

# Simulation Project

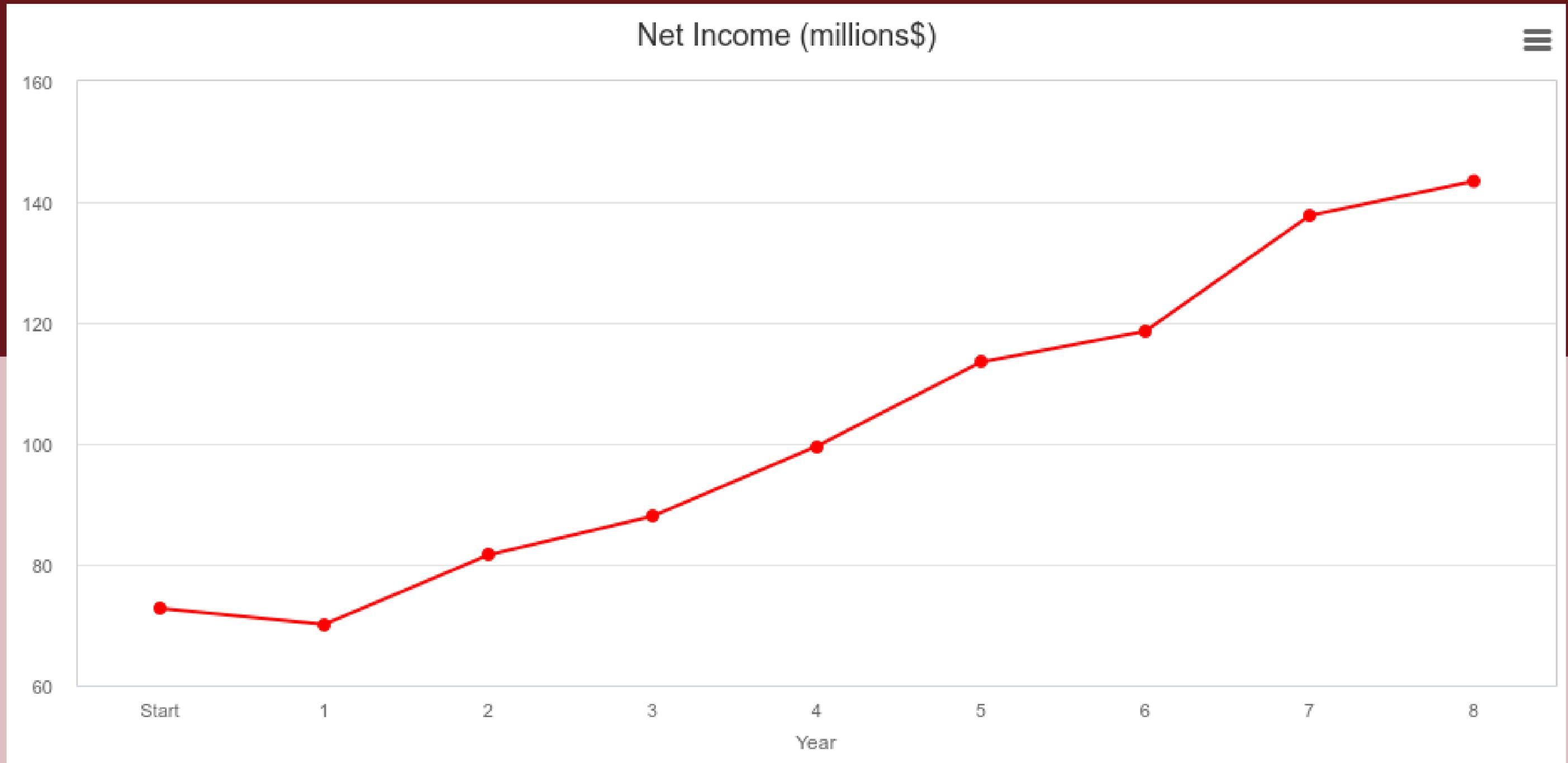
**PharmaSim**  
Allstar Brand Manager

Presented By:  
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"HEY! WE'VE NEVER TRIED A 'PITY' STRATEGY BEFORE..."

