**Strategic Business Analysis**

**Report for the Board of Directors**

**Executive Summary**

* The business generated $39,854,875.32 in total revenue for the year.
* A significant downward trend in monthly revenue has been observed.
* It is crucial to implement strategies to reverse this decline and diversify revenue streams to ensure long-term sustainability.

**Conclusions and Recommendations:**

The business faces significant risks due to the decline in monthly revenue, high concentration in a single department, as well as a limited number of products and sections, and dependence on clients with low-value purchases.

**Evidence:**

* Revenue Decline: 82% drop in monthly revenue throughout the year.
* Lack of Diversification: Department 4 and Section 24 dominate the revenue.
* Low Average Purchase Value: Average order value of $19.34.

**Recommendations:**

1. Diversification of Departments and Sections
   * Action: Develop strategies to promote other underrepresented departments and sections.
   * Benefit: Reduce dependence and the risk associated with the current concentration.
2. Expansion of Product Offering
   * Action: Introduce new non-organic products and encourage the sale of less popular products.
   * Benefit: Attract a broader customer base and adapt to potential changes in market preferences.
3. Increase in Average Purchase Value
   * Action: Implement an analytical recommendation system.
   * Benefit: Increase average revenue per customer and enhance customer loyalty.

**Detailed Analysis**

**1. Declining Trend in Monthly Revenue**

Monthly revenue shows a consistent decline throughout the year.

**Evidence**: Monthly revenue has decreased by 82% from January to December, indicating an urgent need to identify and address the underlying causes.

| **Month** | **Revenue (USD)** |
| --- | --- |
| 2023-01 | $6.673.099,74 |
| 2023-02 | $4.945.202,53 |
| 2023-03 | $4.725.676,75 |
| 2023-04 | $3.994.824,12 |
| 2023-05 | $3.626.726,78 |
| 2023-06 | $3.125.001,00 |
| 2023-07 | $2.937.364,05 |
| 2023-08 | $2.533.350,46 |
| 2023-09 | $2.343.858,92 |
| 2023-10 | $2.127.269,84 |
| 2023-11 | $1.637.899,98 |
| 2023-12 | $1.184.601,15 |

**2. Performance by Department**

Revenue is highly concentrated in a single department.

**Evidence**: Department 4 accounts for approximately 93% of total revenue, suggesting excessive dependence and a potential risk if this department faces challenges.

| **Department** | **Revenue (USD)** |
| --- | --- |
| 4 | $37.003.251,70 |
| 16 | $1.529.354,77 |
| 20 | $946.220,85 |
| 7 | $376.048,00 |

**3. Sales Distribution by Section**

Sales are concentrated in a few sections.

**Evidence**: Sections 24, 123, and 83 account for 92% of total revenue, indicating a concentration that could be risky if market trends shift.

| **Sections** | **Revenue (USD)** |
| --- | --- |
| 24 | $20.879.374,69 |
| 123 | $8.634.823,85 |
| 83 | $7.237.312,87 |
| 67 | $946.220,85 |
| 53 | $821.420,62 |
| 84 | $707.934,15 |
| 115 | $376.048,00 |
| 16 | $251.740,28 |

**4. Product Analysis**

There is a high dependency on organic products**.**

**Evidence:** Particularly in bananas and strawberries, which could be a strength if managed properly or a weakness if demand shifts.

**Top 10 Best-Selling Products (by Quantity)**

1. **Banana** - 2.460.324 units
2. **Bolsa de Bananas Orgánicas** - 1.976.709 units
3. **Fresas Orgánicas** - 1.381.309 unidades
4. **Espinacas Baby Orgánicas** - 1.258.330 units
5. **Aguacate Hass Orgánico** - 1.104.957 units
6. **Aguacate Orgánico** - 923.461 units
7. **Limón Grande** - 804.752 units
8. **Fresas** - 748.065 units
9. **Limones** - 733.736 units
10. **Leche Entera Orgánica** - 715.085 units

**Top 10 Products Generating the Most Revenue**

1. **Bolsa de Bananas Orgánicas** - $4.842.937,05
2. **Fresas Orgánicas** - $3.439.459,41
3. **Banana** - $2.583.340,20
4. **Frambuesas Orgánicas** -$ 2.032.919,25
5. **Aguacate Hass Orgánico** - $1.977.873,03
6. **Espinacas Baby Orgánicas** - $1.874.911,70
7. **Aguacate Orgánico** - $1.616.056,75
8. **Fresas** - $1.533.533,24
9. **Arándanos Orgánicos** - $1.444.778,50
10. **Tomates Cherry Orgánicos** - $1.128.040,95

**5. Customer Behavior**

No individual customer has a significant impact on total revenue, indicating a broad customer base with low-value purchases, representing an opportunity for upselling and loyalty strategies.

**Evidence:** The top 20 customers generate relatively low individual revenue compared to the total.

* **Average Purchase per Customer**: $**219,09**
* **Average Order Value**: $**19,34**
* **Total Orders Placed**: $**2.060.188**

**Top Customers by Revenue**

| **Customer** |  | **Revenue (USD)** |
| --- | --- | --- |
| 189425 |  | $4.784,44 |
| 145686 |  | $4.656,01 |
| 95967 |  | $4.441,07 |
| 67870 |  | $4.381,49 |
| 51256 |  | $4.280,17 |
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