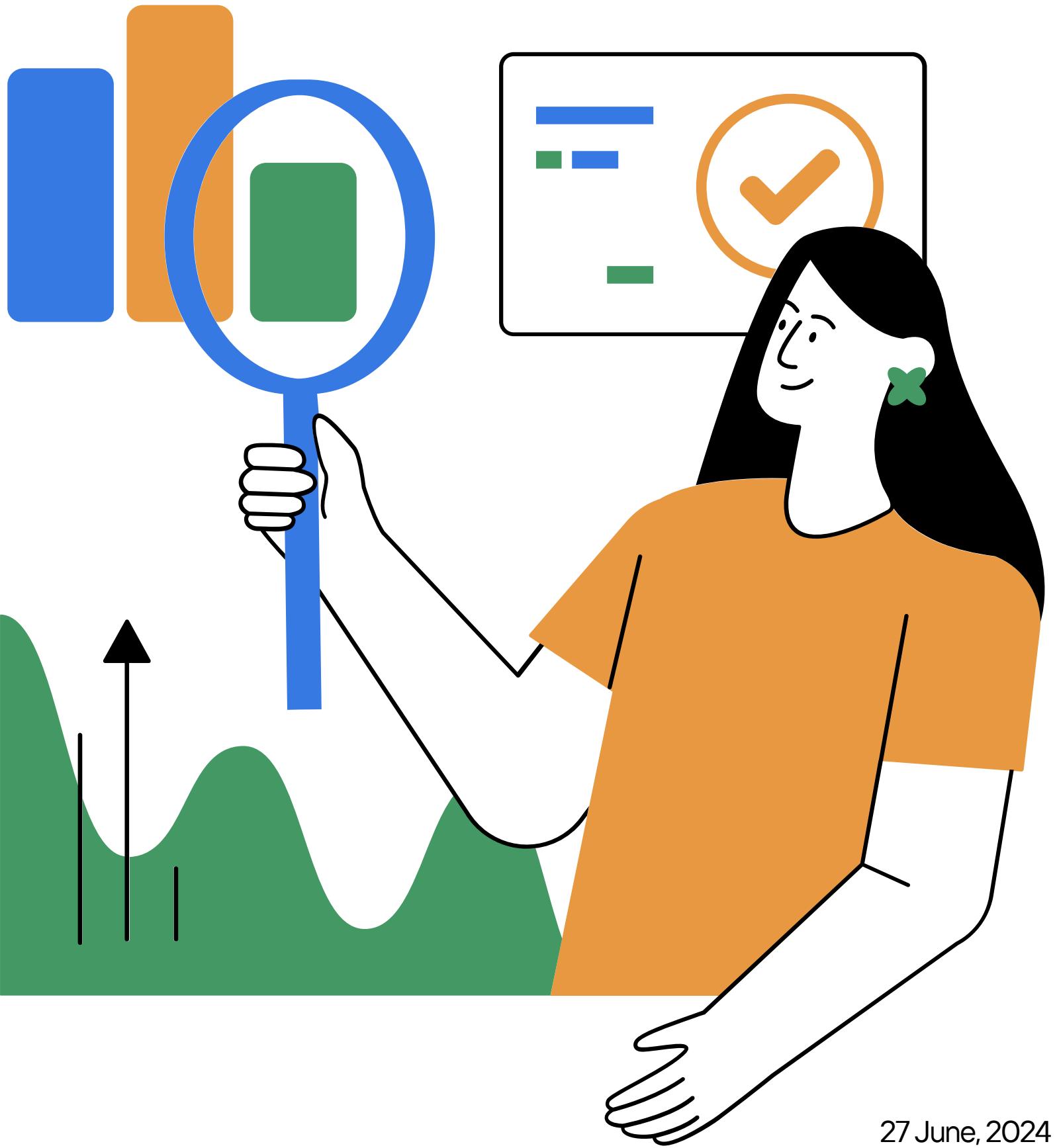
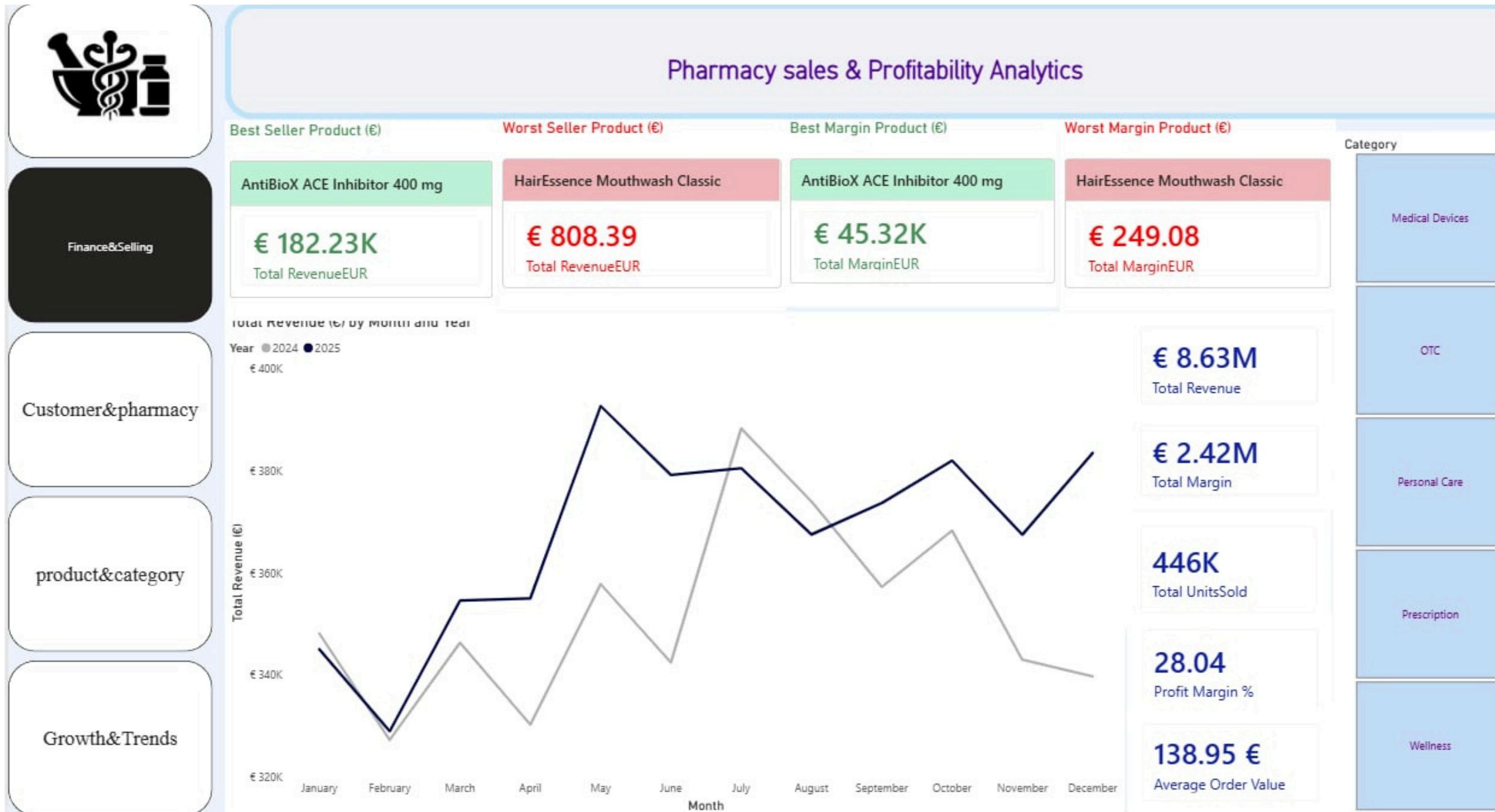


