**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.

1. **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.

1. **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.

1. **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.

1. **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.