# COMPANY PERFORMANCE



Brand Formulations			
Brand	Allround	AllroundPlus	Allright
Analgesic	1000	350	0
Antihistamine	4	2	4
Decongestant	60	30	60
Cough Suppressant	30	0	0
Expectorant	0	100	0
Alcohol	0	0	0
Duration	4hr	4hr	4hr
Symptom	Multi	Cold	Allergy
Form	Liquid	Liquid	Capsule

# BRAND FORMULATION

# PRODUCT LINE + TARGET MARKETS

Product	Target Market	Year of Introduction	Description	Key Competition
Allround	<ul style="list-style-type: none"> <li>• Young Singles</li> <li>• Young Families</li> <li>• Mature Families</li> </ul>	Start Year	4hr Multi Liquid	Besthelp
AllroundPlus	<ul style="list-style-type: none"> <li>• Young Families</li> <li>• Mature Families</li> </ul>	Year 3	Child 4hr Cold Liquid	Colcure
Allright	<ul style="list-style-type: none"> <li>• Young Singles</li> <li>• Young Families</li> <li>• Mature Families</li> <li>• Empty Nesters</li> <li>• Retired</li> </ul>	Year 6	4hr Allergy Capsule	Believe Defogg

# Year 1

Executive Dashboard		 Edit		
	Start-Year 1	Previous	Current	Change
Stock Price		\$32.50	\$30.48	-6.2%
Unit Sales		94.3M	95.9M	1.7%
Revenue		\$328.4M	\$340.2M	3.6%
Net Income		\$72.7M	\$70.1M	-3.7%
Cumulative Net Income		\$72.7M	\$142.8M	96.3%

## Plan of Action:

- Highlight the product's non-drowsy formula and fewer side effects in marketing to engage the target audience
- Adopt a volume-based discount strategy to boost revenue efficiency
- Set specific budgets for promotions like coupons and co-op ads to expand market penetration
- Focus sales efforts on key outlets like grocery stores and chain drugstores for maximum impact

## Result:

- Notable improvements in sales led to increased profitability and a substantial market share
- Struck a strategic balance between cost saving and maintaining operational effectiveness
- Gained strong outcomes in promotions and coupon use, showing the effectiveness of marketing strategies

## What could have been better:

- Aim for consistent promotional allowances across all marketing channels to improve impact
- Integrate additional advantages, such as effective symptom relief, into advertising to attract a wider customer base
- Broaden the salesforce's reach across diverse retail settings to improve visibility

# Year 2

Executive Dashboard		 Edit		
	Start-Year 2	Previous	Current	Change
Stock Price		\$30.48	\$33.67	10.4%
Unit Sales		95.9M	97.8M	2.0%
Revenue		\$340.2M	\$347.3M	2.1%
Net Income		\$70.1M	\$81.6M	16.4%
Cumulative Net Income		\$142.8M	\$224.4M	57.1%

## Plan of Action:

- Refine pricing strategy based on income statement analysis.
- Optimize Salesforce numbers & advertising budget to minimize costs
- Enhance promotion strategy for better participation and coupon redemption.

## Result:

- Increase in sales and profitability.
- Salesforce & advertising budget optimization maintained cost reduction goals without compromising operations
- Promotion strategy yielded favorable results in participation and redemption rates.

## What could have been better:

- Continuous monitoring and adjustment of pricing strategy
- Regular evaluation of sales force performance for further optimization
- Experimentation with promotion strategies to maximize effectiveness
- Exploration of alternative advertising channels for enhanced brand visibility

# Year 3

Executive Dashboard		 Edit		
	Start-Year 3	Previous	Current	Change
Stock Price		\$33.67	\$35.69	6.0%
Unit Sales		97.8M	101.1M	3.4%
Revenue		\$347.3M	\$365.6M	5.3%
Net Income		\$81.6M	\$88.0M	7.9%
Cumulative Net Income		\$224.4M	\$312.4M	39.2%

## Plan of Action:

- Maintaining the growth we had from year 2.
- Increasing pricing; Adjusting advertising & promotion allocations.
- Focus on Chain Drugstore & Grocery's sale force.

## Result:

- Increase in Net Income
- Conversion and Retention Ratio improved.
- Allstar for 1st time running over capacity by 1%.

