



MD, Consumer
Electronics

*"I need **help building core competencies** to improve efficiency and support scalability of my business, just like the teach a man to fish metaphor"*



Founder, IT

*"During my engineering entrance prep, our school held weekly doubt-clearing sessions. A similar service—offering **shorter, more targeted expertise**—could be a game-changer."*

TSgC's Readiness Index

TSgC estimates that **863** Medium Enterprises on BSE/NSE will cumulatively spend ~**US\$ 1 BN** on professional services by FY30



CEO, Auto
Components

*"I've built this organization from scratch. I don't need someone to tell me how to run it—I need help making **better decisions, faster.**"*



MD, Defense &
Aerospace

*"I make products where a 0.1% margin of error can cost lives, I don't need Lean six sigma guys, I need someone who has **solved** the kind of **problems** I face by **getting his hands dirty**"*

TSgC's Readiness Index classifies Indian SMEs on company status and business outlook; India has ~734K mid-sized, ~3.67 Mn small businesses

		Business Outlook		
		High Growth	Legacy	Low Growth
Company Status	Increasing Profit	<ul style="list-style-type: none"> Rapid revenue growth EBITDA, high PAT, strong and growing PS Spend, high 	<ul style="list-style-type: none"> Stable revenue Growth EBITDA, high PAT, strong and growing PS Spend, high 	<ul style="list-style-type: none"> Slow revenue growth EBITDA, high but limited growth PAT, strong but limited growth PS Spend, Low
	Decreasing Profit	<ul style="list-style-type: none"> Stable revenue growth EBITDA, low or –ve, falling PAT, –ve and falling PS Spend, high 	<ul style="list-style-type: none"> Stagnant revenue EBITDA, low and falling PAT, low and falling PS Spend, very low 	<ul style="list-style-type: none"> Declining revenue EBITDA, low and falling PAT, -ve and falling PS Spend, Low
	Stable	<ul style="list-style-type: none"> Stable revenue growth EBITDA, healthy, fast growing PAT, modest, fast growing PS Spend, Moderate 	<ul style="list-style-type: none"> Stagnant revenue EBITDA, moderate, slow growth PAT, modest, slow growth PS Spend, Moderate 	Not Applicable
	Turnaround	<ul style="list-style-type: none"> Stable revenue growth EBITDA, Improving Y-o-Y PAT, transitioning, –ve to +ve PS Spend, low, efficiency related 	<ul style="list-style-type: none"> Rapid revenue growth EBITDA, improving > 60% PAT, modest, improving > 60% PS Spend, Moderate, Gr >30% PA 	Not Applicable
	Sick	<ul style="list-style-type: none"> Stable revenue growth EBITDA, -ve, limited growth PAT, -ve, no growth PS spend, high, mostly legal 	<ul style="list-style-type: none"> Stagnant revenue EBITDA, –ve, limited growth PAT, consistently –ve PS Spend, high, legal & efficiency 	<ul style="list-style-type: none"> Declining revenue EBITDA, consistently –ve PAT, consistently –ve PS Spend, high, mostly legal
		High Moderate Low	TSgC Readiness Index	

*PS Spend – Professional Services Spend, Incl., Legal, Growth, Efficiency, Finance related advisory expense (Excl. Audit)

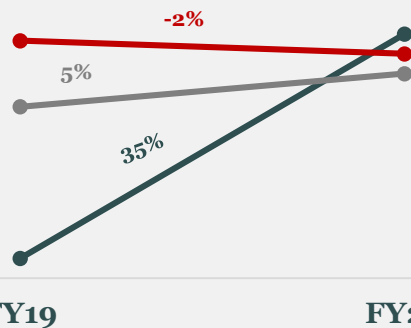
Key Industry Trends in SMEs

- IT and Defense & Aerospace** dominate in Revenue and PAT growth
 - IT growth driven by **Robotics & Automation** growing at ~85% Y-o-Y and **Cybersecurity** dominates in EBITDA% and PAT%
 - D&A driven by government spending and indigenization. SMEs in D&A growing at ~80% Y-o-Y
- Infrastructure boom – water management and transmission towers** experiencing exponential growth, driven by strong government & private investments
- Recycling, E-waste management** is amongst the top 3 in profitability (EBITDA) in FY24
- Telecom and Solar** show high PAT despite revenue struggles, suggesting government incentives and efficiency improvements
- Machine Manufacturing** (Capital Goods) has an outlier PAT, indicating exceptional cash generation

Of the businesses that scaled from small to medium between FY19 - FY24, 60% were TSgC “High”; Annual PS spend of \$ >230K, growing >30% PA