Onyx Challenge Business case

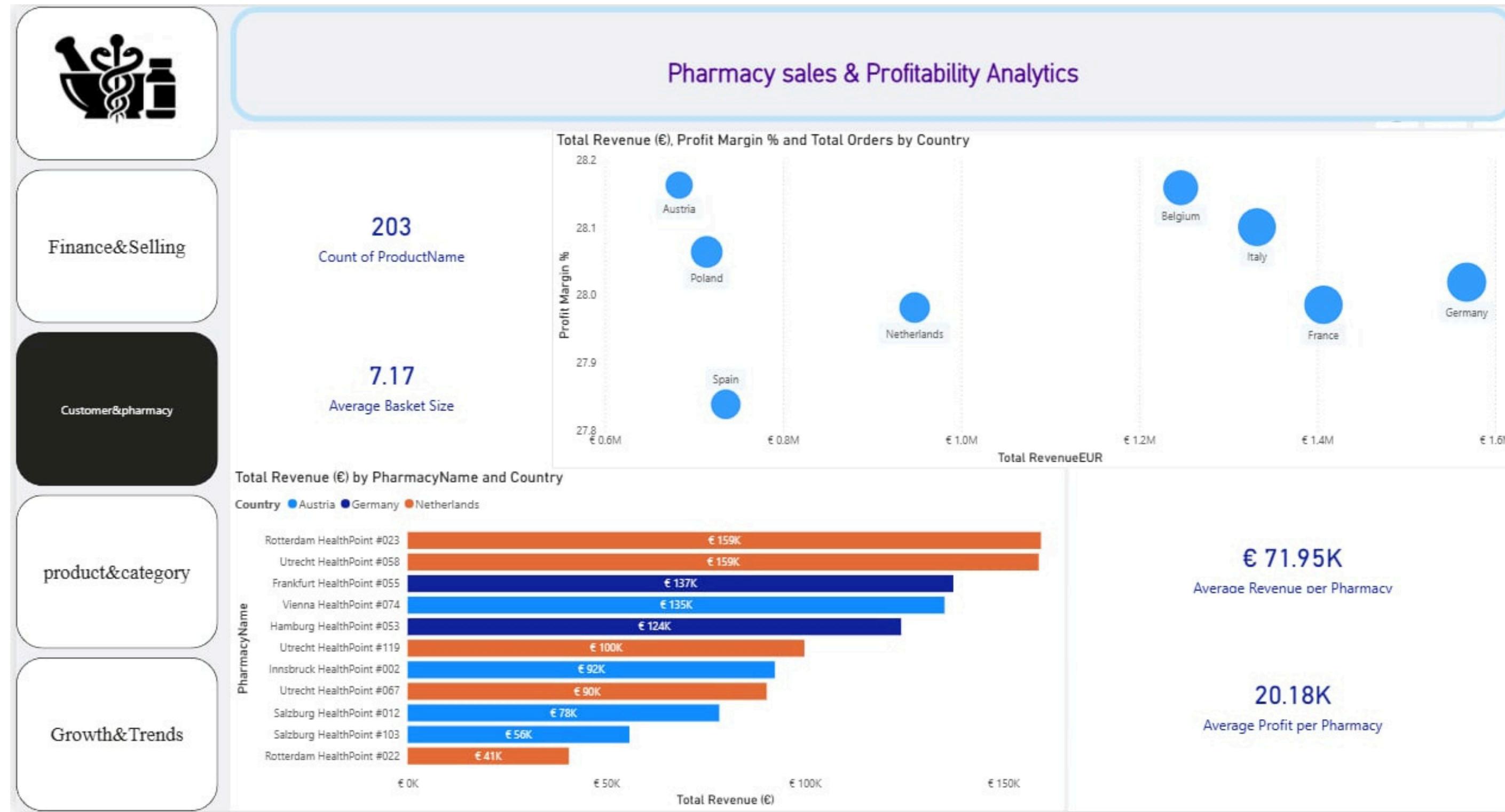


27 June, 2024

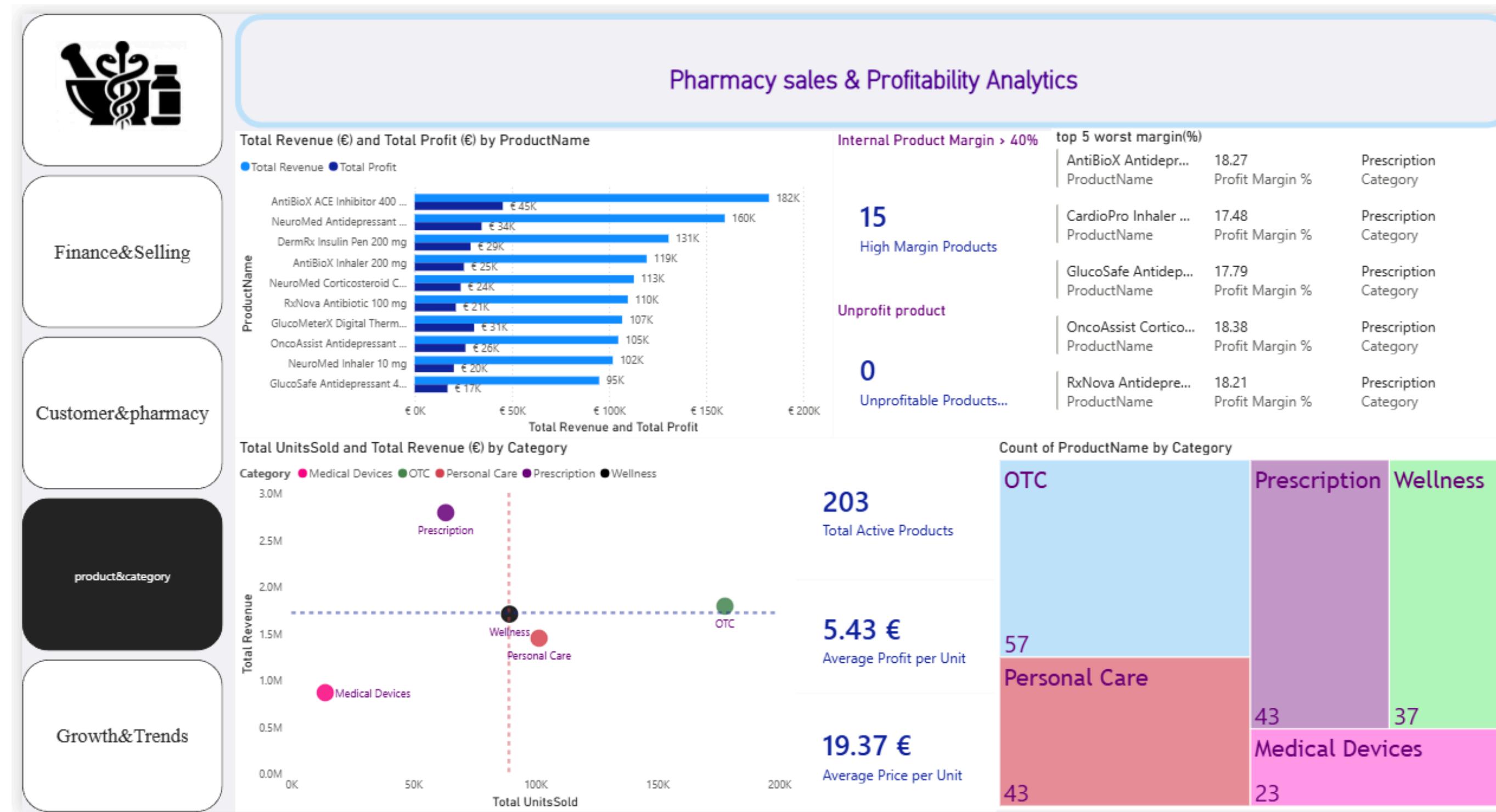
Executive Financial Performance & Sales Overview



