

Bicycle Wholesaler

Profit Decline Analysis and

Strategic Solutions

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Objective

Identify the **key drivers** behind the **declining profits** of bicycle wholesaler division.

Overview of the Sales, Profit and Orders

While **sales** and number of **orders** have increased steadily with highest month of **August**.

Profit show fluctuations up to **42%** in month of **May 2008**

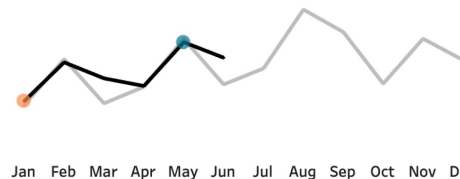
Total Sales

\$17,77M

▼ -53,80% vs. PY

■ CY Sales

■ PY Sales



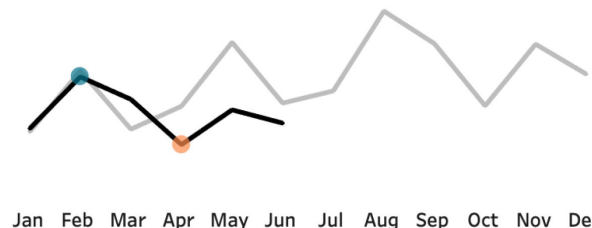
Total Profit

\$5,37M

▼ -63,98% vs. PY

■ CY Profit

■ PY Profit



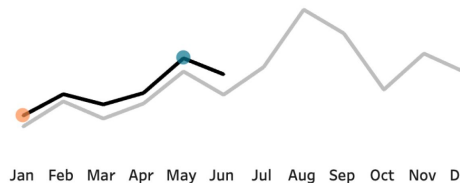
Total Orders

28,3K

▼ -56,97% vs. PY

■ CY Order Qty

■ PY Order Qty



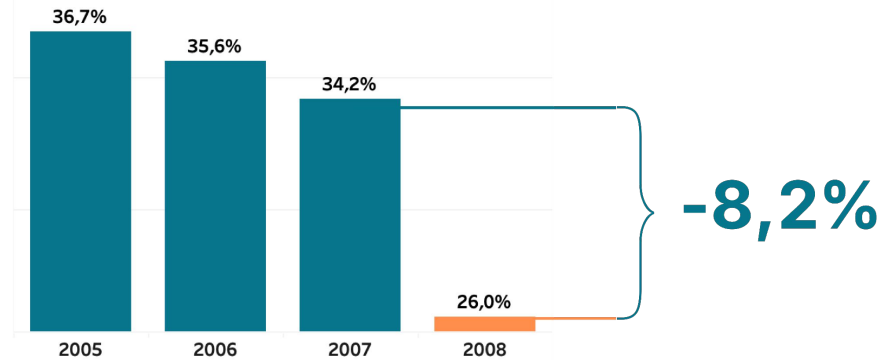
Margin

The **constant drop in profit margins** between 2005 and 2008 demonstrates that **costs are rising faster than revenue**.

Even though freight expenses were cut in 2008, the overall margin declined dramatically.

This suggests inefficiency in cost control or an inability to pass on higher expenses to customers via pricing adjustments.

% Margin over time



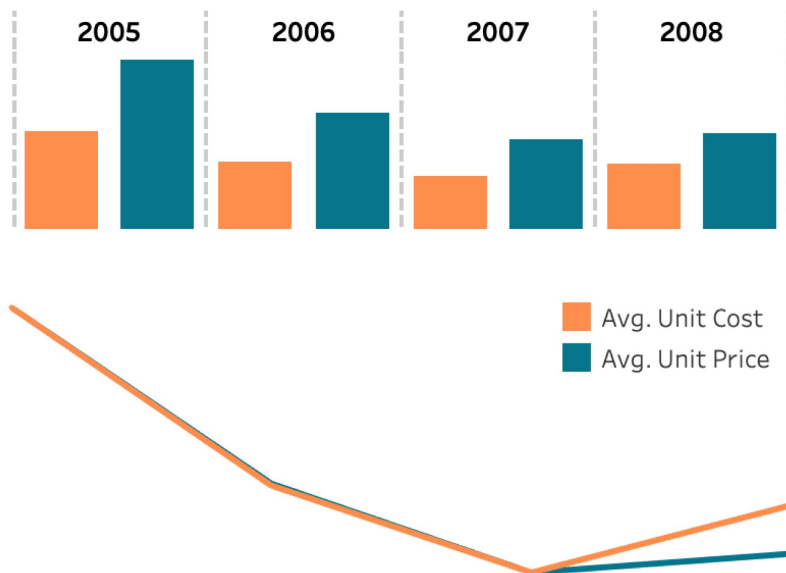
% Differences

2006 - 2007 both Unit Cost and Unit Price are falling at nearly the same rate (*up to 0,2% diff*).

In **2008**, the **Percent Difference** between Unit Price and Unit Cost is negative at **-15.95%**, suggesting that the unit cost increased more rapidly than the unit price.

This could be a sign that the company is absorbing some of the cost increases rather than fully passing them to customers.

