

NORTHWIND

TRADING COMPANY

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2015 *and Beyond*



## Who We Are



**77** Products



**69** Cities, **21** Countries



**1.3** Million Units Sold



**\$23** Million in Revenue



**+121%** Revenue Growth

First 4 completed months 2014 vs 2013



*Let's make*  
**2015** *even Better*



## Business Problem

How to enhance the growth of Northwind's business

### Research Questions

- » Do discounts work?
- » Do Product Categories drive orders?
- » Is there any difference by sales office?
- » Does customer region influence revenue?





## Methodology

We reached our conclusions by applying the statistical tests listed below

### Hypothesis Tests

- » Welch's t-test
- » Cohen's d
- » ANOVA
- » Tukey test

*Do* Discounts *work?*

## Yes, discounts do have an effect on order quantity

All discounts, except 10% have an effect. Smaller discounts have the same effect as larger discounts



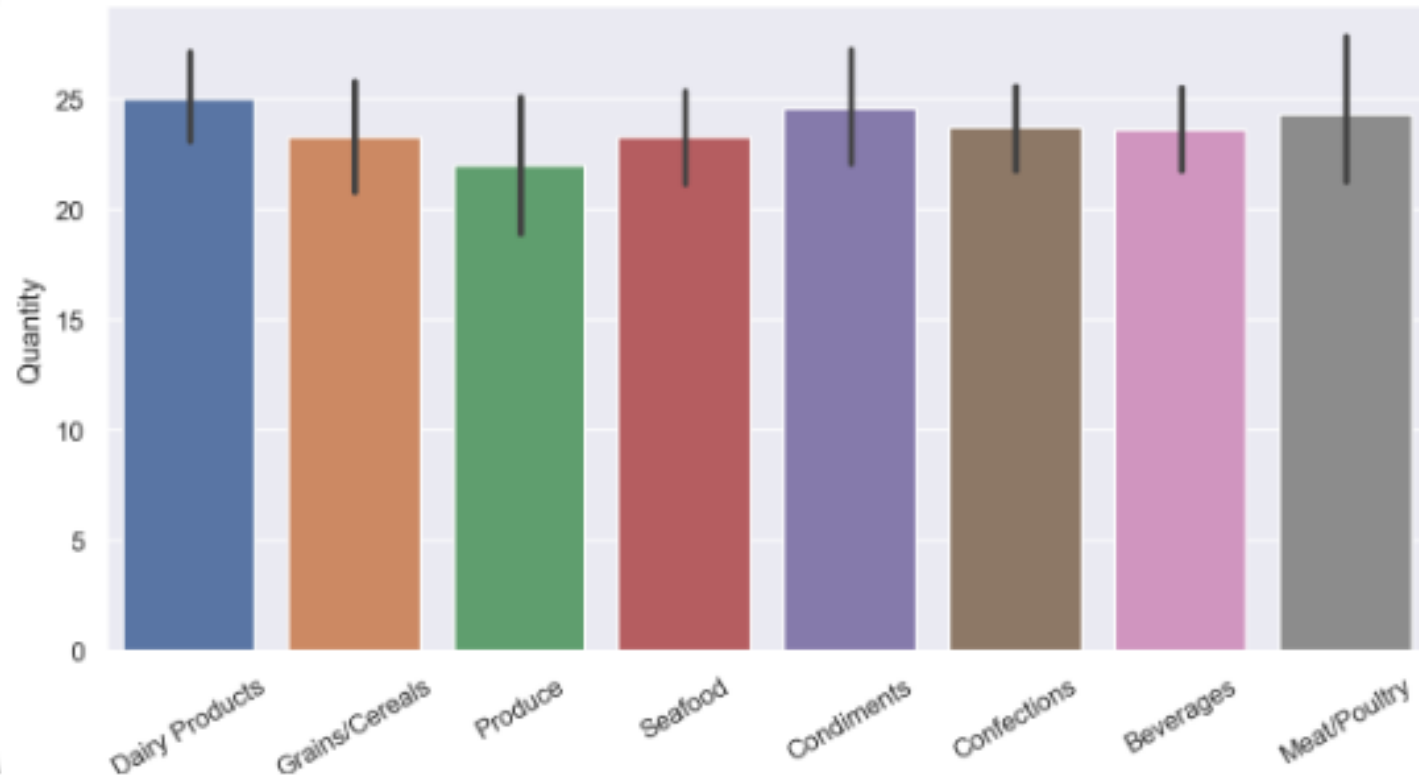
*Do* Product Categories  
*drive order quantity?*



# No, Product Categories have no influence on order quantity

Northwind has a balanced product portfolio.

