Detailed instructions on summarizing your OTB financial plan

These instructions will reference rows two to 20 of the “example version” of the OTB plan. Follow these instructions and that example plan to understand the summarization process. Doing so will prepare you to create your own summary of the forecast model you created in rows 24 to 42. Here are the steps for the example OTB:

**Summarize week 1 to week 13 results:**

1. First: Sales vs. LY Sales. Point out the 78% QTR-1 growth in column-P, but comment that it consisted of peaks up to near 100% growth in several weeks and a low point down to 28% in week 11.
2. Q: is there any possible reasoning for those peaks and low points? Nothing out of the ordinary for the peaks, which falls into the range of regular weekly fluctuation (note that lululemon does **not** do sales or promotions, so that could be a reason for a peak at other companies, but not at lululemon). However, there’s a very likely reason for the low point. If you recall in your previous resource material from Task 1, you will start missing sales when the Stock-to-Sales ratio gets too low (as it does in weeks nine and 10). So, summarize that fact in one or two sentences.
3. Now point out that if you had been properly stocked in those weeks, you would have likely made more sales for the QTR-1 than you did. You can even quickly estimate how many sales you missed due to those low stock levels in weeks nine and 10:

* Run your cursor over the Sales row 7 for weeks one to eight, and you’ll see the average sales over those eight weeks were $1759 a week (so we’ll round up to $1760).
* If that’s what you expect to sell on average every week, then add up the difference of $1760 and what you sold in the sub-par weeks, weeks nine to 12. The result should be a total difference of $1265. That’s how many more sales you could have done.
* To put it in context, add that amount to the QTR-1 total in cell P8 and see how it changes what your growth rate over LY Sales would have been; it goes up to 89%.
* You can summarize this in two sentences for your presentation by saying, “We missed $1265 of sales due to low inventory levels near the end of the quarter. If we had purchased more inventory to avoid that low level, our sales growth over LY would have been 89% instead of 78%.”

**Summarize week 14 to week 26 forecast:**

1. Again, start with Sales vs. LY Sales. Point out the 88% QTR-2 growth in column-AD and how close that is to the 89% that our QTR-1 sales growth would have been with our missed sales added back in. That provides context and integrity to your forecast because you’re in control of how much inventory you have going forward and can assure no dip in sales.
2. Now mention what you think your ideal BOP Inv. should be (cell Q2) and that it represents the select weeks in QTR-1 where you had good inventory levels, proven by the high sales and on-target stock-to-sales ratios. This result represents a good average weekly inventory level, but since inventory ebbs and flows every week, you can never maintain that. You're in a healthy position as long any given week is no more than 20% above or below that target.
3. That also means all your future Stock-to-Sales levels are now in line with the ideal target range of six to eight and don’t worry about the odd week of nine or 10 that only appear after receiving new Receipts (it’s normal for it to spike briefly, and only slightly). The main thing is that the Stock-to-Sales for the whole quarter (in cell AD17) is eight, and that’s good.
4. Finally, point out how many Receipt $ you’re asking to spend to achieve this plan.

Now that you have all this info summarized, in theory, you would put it all together into a conversational form with a logical flow and be ready to present it. However, since this is all based on the example OTB forecast model, your task is to do the same for **your** forecast version in rows 24-to-42.

Please go through the same steps discussed above, apply them to this OTB, and create your own narrative to present. Your manager will theoretically have a copy of this plan in front of them when you speak, so you can present in a way that calls out specific numbers for them to look at while they listen. When you have it ready and edited down to a two to four-minute presentation, record a video of yourself presenting this OTB to your manager to get their sign-off approval. Then, submit that video as your Task 2 submission.

Enjoy the experience of presenting your first seasonal buy financial plan!