Avg. 5Y Sales Growth Delivered

● TSgC High ● TSgC Moderate ● TSgC Low

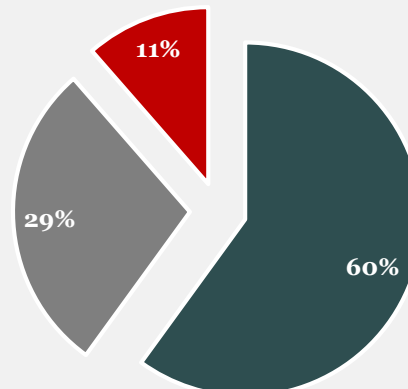


Key Observations

Several companies rated “**TSgC High**” have focused efforts on expanding their **market reach**, either **geographically** or through **new business segments**

Success in Scaling from Small to Medium (5Y)

● TSgC High ● TSgC Moderate ● TSgC Low

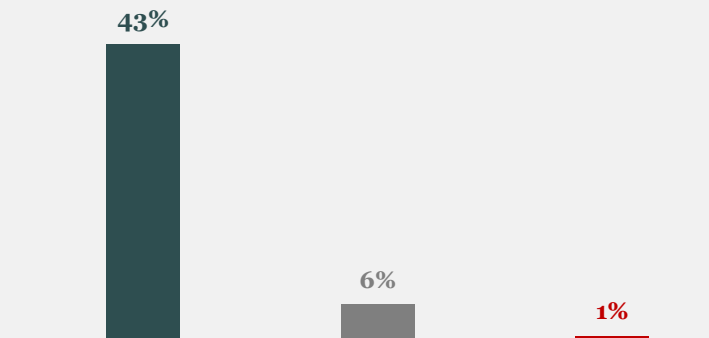


Key Observations

Several companies rated as “**TSgC High**” are actively using **fundraising** and **M&A strategies** to scale operations and **strengthen market position**

Avg. 5Y EBITDA Improvement Delivered

● TSgC High ● TSgC Moderate ● TSgC Low



Key Observations

Several companies rated as “**TSgC High**” have emphasized **financial discipline**, **capital efficiency**, and **resource allocation**. Technology adoption is still limited

Source: TSgC research, Survey Responses and Personal Interviews

*PS Spend – Professional Services Spend, Incl., Legal, Growth, Efficiency, Finance related advisory expense (Excl. Audit)

The leadership of medium-sized enterprises doesn't need traditional consulting solutions; they need competency building to drive growth & efficiency

		Business Outlook		
		High Growth	Legacy	Low Growth
Company Status	Increasing Profit	<ul style="list-style-type: none"> Introduce Joint-Ventures International Expansion Rapid Product Scaling 	<ul style="list-style-type: none"> AI Introduction Digital Integration Process Improvement 	<ul style="list-style-type: none"> Debt restructuring Cost-effective expansion Brand repositioning
	Decreasing Profit	<ul style="list-style-type: none"> Customer Segmentation Pricing strategies International Expansion 	<ul style="list-style-type: none"> Automation Waste reduction Process Improvement 	<ul style="list-style-type: none"> Training programs (L&D)
	Stable	<ul style="list-style-type: none"> New Product Innovation R&D Investments Customer Personalization 	<ul style="list-style-type: none"> Brand Loyalty programs CX Improvement ESG Initiatives 	Not Applicable
	Turnaround	<ul style="list-style-type: none"> Rapid Prototyping Digital Agility Fast Market Expansion 	<ul style="list-style-type: none"> Working Capital Improvement Cost reduction Debt Re-financing 	Not Applicable
	Sick	<ul style="list-style-type: none"> Access to Capital (VC, PE) Financial Re-engineering Legal Compliance 	<ul style="list-style-type: none"> Look for Buyers 	<ul style="list-style-type: none"> Short-term, low cost interventions for survival