Average Order Quantity by Product Category

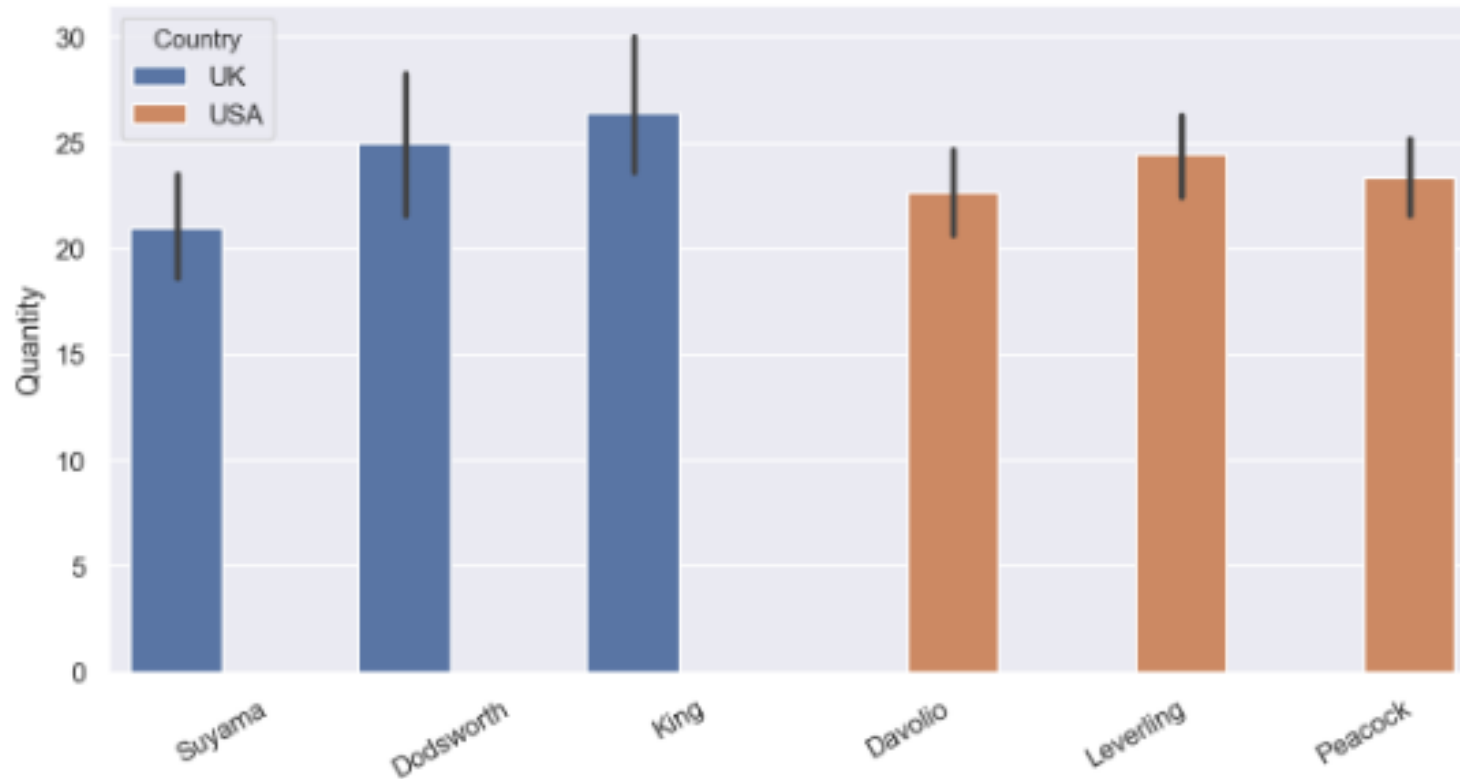


*Is there any difference by*  
**Sales Office?**

# No, there is no difference in order quantity by sales office

Northwind has a consistent sales force.

