

The challenge (Data Analyst) – Marcos Daniels

Adventure Works Cycles has fundamental problems in all areas

Summary

Status quo

Adventure Works Cycles has noticed that their total profits have been declining over the last few years.

Assumptions

- Demand has decreased
- Costs have increased, prices have not been adjusted
- Discounts are too high
- Specific Sales Persons struggle to sell products
- Specific Sales Persons sell under-priced products
- Specific Product Categories show less demand
- Specific Product Categories have prices that do not cover the costs

Findings

- In general, Total Orders have dropped by 27.0% between 2005 and 2008
- Although the Average Cost has declined, the Average Revenue and Profit also declined as the Average Price also has decreased by 13.4%
- With 14.5% in 2008 the Average Discount might be too high
- Almost every Sales Person sold much less products over the years
- The Average Profit per Sales Person steadily dropped
- 2005 usually was the year with highest earnings
- Bikes still sell best as all Product Categories show a decline in demand
- Accessories clearly lack behind
- The Average Profit for Bikes and Components remains positive
- Profits for Accessories and Clothing turned into losses

Adventure Works Cycles needs to take actions quickly in order to keep alive

Summary

Recommendations



Lower discounts or get rid of them completely; try to **convince** potential clients instead why your products and services are worth the full price



Consider **increasing prices** and **lowering costs** for product categories that are currently making a loss as soon as possible