Unit Cost & Price over Year



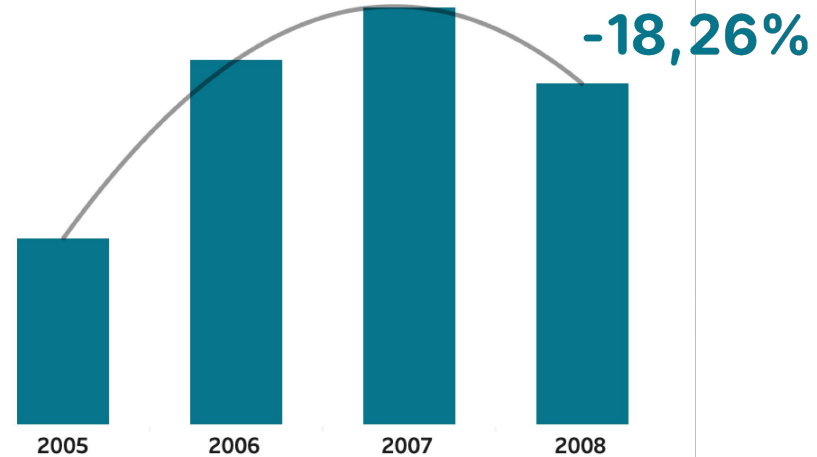
Customer Comes 1st

While many customers continued to buy and even increased their purchases between 2007 and 2008.

There was also a significant number of customers who substantially **cut** their **orders**.

And **18,26% quit buying entirely**.

Customer Retention Rate

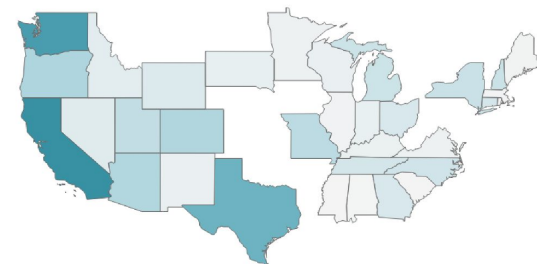


Customers - Geo location

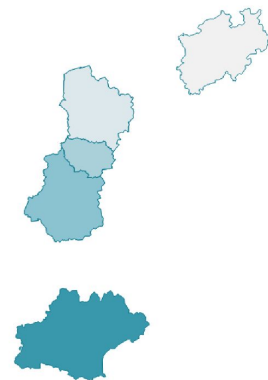
California leads with **\$17.09M** in sales, followed by **Washington** at **\$11.97M**, and **Texas** at **\$11.52M**

France is the main international contributor, with **Seine (Paris)** contributing **\$2.0M** in sales, followed by **Loiret** at **\$1.71M**.

Some states and regions have relatively **low** sales. For instance, **Rhode Island** only contributed **\$24K**, and **Montana** has **\$48K** in total sales.



Sales Across Europe | Country & Province

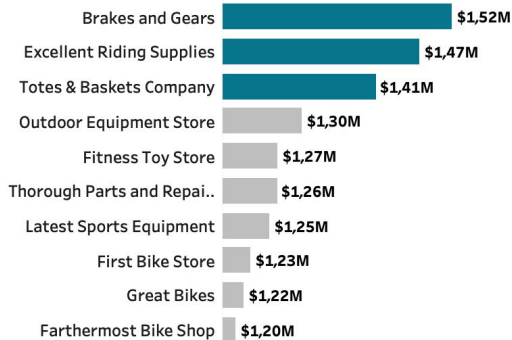


Key Players in Our Growth

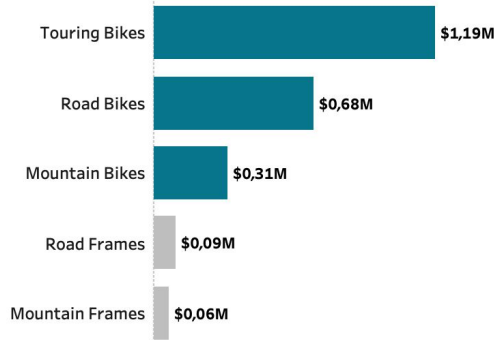
Unveiling the Top Performers

By contrasting our top and less performing areas, we can focus our efforts on what works while addressing gaps to unlock further potential across the board.

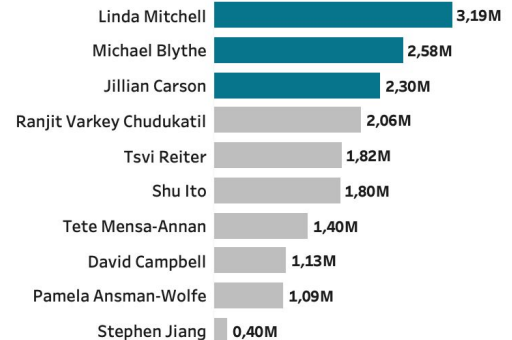
Top Performing Costumers



Top Performing Sub-Categories



Top performing Employees



Conclusion | Recommendations

1

Beyond sales growth, focus on **improving cost structures**, particularly in high-cost areas beyond freight. Regular cost analysis and supplier renegotiation can ensure continued profitability.

2

Create a **client retention program** aimed at customers who have cut their purchases, offering targeted promotions or incentives. Conduct feedback surveys with consumers who have quit completely to learn why and build win-back tactics.

3

Target international markets, especially Europe and regions showing moderate sales growth, with **localized marketing strategies** to unlock additional revenue.

4

To **sustain profit margins**, align your pricing approach with cost swings. When costs rise, gradually raising prices or looking for methods to minimize costs will limit margin erosion while remaining competitive.

5

Implement **re-engagement methods** for low-performing consumers, invest in personnel training and assistance, and examine the feasibility of underperforming product categories before deciding whether to pivot or optimize offers.

Thank You