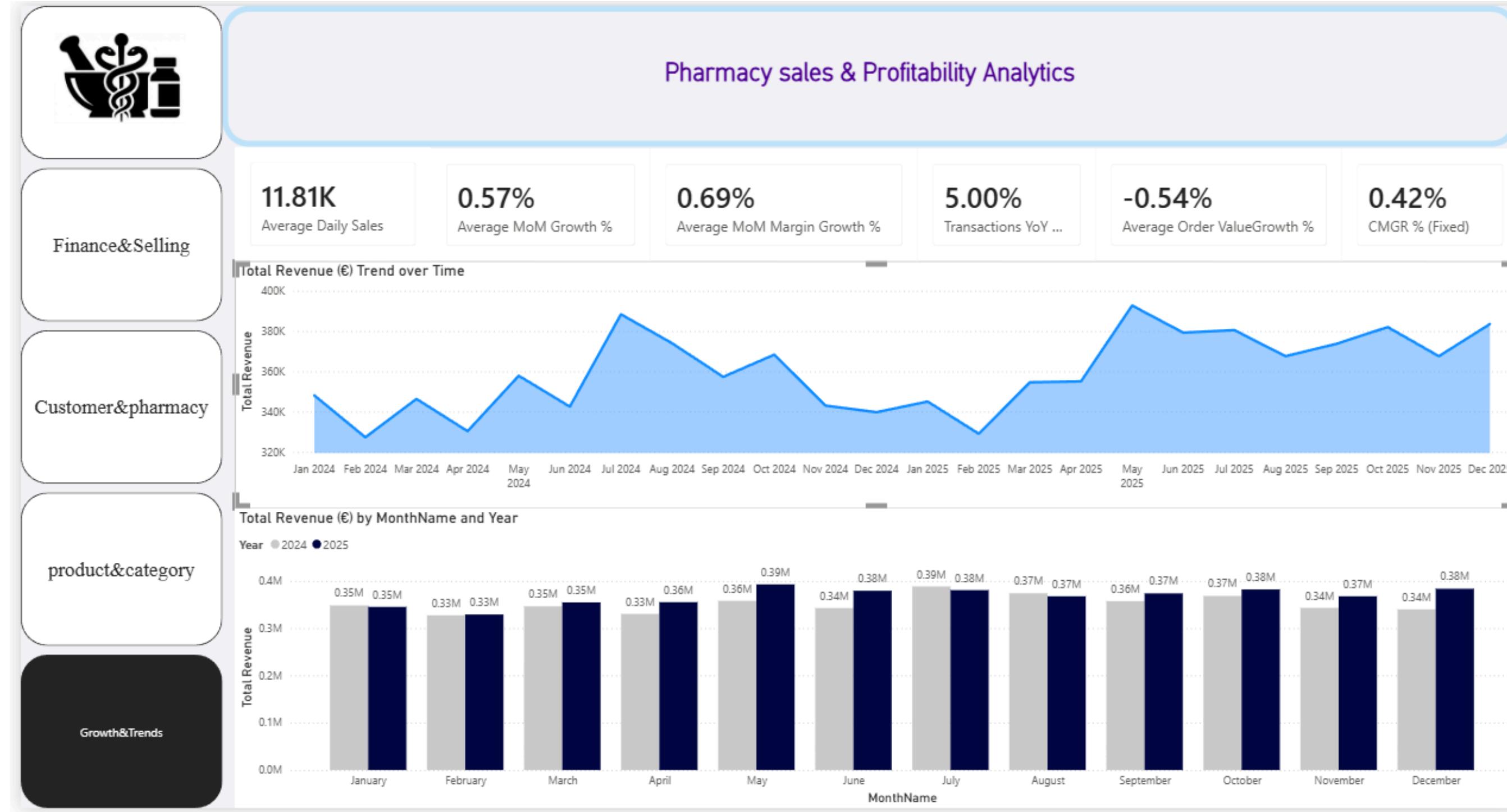
Regional Market Efficiency & Pharmacy Performance Analysis