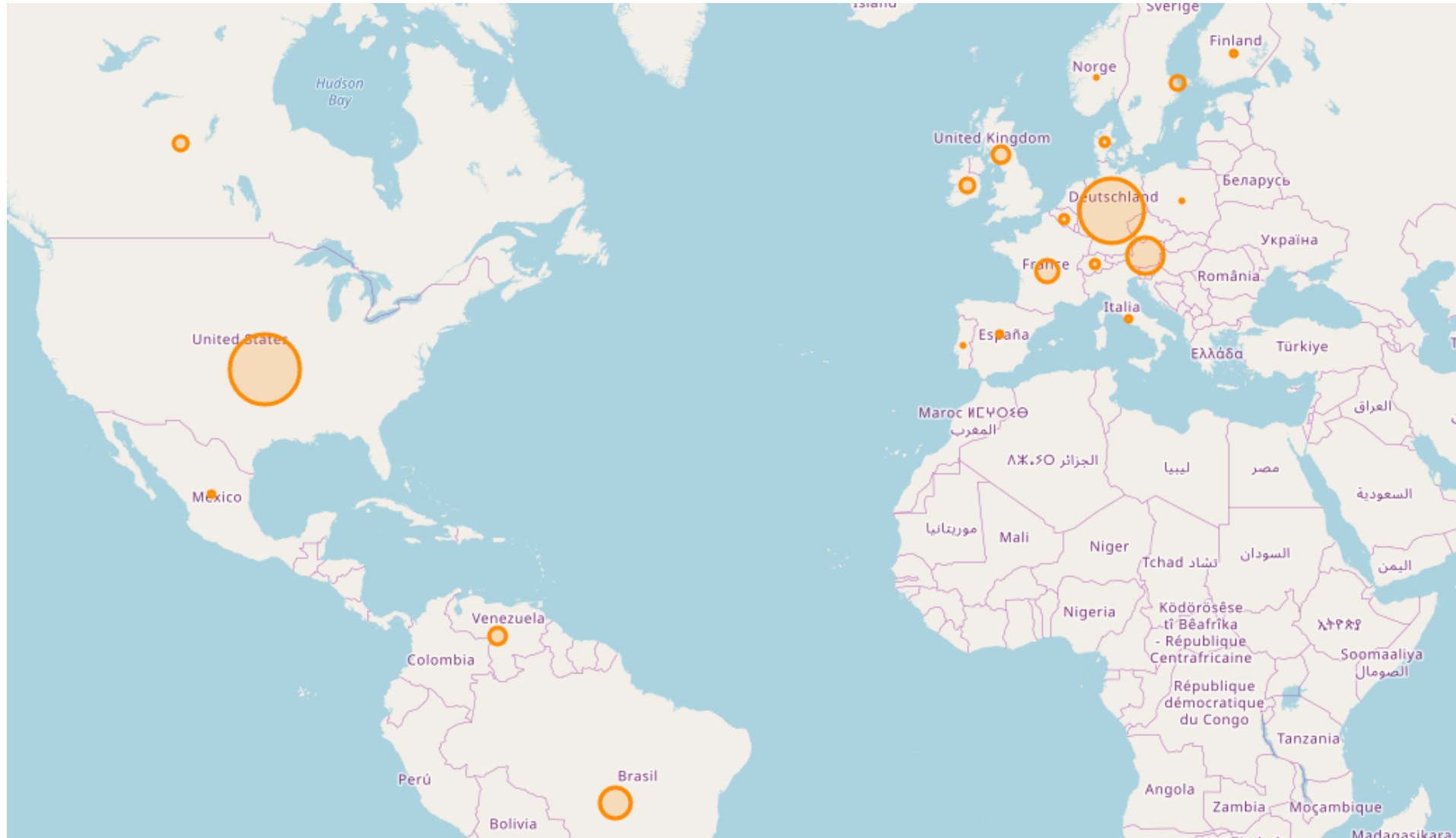
Average Order Quantity by Sales Representative



*Does Customer Region*  
*influence revenue?*

# Yes, in some cases Customer Region does have an effect on gross revenue

There is an opportunity for expansion in Southern Europe and South America.



## Recommendations

- » Discounts work. 5% is equivalent to 25%.
- » The product portfolio is well balanced.
- » Keep up the current sales training.
- » Southern Europe + South America = opportunity





# Next Steps

## Further Investigation

- » Is there any variation in Discount Groups by product, price or customer?
- » Is there any difference in revenue by Product Category?
- » How does unit price influence order quantity and revenue?
- » Do overlapping sales territories affect order quantity?
- » Which customers are the fastest growing?
- » Which categories are the fastest growing?
- » What best practices can be most easily applied to Southern Europe and South America?



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*Thank You*