## What could have been better:

- Increment in pricing.
- Ignored looking into the manufacturing sales data.

# Year 4

Executive Dashboard		 Edit		
	Start-Year 4	Previous	Current	Change
Stock Price		\$35.69	\$45.18	26.6%
Unit Sales		101.1M	115.6M	14.4%
Revenue		\$365.6M	\$425.3M	16.3%
Net Income		\$88.0M	\$99.6M	13.1%
Cumulative Net Income		\$312.4M	\$412.0M	31.9%

## Plan of Action:

- Introduction of AllroundPlus in the market
- Budget Allocation for both the brands

## Result:

- 13% increase in Net Income with Mass Merchandisers sales showed the strongest growth
- Manufacture sale share improved

## What could have been better:

- Advertising budget for AllroundPlus

# Year 5

Executive Dashboard		✂ Edit		
	Start-Year 5	Previous	Current	Change
Stock Price		\$45.18	\$51.47	13.9%
Unit Sales		115.6M	124.8M	8.0%
Revenue		\$425.3M	\$467.2M	9.9%
Net Income		\$99.6M	\$113.5M	14.0%
Cumulative Net Income		\$412.0M	\$525.5M	27.6%

## Plan of Action:

- The plan is to enhance the advertising budget for AllroundPlus
- Introducing Allright: A 4-hour Allergy Capsule ND

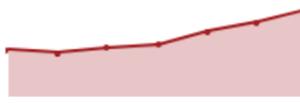
## Result:

- Net Income surged by 4.9%, along with a increase in unit sales by 10.4%
- Approximately 9.5 million units of Allright were sold in its debut year, with Chain Drugstores emerging as the top performer in the Direct Sales Distribution Channel

## What could have been better:

- Could have priced Allright a little higher
- Enhancing the promotional allowance for Allright could have been beneficial, as retailers expressed dissatisfaction with the current arrangement

# Year 6

Executive Dashboard		 Edit		
	Start-Year 6	Previous	Current	Change
Stock Price		\$51.47	\$60.13	16.8%
Unit Sales		124.8M	137.8M	10.4%
Revenue		\$467.2M	\$527.6M	12.9%
Net Income		\$113.5M	\$118.6M	4.5%
Cumulative Net Income		\$525.5M	\$644.1M	22.6%

## Plan of Action:

- To address the pricing strategy for all three products
- Adjusting the distribution of the sales force to optimize performance across all channels

## Result:

- There was an increase in unit sales for both AllroundPlus and Allright
- Shelf space saw a slight improvement

## What could have been better:

- Allround experienced a decrease in unit sales, indicating the potential for improved strategies and increased focus
- Additionally, the advertising message for Allround Plus could have been enhanced for greater effectiveness

# Year 7

Executive Dashboard		 Edit		
	Start-Year 7	Previous	Current	Change
Stock Price		\$60.13	\$73.60	22.4%
Unit Sales		137.8M	151.5M	9.9%
Revenue		\$527.6M	\$597.1M	13.2%
Net Income		\$118.6M	\$137.8M	16.1%
Cumulative Net Income		\$644.1M	\$781.9M	21.4%

## Plan of Action:

- Maintained total salesforce to ensure high turnover
- Reallocated from Chain drugstores to Mass merchandisers since they had the highest rate of growth
- Changed Prices in line with price utility
- For Allround, Discontinued Trial sizes and allocated budget to coupons

## Results:

- Saw a massive increase in units sold for Allright
- Net Income increased

## What could have been better:

- Pricing for Allround should have been more conservative since units sold reduced

# Year 8

Executive Dashboard		Edit		
	Start-Year 8	Previous	Current	Change
Stock Price		\$73.60	\$82.50	12.1%
Unit Sales		151.5M	165.0M	8.9%
Revenue		\$597.1M	\$646.5M	8.3%
Net Income		\$137.8M	\$143.5M	4.1%
Cumulative Net Income		\$781.9M	\$925.3M	18.3%