High Moderate Low TSgC Readiness Index

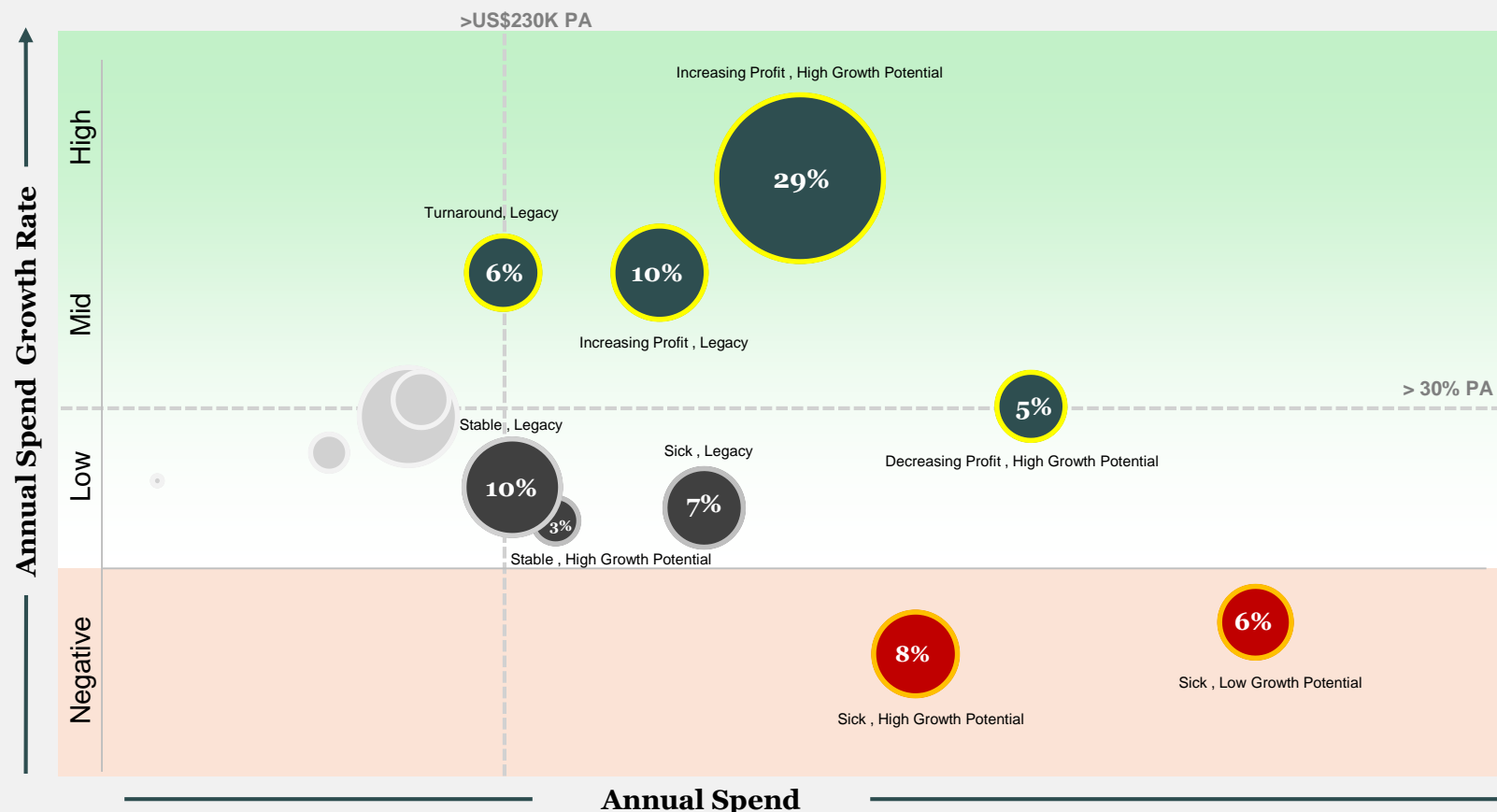
How They Prefer to Engage Consultants?

- 1. Low-Risk, Low-Cost Pilot Engagements**
 - SMEs prefer **small-scale innovation pilots** before committing to larger projects.
 - If a pilot succeeds, promoters expect to **scale internally** rather than rely on long-term consulting support.
- 2. Outcome-Based & Impact-Driven Pricing**
 - Clients prefer consultants who tie compensation to **measurable business outcomes** (e.g., revenue growth, cost reduction, improved sales efficiency).
- 3. Rapid Solutions with Premium Pricing**
 - Promoters value speed and efficiency, they are willing to pay a **premium for quick execution**.
 - Prefer **high-value liaising** or temporary CxO-style engagements over long-term consulting retainers.

Source: TSgC research, Survey Responses and Personal Interviews

In FY24, 27% of TSgC “High” rated companies cumulatively spent ~\$14 Mn on advisory services, representing 42% of the TSgC “High” spend and 50% of the target market spend

Professional Services Spend by TSgC Targets*



% Percentage of total professional services spend (Excl. Audit) in FY24 by 100 TSgC Target SMEs

*TSgC targets are identified through industry insights, promoter relationships, personal interviews, and surveys.

Key Observations

% High Priority Market

1. Big spenders, cumulatively contribute ~50% of total target professional services spend in FY24
2. Mgmt. Consulting contributes a sizable portion
3. Spend growing at 30% CAGR

% Future Market

1. Exploratory spenders, 20% of total target professional services spend in FY24
2. Mgmt. Consulting contributes minority
3. Spend growing at 9%-16% annually

