana, https://www.linkedin.com/in/smarthveer-sidana-07267111a/
The framework is free for your personal use, free to distribute freely to others provided content and attribution left unaltered