## Plan of Action:

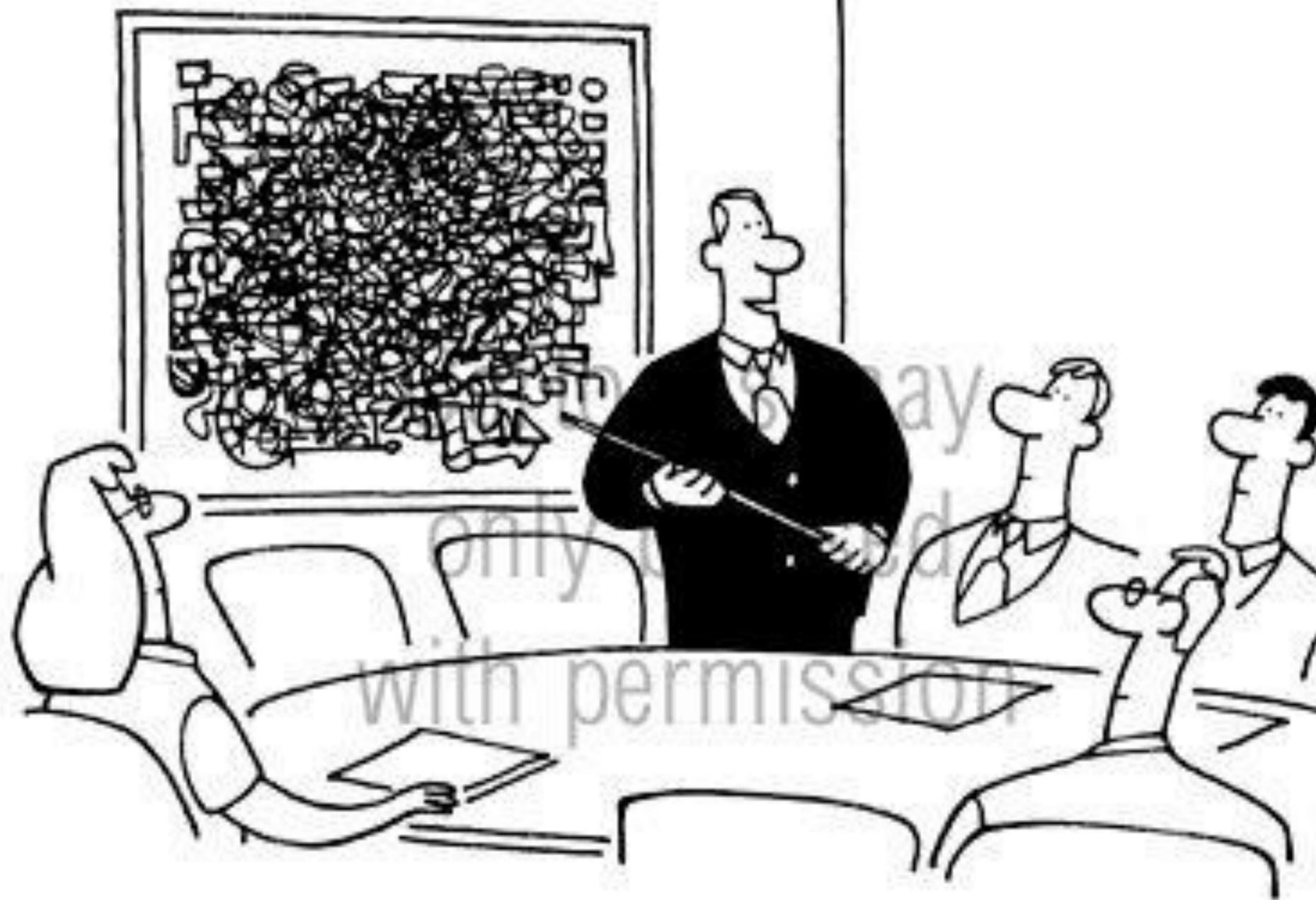
- Reduced Price for Allround to ensure unit sales
- Further increased price for Allright and Allroundplus.
- Increased volume discounts for all products to combat increase in prices and maintain trade rating
- Focused Advertising message on Reminder and Comparison to gain market share from competitors

## Results:

- Substantial increase in Unit sales
- Allright captured 30% market share in year 3 of launch

## What could have been better:

- AllroundPlus Brand trials were still less than 5%
- We should have allocated more budget to Media Spend to push Brand Trials for AllroundPlus



**"And that's our plan.  
Any questions?"**