% Low Priority Market

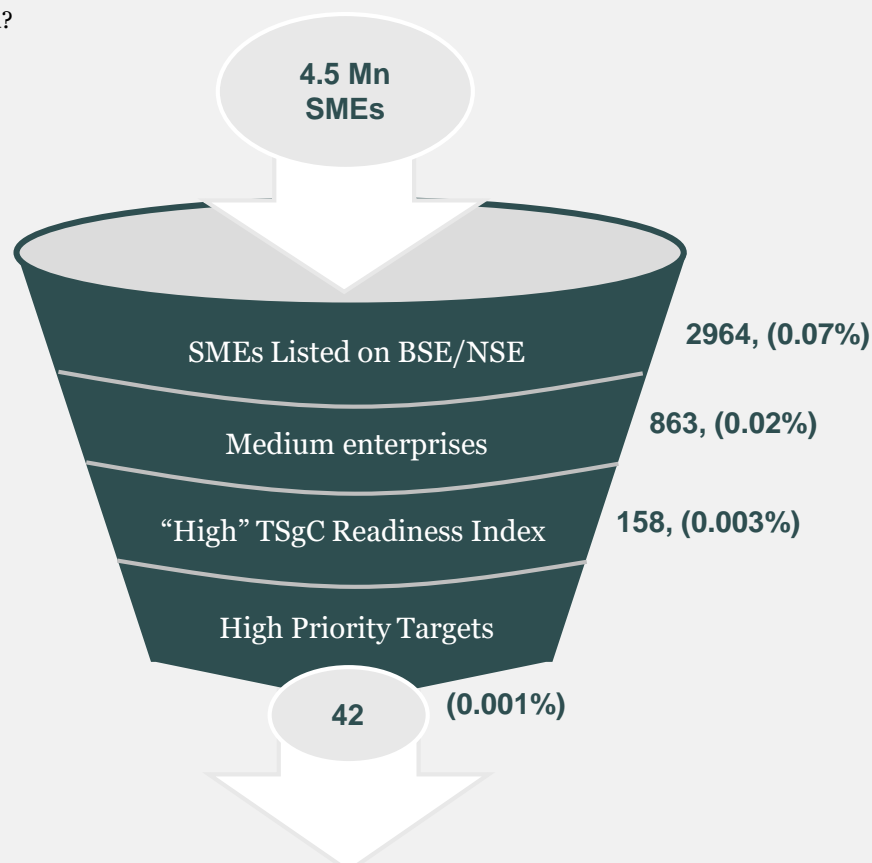
1. Regulation driven spenders, Court ordered, NCLT related, Bank default related, etc.
2. Legal fees, forensic audits and due diligence contribute majority
3. Spend decreasing by 10%-20% annually
4. Certain sick, high growth companies show strong recoveries, investing in strategic/financial restructuring and efficiency

SMEs Listed on BSE/NSE that rank “High” on the TSgC Readiness Index reported a professional services spend of US\$ 34 Mn in FY24



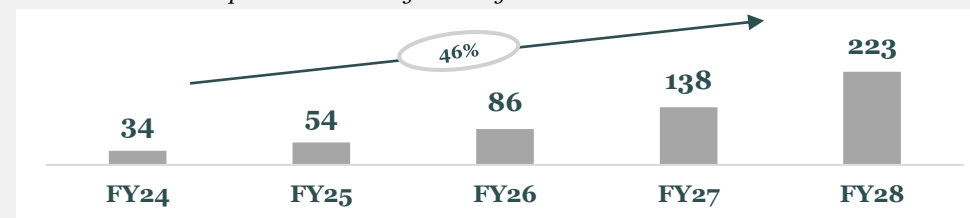
Over the past five years, dematerialized accounts in India has more than **quadrupled to ~190 Mn**, reflecting a growing retail participation in the equity markets. This has **intensified pressure** on companies to **consistently deliver profitability & growth**.

What have we heard?



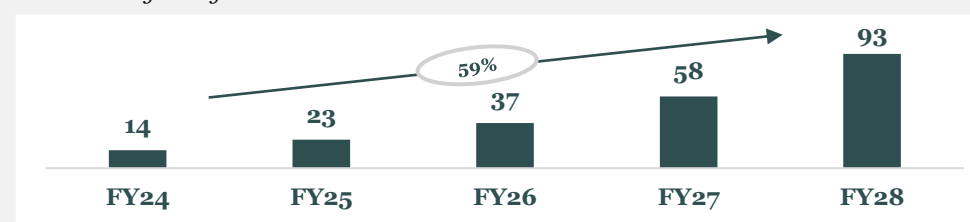
“TSgC High” Market (PS Spend, US\$ Mn)

Listed Medium Enterprises Ranked “High” on TSgC Readiness Index



High Priority Market (PS Spend, US\$ Mn)

Based on TSgC Targets



What have we heard?

As Indian medium enterprises try to scale into large enterprises, they expect professional services (PS) spending to continue rising, if not accelerate

Source: TSgC research, Survey Responses and Personal Interviews

*PS Spend – Professional Services Spend, Incl., Legal, Growth, Efficiency, Finance related advisory expense (Excl. Audit)