Strategic Product Portfolio & Profitability Matrix



Revenue Trajectory & Seasonal Trend Analysis



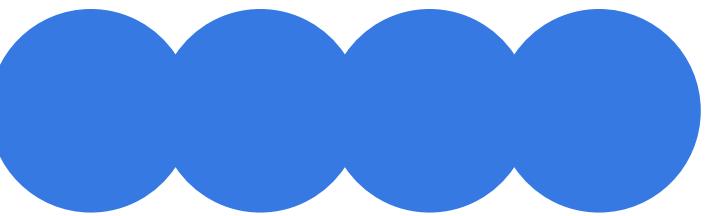
The Why (Problem Statement)

Header: The Why: The "Profitability Blind Spot"



- The Problem: Current reporting provides a "black box" view of sales. We see top-line growth but lack visibility into the true sources of profitability across regions and products.
- The Pain Point: We cannot distinguish between "Best Sellers" (high volume, high margin) and "Silent Killers" (high volume, low/negative margin). This leads to blind decision-making.
- The Risk: Inaccurate demand forecasting results in overstocking underperforming items (cash burn) and stock-outs of high-demand products (opportunity loss).
- Core Issue: It is not a sales problem; it is a decision-intelligence problem. We are operating without knowing where our real profit lies.

The What (Key Findings & Analysis)



Header: The What: Data-Driven Diagnosis

Product Performance Matrix:

- Star Performer: "AntiBioX" yields the highest sales and margin. Requires precision inventory management to prevent stock-outs.
- Bleeding SKU: "HairEssence" drives volume but erodes profit. Immediate action required to de-list and recover sunk capital.

Regional Efficiency:

- Germany: The Volume Leader (Highest Sales).
- Austria: The Efficiency Leader (Highest Margin %).
- Opportunity: Replicate Austria's cost-control model to optimize Germany's operations.





The What (Key Findings & Analysis) cont.



Category Roles:

- OTC: Acts as the "Traffic Driver" (Highest Volume).
- Prescription: Acts as the "Revenue Backbone" (Highest Earnings).



Growth Health:

- Growth is Volume-Driven (+5% Transaction Growth).
- New customer acquisition is strong, compensating for a slight dip in Average Order Value (AOV).



The Wow (Strategic Insights - Part 1)

Header: The Wow: Profit Maximization Strategy

Strategic Replication (The "Austria Model"):