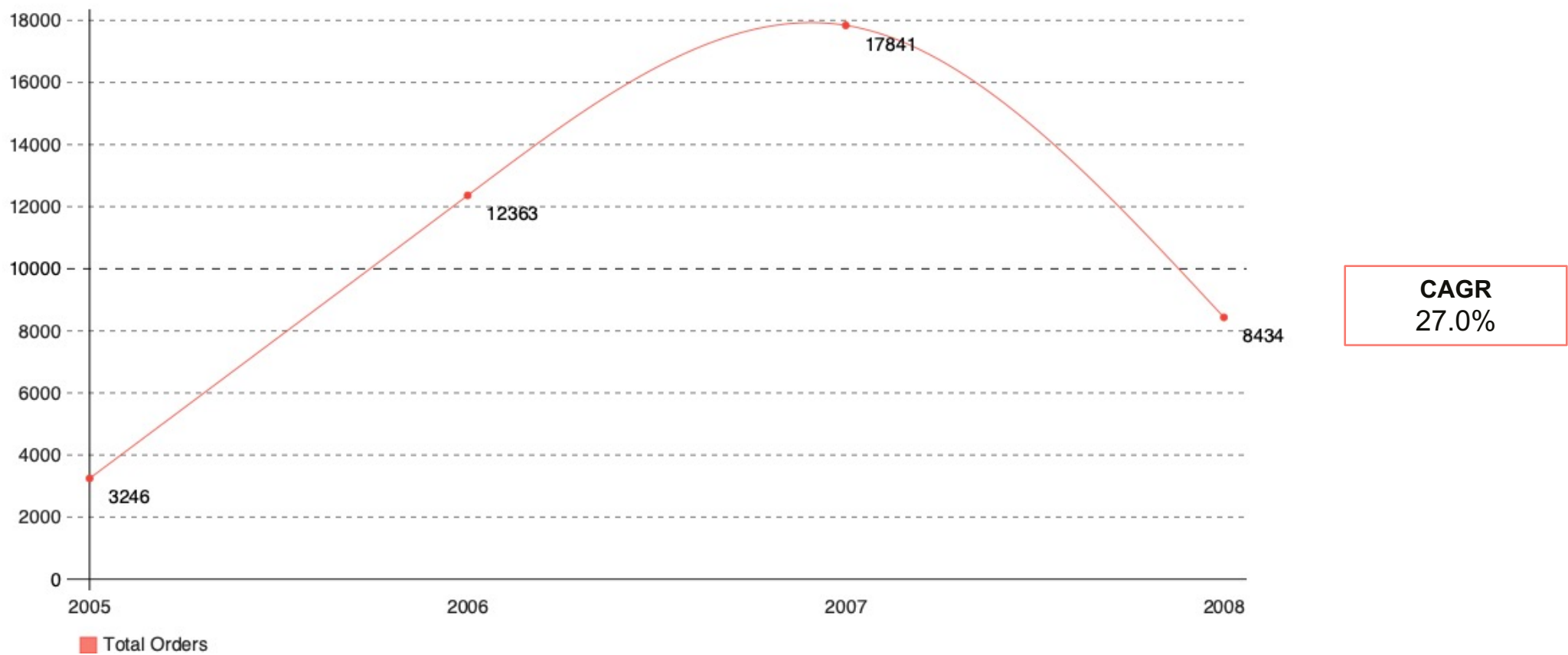


Intensify your **marketing** efforts, **motivate** your sellers and **reach out** to your customers to generally boost your sales

Between 2005 an 2008, Total Orders have dropped by 27.0% with 2007 being the year with the highest turnover in this timeframe

Analysis – By Year

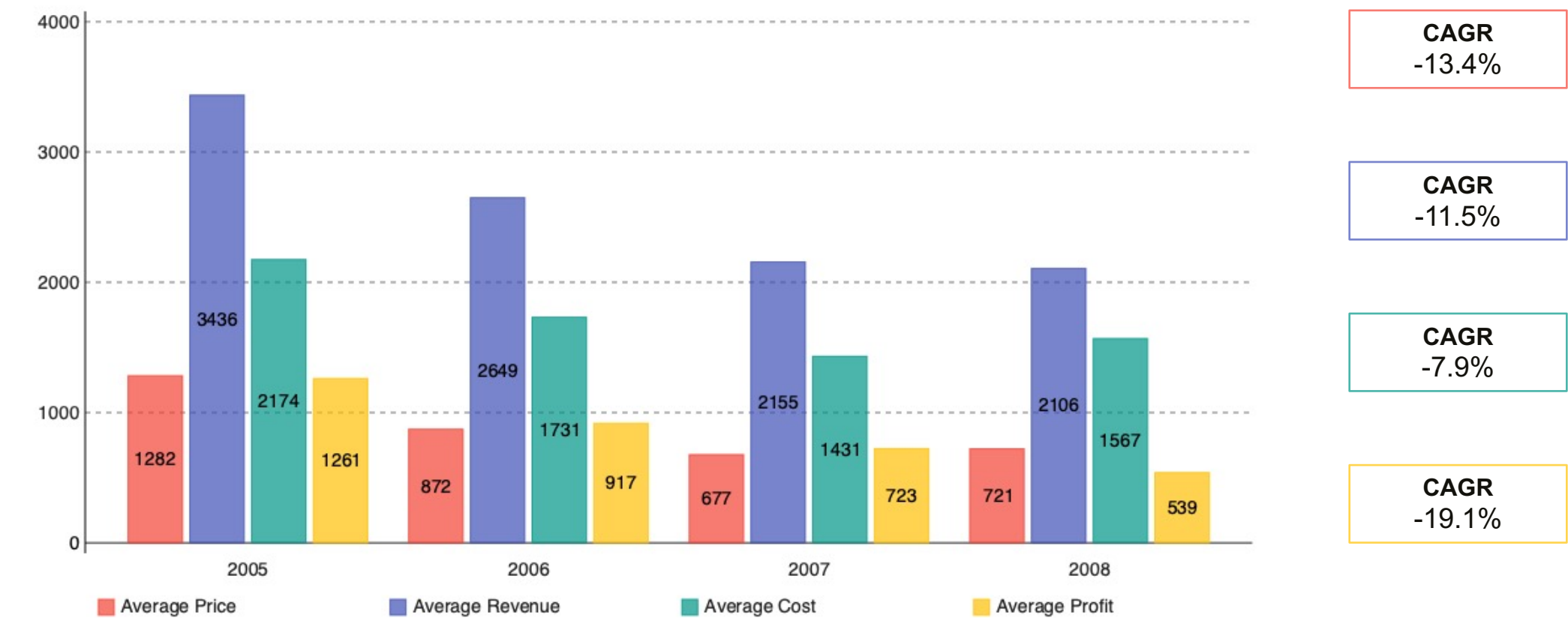
Total Orders by Year in #



Although the Average Cost has declined by 7.9%, the Average Revenue and Profit also declined by 11.5% and 19.1% respectively

