Business Case Study 2 – HR Report

**Company Background:** Exodus Bikes is a mid- sized bicycle manufacturer headquartered in Cape town with a second warehouse in Durban.

They produce eight distinct models (Classic Cruiser, Road Runner, Urban Racer, Hybrid Horizon, City Commuter, Speedster 5000, Trail Blazer, Mountain Explorer) and stock ~200 unique parts per bike (frame tubes, fork, wheels, drivetrains, brakes, saddles, small fasteners etc.)

**Analysis: -**

* Diagnose current inventory heath.
* Identify the drivers of excess or short stock
* Propose data – driven improvements to balance service levels vs. working capital
* Streamline purchase timing & quantities
* Align inventory with actual bike-production and sales demand

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| **Area** | **Questions & Tasks** | **Deliverables** |
| 1. **Dashboard Walk – Through** | * Confirm the accuracy of the inventory level ($) and parts in Stock (Unit) cards * Validate COGS & Days Inventory Outstanding (DIO) calculations * Interpret Bike level Turnover VS Inventory Turnover: * What do they mean? | Short slide summarizing your understanding of each KPI, any anomalies you spot, and suggested fixes. |
| 1. **ABC Analysis (Pareto)** | * Which parts dominate value (A-items)? * How many SKUs are in each bucket, and what %of total value? * Propose Policy: e.g. tighter reorder for A, period review for B, autokill/ Dispose for C | A one-page memo recommending ABC thresholds (e.g. top 20% value = A), with proposed order frequency and safety-stock policies per category |
| 1. **Coverage & DIO** | * Compute inventory Coverage (months) & DIO. * Identify parts of models with coverage > X months or DIO outside benchmark. | A table of top 5 over- and understocked parts/ models, with suggested coverage targets. |
| 1. **Turnover Optimization** | * Drill into “Frame Assembly” bikes: which model have slowest turnover? * Hypothesize why (low sales, batch sizes, lead time mismatches?). | A short analysis (chart + paragraph) comparing frame turnover by model and action plan (e.g. consolidate suppliers, adjust lot sizes) |
| 1. **Purchase Order Alignment** | * Cross-check fPurchaseOrders vs. fTransactions: are POs arriving too early/ Late? * Using “lead time & Last Purchase Date” columns, proposed an optimized reorder point formula | A DAX formula/pseudocode for reorder points = (Avg daily usage < lead time) + safety stock, plus example for one critical part |
| 1. **Strategic Recommendations** | * Summarize three: quick wins” and two “Long-term initiatives” to reduce inventory by 15% without hurting service level. | A one-page slide with bullets:   1. Quick win: Reduce C-items stock by 50% and reinvest capital 2. Quick win: Shift to monthly re-forecast for A-items 3. Quick Win: Implement two-bin visual control for top 10 parts |