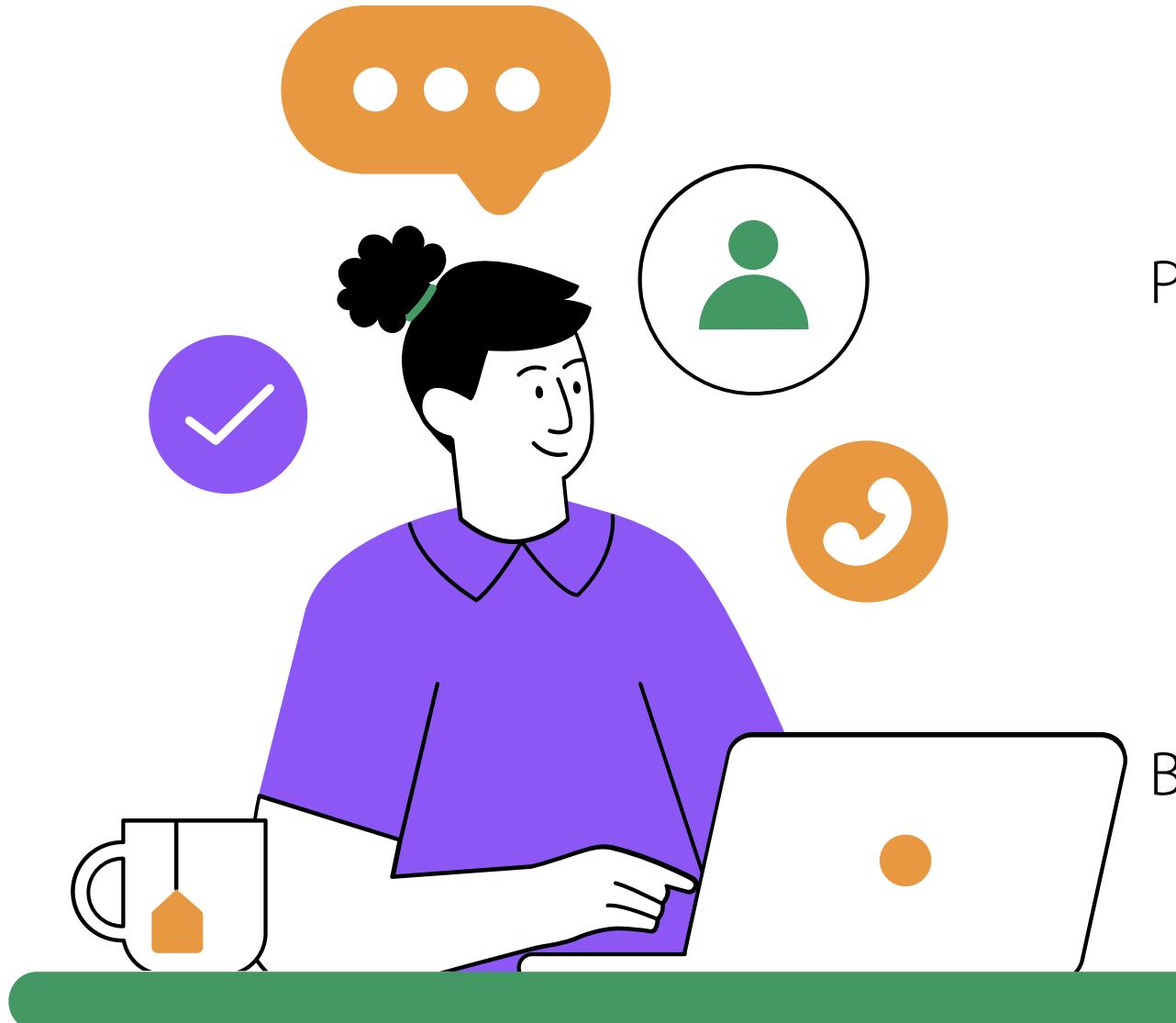
- Insight: Austria achieves superior margins through operational efficiency.
- Strategy: Benchmark and roll out Austria's pricing and cost structure to larger markets like Germany and France.

Portfolio Optimization:

- Insight: Resources are diluted by non-performing SKUs.
- Action: Reallocate budget from "HairEssence" (Negative Margin) to "AntiBioX" (High Margin) to maximize ROIC (Return on Invested Capital).

Business Impact:

- Shift focus from "Vanity Metrics" (Gross Sales) to "Quality Revenue" (Net Profitability).

