

Business Model Canvas

Designed for:

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Key Partners

1. Raw Material Suppliers (80-85% are domestic)
2. DCGI License
3. No idea about concentration of suppliers

Key Activities

1. R&D to reduce cost and make new products
2. Logistics:
 - a) Sourcing RM
 - b) Production in factories
 - c) Transporting final product (covered in Channels)

Key Resources

1. Human- the founders and R&D team
2. Physical- Factories, RM
3. Financial- Capex, Working Capital

Value Propositions

1. Low Price of APIs
2. Large variety of APIs
3. Good Quality
4. Timely Delivery

Customer Relationships

1. < 1% attrition rate due to value propositions listed
2. Majority are Spot orders, rest are contractual

How do the customers react when NGL raises prices? Given that they operate in unregulated markets which are price sensitive

How do they approach new customers?

Channels

1. Exports=80%
2. Imports=20%

Uses partner channels? (is there a need to dig into this?)

Customer Segments

Caters to Niche Unregulated Markets (generic vet APIs)

Customer Segments by Revenue:

1. MNCs (90%)
More profitable
Small ticket size(50-100kg)
2. Traders (10%)
Less profitable
Large ticket size

Cost Structure

Fixed costs (low):

1. Salary (13%)

Variable Costs (high)

1. Raw Material Cost (40%)
2. Manufacturing Cost (15%)

Huge capex requirement (100 cr from FY18-FY23)(should be included?)
Is there an option for the company to rent factories instead?

Revenue Streams

1. Vet API (83%)
2. Human API (2.5%)
3. Intermediates (8%)
4. Finished Dosages (5.5%)

Price = how is it decided? negotiation? any listed price? depends on quantity?
This is also important because it is related to how the company raised 10-15% price in FY19