



## CLIENT STORY | GROWTH STRATEGY FOR INDIA'S LARGEST RUBBER RECLAIM COMPANY

**Region :**  
INDIA

**Consulting Services :**  
GROWTH STRATEGY

## CLIENT SITUATION

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- The client is India's largest rubber reclaim company and is a market leader in its business that is achieving moderate growth
- The new breed of management that is taking over targeted a 5 fold increase in revenue over a 5 year period but were faced with some challenges – limited growth potential in current business segments and constraints in developing few downstream products as the client wished to avoid competition with current customers
- Moreover the management was looking for high margin opportunities and they approached Avalon Consulting to formulate a growth strategy

## OUR APPROACH

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- A thorough analysis of the market potential for current business segments revealed a need to bridge a strategic gap to achieve the desired turnover target
- At first, the share of organized suppliers to ten end-use industries was mapped to arrive at the addressable market
- Domestic competitors were studied to understand their capacities, market focus (proportion of domestic/export turnover) and presence in end use segment
- Since ability to garner market share in an end-use is contingent on the market dynamics and customer satisfaction parameters, a market share estimation frame work approach was used. Market Dynamics pertained to the attractiveness of the end use for client given the present competition and client's own market share. The Buyer Criteria were measured on Quality, Price and Proximity to the Customer
- The client's score for each attribute in the framework was mapped which were then used to arrive at client's probable market share in each segment
- Following this, a one day management workshop was conducted to arrive at a list of products to be evaluated based on some pre-requisites and the evaluation criteria. All rubber products identified post discussions with the client were evaluated and rated based on their attractiveness
- Range of waste recycling options were scanned and a two step evaluation exercise based on attractiveness and do-ability was conducted to shortlist new recycling opportunities for entry

## OUR RECOMMENDATION/ IMPACT

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- A four-way approach to growth was formulated – export driven, gaining incremental market share in current business segments, addressing attractive downstream opportunities and diversification
- New export markets were identified for the client to enter into based on extensive opportunity assessment
- Vertical Integration by expanding into non-conflicting downstream products and diversification into recycling of non-rubber products were suggested and are currently under review for implementation