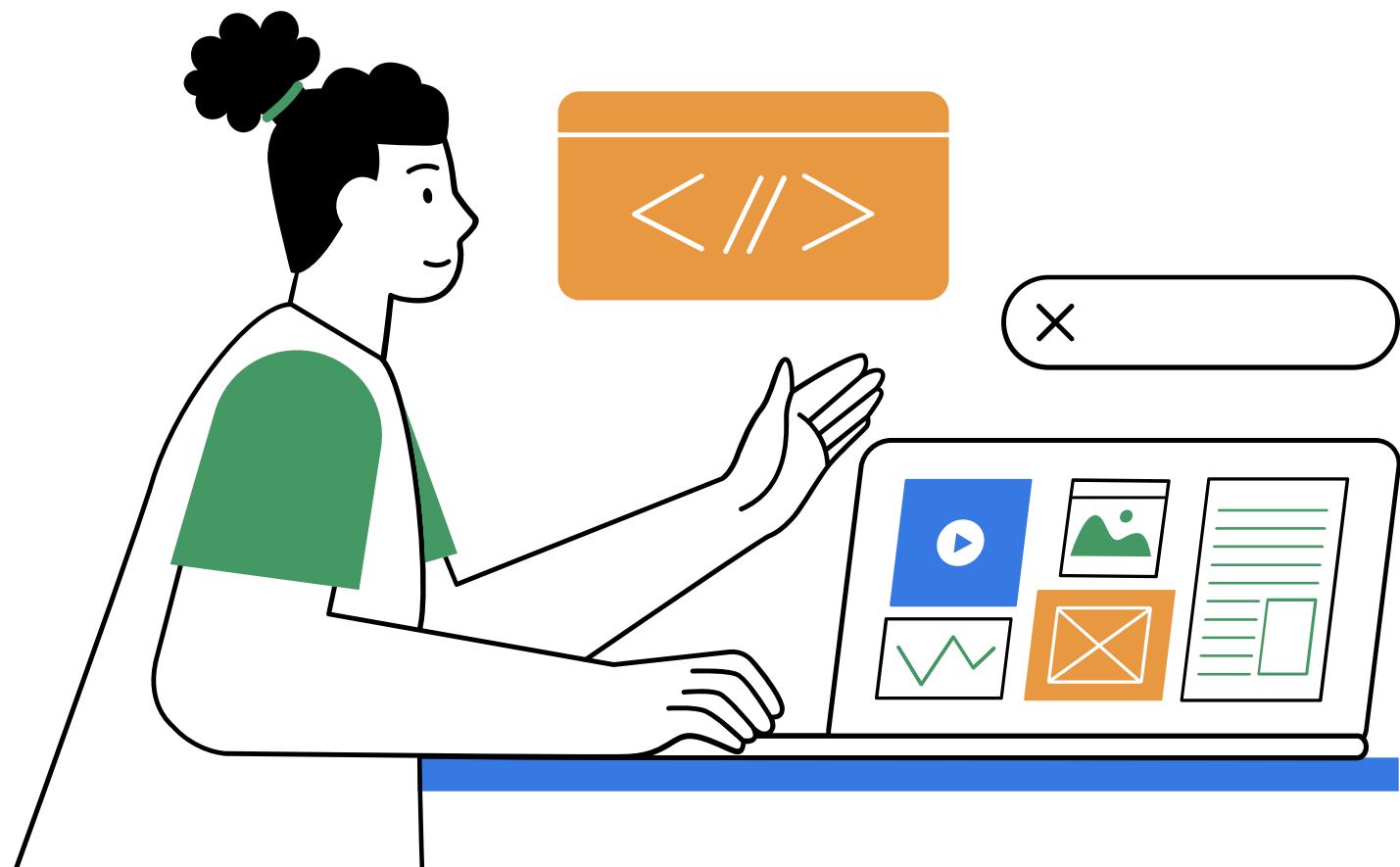


The Wow (Strategic Insights - Part 2)

Header: The Wow: Operational Resilience & Risk Mitigation

Predictive Inventory Planning:

- Insight: Clear seasonality patterns identified (Peak: May / Dip: Feb).
- Action: Pre-emptive stock planning to align procurement with demand cycles, minimizing holding costs.



Health Monitoring:

- Insight: Real-time dashboard acts as a "Business Health Check."