Analysis – By Year

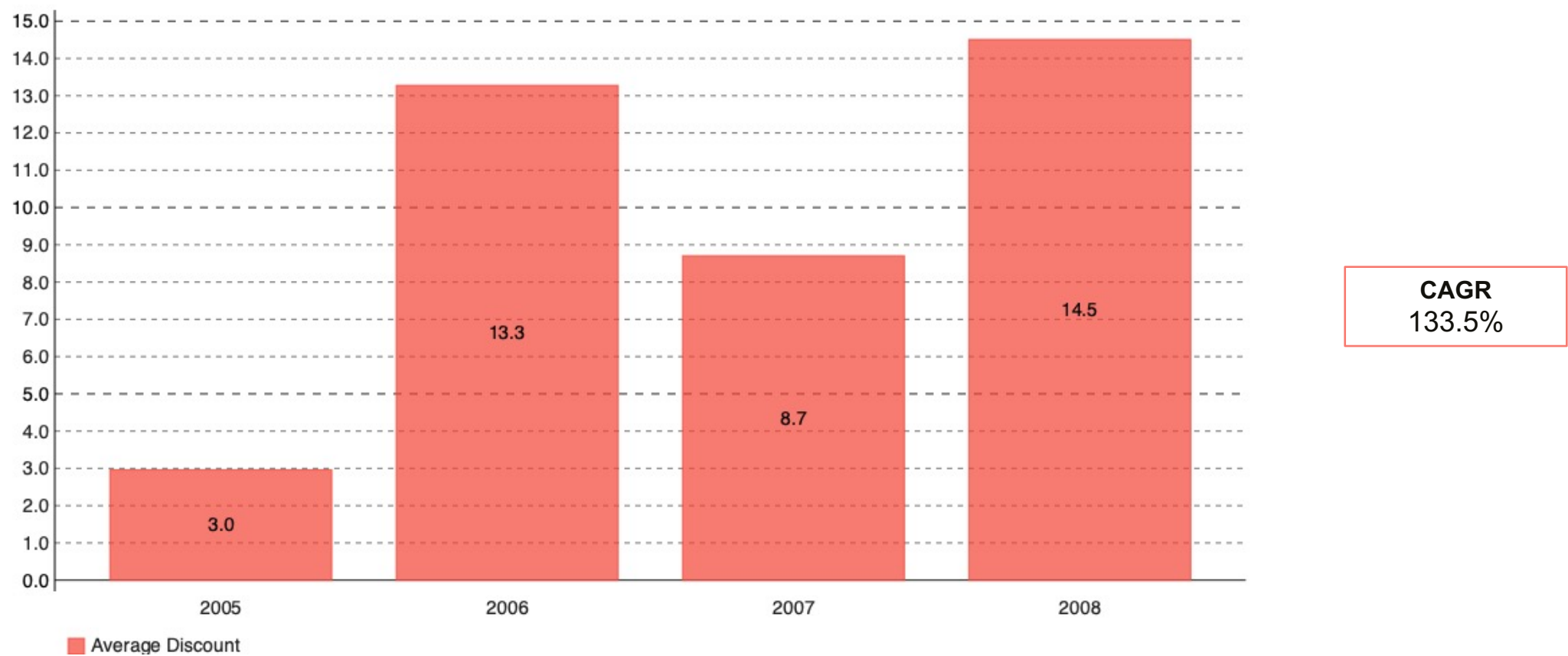
Average Price, Revenue, Cost and Profit by Year in USD



