

Anaahat Studios: Rethinking Target Market, Offerings & Operations

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Anaahat Studios (<http://anaahat.com>) is a business organization established in the year 2013 with a mission to undertake diversified classes of projects for several industries to bring forth their uniqueness in every possible way i.e. through design, music, content and strategies.

The company was founded by a music passionate youngster – Vaibhav at his hometown i.e. Sangli. He was producing jingles & ad spots of Radio Mirchi while studying Bachelor of Science and also composed few songs. In the later part of his graduation days he joined HDFC for insurance sales with a primary motive to earn some money for pursuing his hobby. Vaibhav says this sales job helped him improve his communication and presentation skills. This exposure to sales, marketing, management and business made him apply for and get MBA degree. After MBA he joined a facility management company in sales function which he quit in less than 5 months. In this company he realized the importance of right branding content, sales kit and marketing material. Later he went to Dubai to join ISO consulting company as a trainee which he quit in two months and came back to India, precisely to his hometown – Sangli, Maharashtra.

As of now, the company has successfully completed about 45 projects mainly in Branding - logo design, stationery design, Brochure & company profile design, In shop branding, Stall designing, , jingles, videos, promotional material, marketing collaterals. In addition, Anaahat has designed websites for considerable number of existing clients and has improved online presence of many. Majority of the existing clients are small and medium manufacturing & service units while few others are cafes, startups and event management companies. Primary target market for Anaahat so far is the firms that have not yet invested money in branding, content development and online presence. In fact, many of them do not consider these things very important to their business but are willing to spend some money as they also have an aspiration to strengthen their brand image. This segment

is not yet captured by the established marketing agencies or by IT companies.

Although Anaahat has completed 3 smaller international assignments and couple of assignments from outside Maharashtra, large volume of work so far is from locations like Miraj, Sangli, and Pune and nearby locations. As far as revenue is concerned, the Anaahat could generate Rs. 10 lacs in the first financial year and the average revenue of this firm for the last three years is around Rs. 13 lacs. They are now exploring options to build social media marketing capabilities and also improve its footprint and revenues in Pune. The leader has set a goal to generate business (revenue) worth Rs. 50 Lacs in the financial year 2017-18.

The first assignment for Anaahat was for Rs. 90,000/- from a local mid-sized manufacturing enterprise. Average price for a basic project of branding, design, website development and basic promotional material design is around Rs. 1.5 Lacs. It takes about two months for Anaahat to complete one project as only Vaibhav is working on most of the aspects of a project. Anaahat also has some partners for identified tasks like content writing, photo shoots and video making (some of them are freelancers as they cost less) that helps in some aspect of the project. The gross profit from existing assignments for Anaahat is around 35%.

Team size at Anaahat always remained below 5. In fact, only for about one year the team size was more than 2. In that period Anaahat had hired 2 full-time graduates with almost no experience on a fixed salary of around 12,000/- per month. However, this did not help at all as they had little exposure to industry assignments and were simply following the instructions. In fact, they used to wait for instructions and Vaibhav had to get involved in every little aspect of the project. At the same time, in an attempt to train, engage and retain first two employees of the firm, He tried summer internship students for sales and marketing, for everything Vaibhav invested lot of time in developing them with an idea of business maximization as well as with interns on the field visits. After about 6-7 months, they quit the firm and Vaibhav was alone again. They were hired for graphics designing and content writing.

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Now in Feb 2017 Vaibhav is again willing to increase the team size. His younger brother Saurabh, who is an engineering graduate with about 2.5 years of experience in a IT company in software testing role, is about to join him part time. He had seen Anaahat growing closely and have an idea of brand philosophy Based on the initial assessment, Saurabh can mainly contribute by managing operations and back end work and thereby allow Vaibhav to spend more time in the field. However, although Saurabh has quit his full time job recently, he would be simultaneously working his startup in healthcare along with other partners. Vaibhav is also in talks with an experience content writer – Neha who has agreed to be a part of core team. Neha has completed few assignments with Anaahat earlier, mainly as a freelancer, but she will be working from home and visiting office & clients whenever required.

Vaibhav is in a dilemma about the service portfolio of Anaahat going forward and also the target market. He is of the opinion that branding for SMEs is a niche market and it will take longer for him to grow the business if he simply continues to do what he has been doing so far. Vaibhav is

also sensing an opportunity to provide more services to existing B2B market clients more in a recurring revenue model like managing their social accounts, managing website updates for them, handling their external communications like newsletters, mailing lists and organizing events for them to improve their stakeholder connect. In case of B2C clients, Anaahat is assessing potential to do digital marketing, sales promotion activities, and market research for existing and new clients.

How should Anaahat go about growing its business with the aim of generating annual revenue of around 50 Lacs in next few years? At the moment, Vaibhav is considering following strategies – enter into new market segment, increase the team size, make changes to the functioning / operation and partner with other players. He needs your help in evaluating these strategies and also in identifying few more effective strategies. Suggest best strategy / strategies and justify. Prepare implementation plan keeping in mind your proposed solution. Take into consideration aspects like variety of resources required, timelines, investment and risks.