- Target: Achieve "Zero Unprofitable Products" status through continuous monitoring.

Business Impact:

- Enhanced Cash Flow Velocity by eliminating dead stock and optimizing inventory turnover.

The Wow (Strategic Insights - Part 3)

Header: The Wow: Insight-Led Growth Strategy

Sustainable Growth:

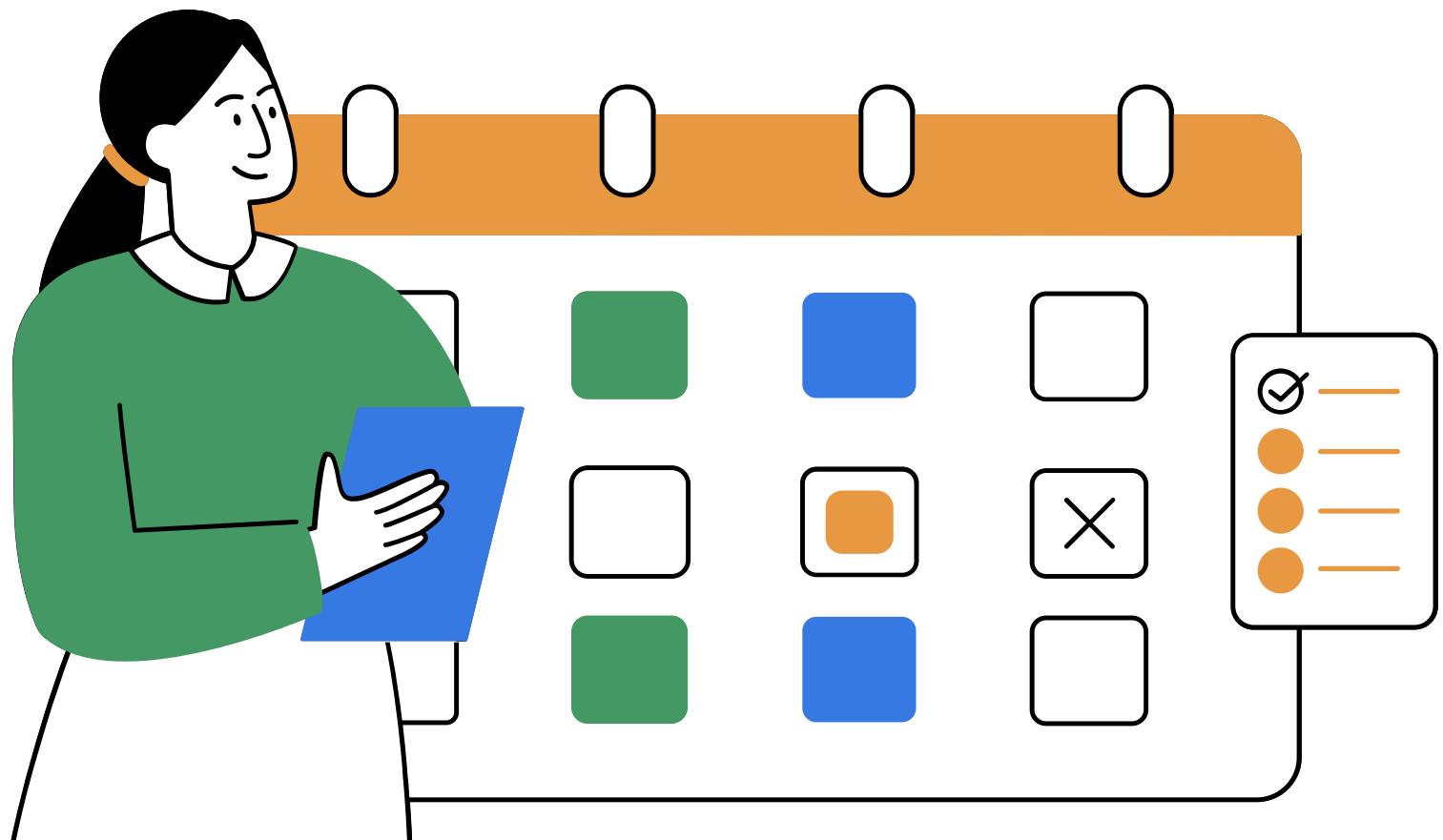
- Insight: Growth is driven by a +5% increase in transactions (new traffic), proving the business can attract new customers effectively, rather than just relying on price hikes.