The Average Discount rose by overwhelming 133.5% between 2005 and 2008

Analysis – By Year

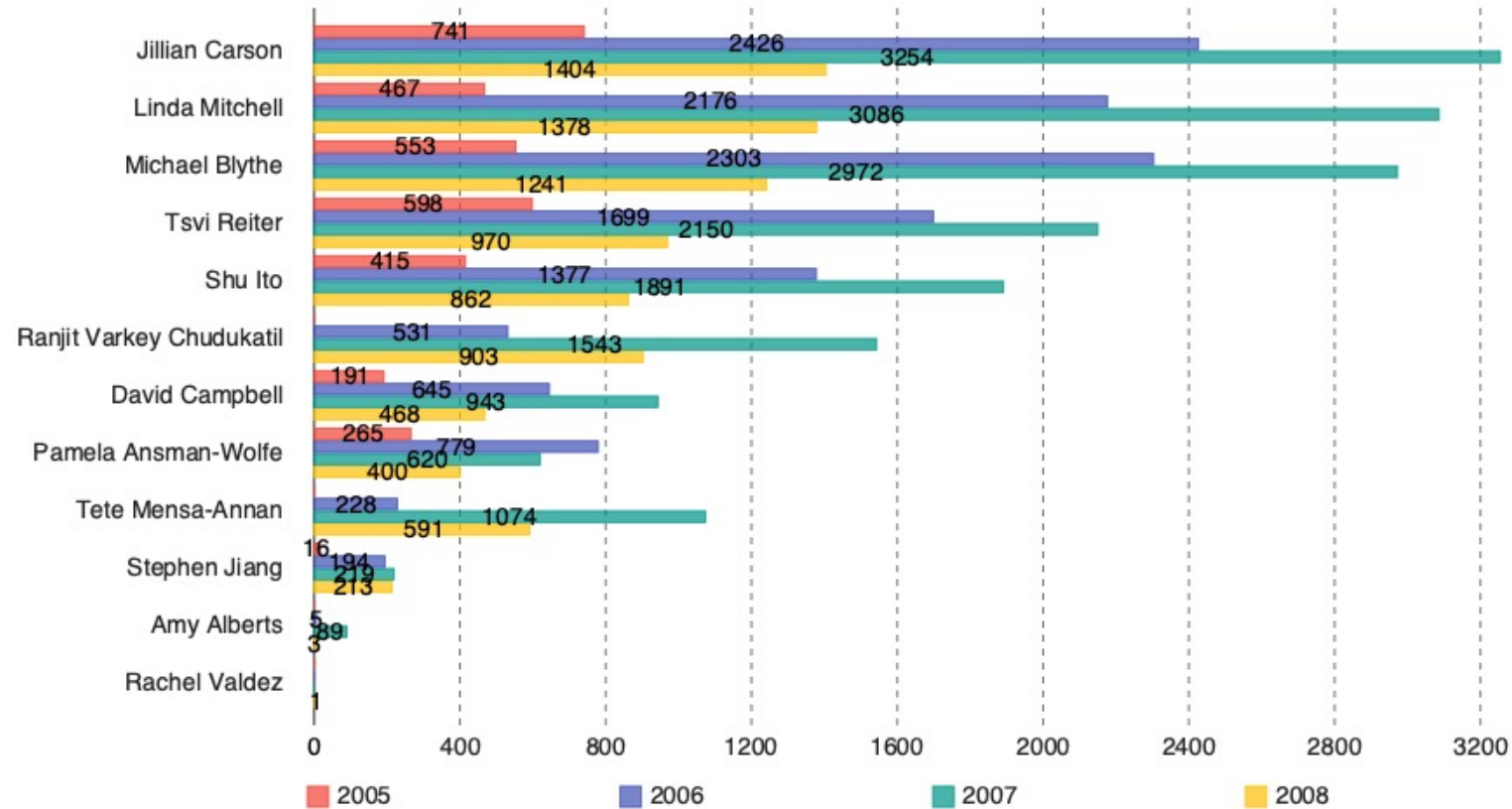
Average Discount by Year in %



Almost every Sales Person sold much less products over the years; all of them reached their sales peak in 2007

