

Report on Retail Business Performance & Profitability Analysis

Top Slow-Moving Candidates

These are items with high sales quantity but poor financial return:

Sub-Category	Total Quantity	Total Sales	Total Profit	Comment
Chairs	618	1,00,023	2,222	High sales, very low profit
Tables	302	81,016	2,723	High sales, minimal return
Bookcases	228	35,321	1,979	Very low profit margin
Supplies	134	17,979	1,510	Low profitability
Machines	68	26,214	476	Low ROI despite high price

- Re-evaluate pricing for high-sales, low-profit items (e.g., Chairs, Tables) to improve margins.
- Negotiate better supplier rates to reduce costs for low-profit items like Bookcases and Machines.
- Bundle slow-moving items (e.g., Supplies) with high-demand products to boost turnover.
- Launch targeted discounts or limited-time promotions to clear excess inventory.
- Reduce stock levels or consider phasing out consistently underperforming items.

Overstocked Indicators

Items where discounts are high and profits are disproportionately low or negative:

Sub-Category	Avg Discount	Total Quantity	Profit Margin	Comment
Tables	0.35	302	3.36%	Overstocked & discounted
Bookcases	0.29	228	5.6%	Overstock signs
Machines	0.3	68	1.8%	Low margin/high discount
Supplies	0.26	134	8.4%	Likely overstocked
Chairs	0.27	618	2.2%	Heavy discounts, low gain

- High discounts (26%–35%) across these sub-categories are not translating into strong profits.
- Tables and Machines are most concerning, with deep discounts and profit margins below 4%.
- Chairs have the highest quantity sold but return a very low profit margin (~2.2%).
- Discounting strategy appears ineffective—products are overstocked but not yielding value.
- Urgent need to reassess pricing, discounting, and stock levels to improve profitability.

Strategic Suggestions for Slow-Moving & Overstocked Items

1. Targeted Promotions & Bundling

- Bundle Chairs or Tables with high-margin products like Binders or Paper.
- Offer time-bound clearance sales in West and California, where the buying power is stronger.

2. Reduce Discounts & Revise Pricing

- Examine discount strategies—Machines and Tables show very low profits likely due to excessive markdowns.
- Consider cost-based pricing models to maintain profitability while reducing stock.

3. Demand Forecasting & Inventory Optimization

- Use historical data to predict low-performing items and reduce reordering for Bookcases, Supplies, and Machines.
- Cross-reference with seasonal trends to prevent overstocking ahead of low-demand periods.

4. Geo-Specific Strategies

- Deploy clearance campaigns in low-performing states like Oregon, Alabama, and South Carolina.
- Increase visibility of profitable items in Seattle, San Francisco, and Chicago.

5. Revamp Product Mix

- Evaluate whether sub-categories like Machines or Bookcases align with your business model—consider replacing with fast-movers or high-margin alternatives.