Synergy Strategy:

- Insight: OTC products bring people in; Prescription products make the money.
- Action: Implement cross-selling strategies to convert low-margin traffic into high-margin sales.

Business Impact:

- Transition from "Growth at all costs" to "Strategic, Profitable Growth."



So What (Recommendations & Execution)

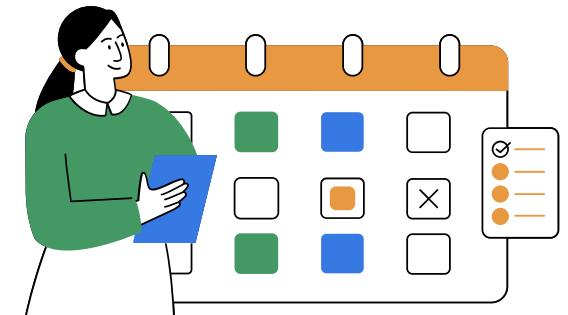
Header: So What: Strategic Recommendations & Execution Plan

1. Reallocate Capital (Stop the Bleeding)

- Action: Immediate freeze on "HairEssence" procurement. Liquidate remaining stock to recover cash.
- Next Step: Reinvest the recovered capital into "AntiBioX" inventory to secure supply during high-demand periods.

2. Clone the "Austria Model" (Scale Efficiency)

- Action: Conduct a deep-dive audit of Austria's cost structure and pricing strategy.
- Next Step: Implement these best practices in the Germany branch to uplift regional profit margins.



So What (Recommendations & Execution)

3. Boost Basket Size (Value Optimization)

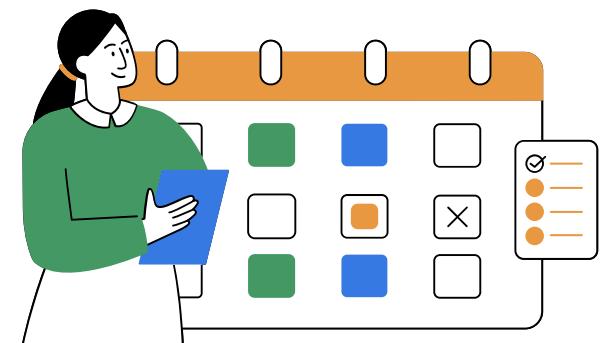
Action: Address the flat Average Order Value (AOV) despite high traffic.

Next Step: Launch "Bundle Strategies" (e.g., pairing OTC Pain Relief with Vitamins or Medical Devices) to increase revenue per transaction.

4. Proactive Seasonality Planning (Demand Alignment)

Action: Initiate procurement for the May peak 2-3 months in advance to secure better cost prices.

Next Step: Prepare clearance campaigns for the February low season to maintain healthy cash flow and reduce inventory holding costs.



Thank You



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