Analysis – By Sales Person and Year

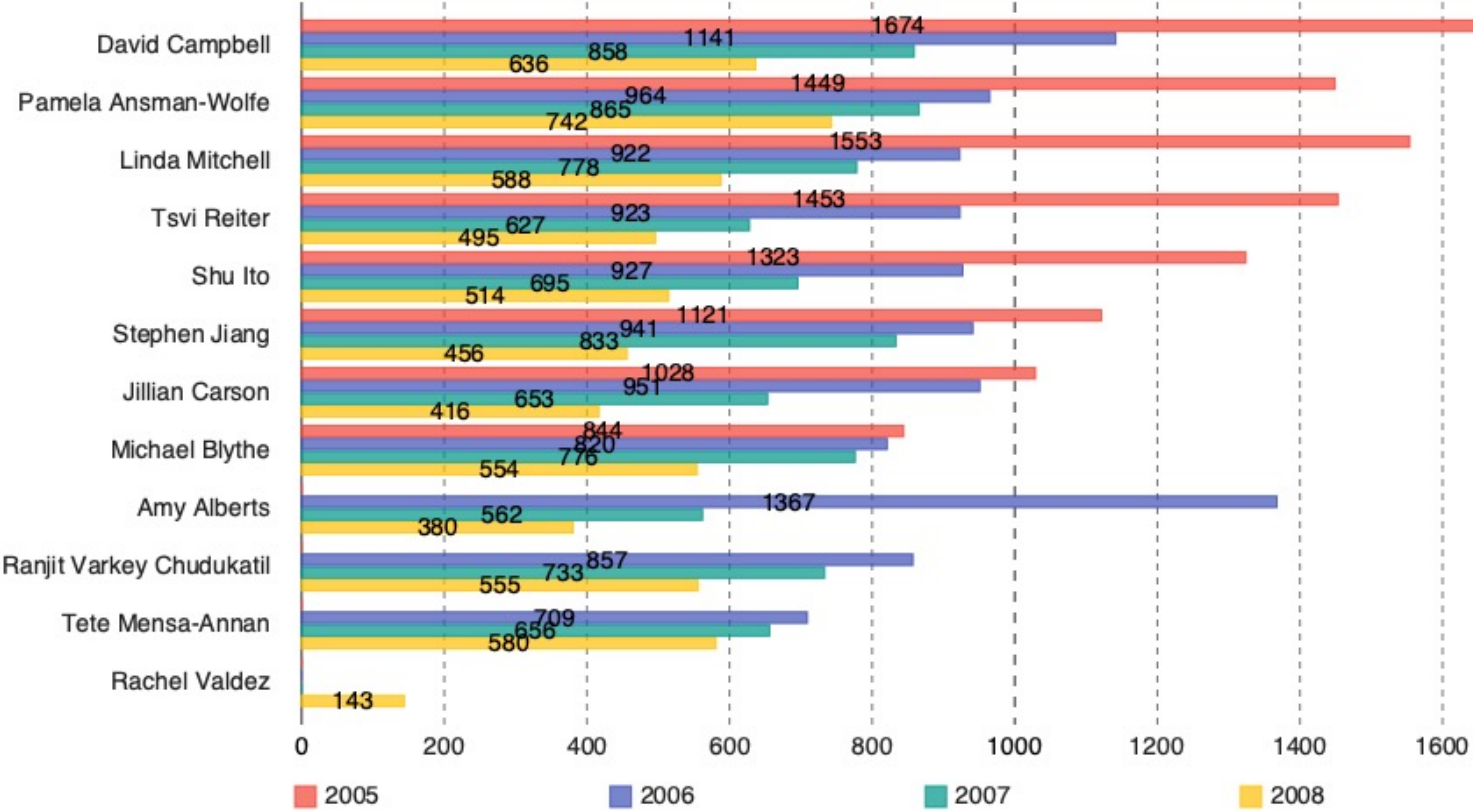
Total Orders by Sales Person and Year in



The Average Profit per Sales Person steadily dropped across the timeframe with 2005 usually being the year with highest earnings

Analysis – By Sales Person and Year

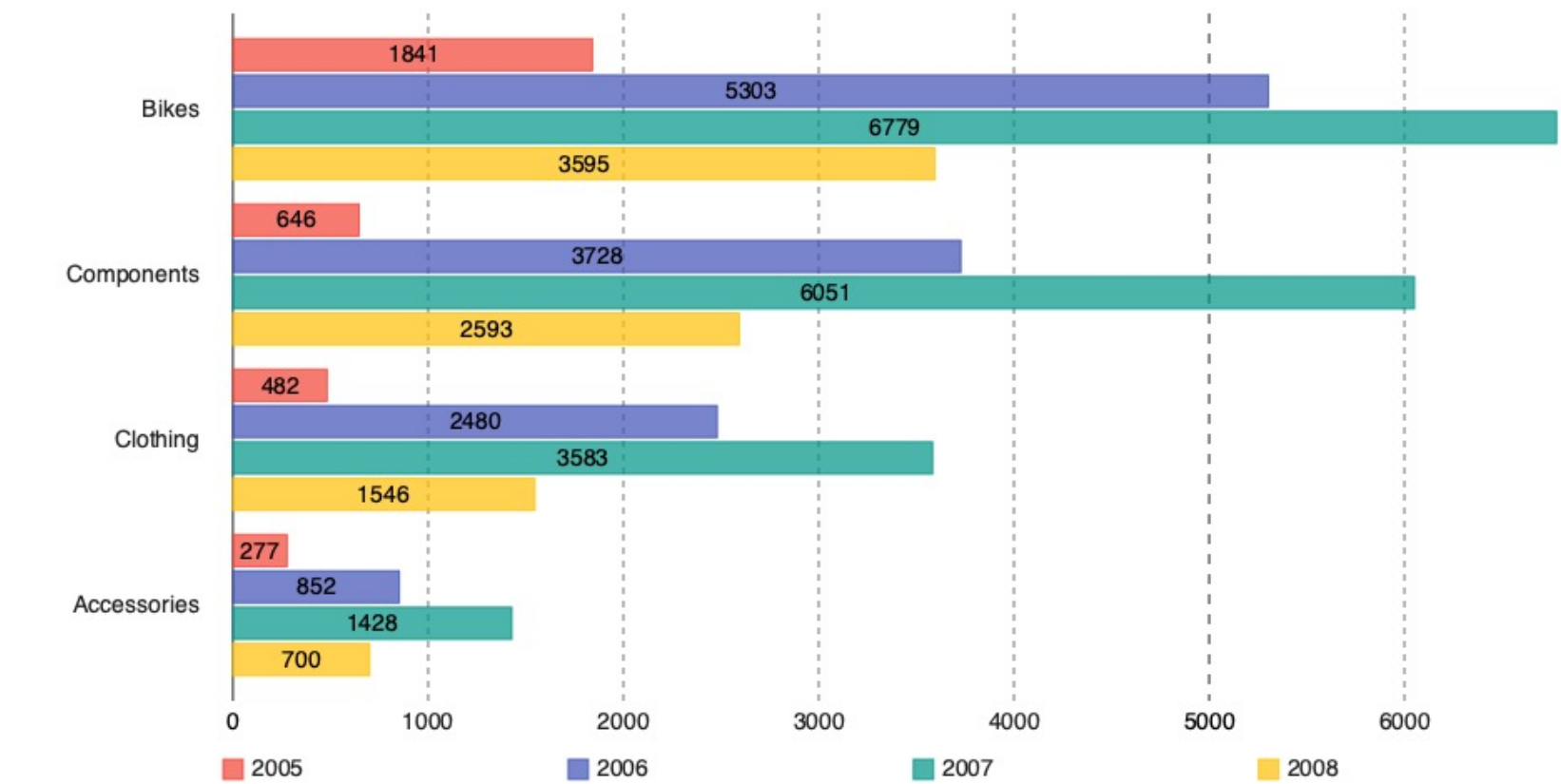
Average Profit by Sales Person and Year in USD



All Product Categories show a decline in Total Orders over the years; Bikes still sell best while Accessories clearly lack behind

Analysis – By Product Category and Year

Total Orders by Product Category and Year in #



While the Average Profit for Bikes and Components dropped and still are positive, profits for Accessories and Clothing turned into losses

Analysis – By Product Category and Year

Average Profit by Product Category and Year in USD

