



# Strategic Insights for Parts Sales Growth

**Objective: Evaluate market opportunities for parts sales in Vertical A and assess parts availability in Canada to inform strategic decisions.**

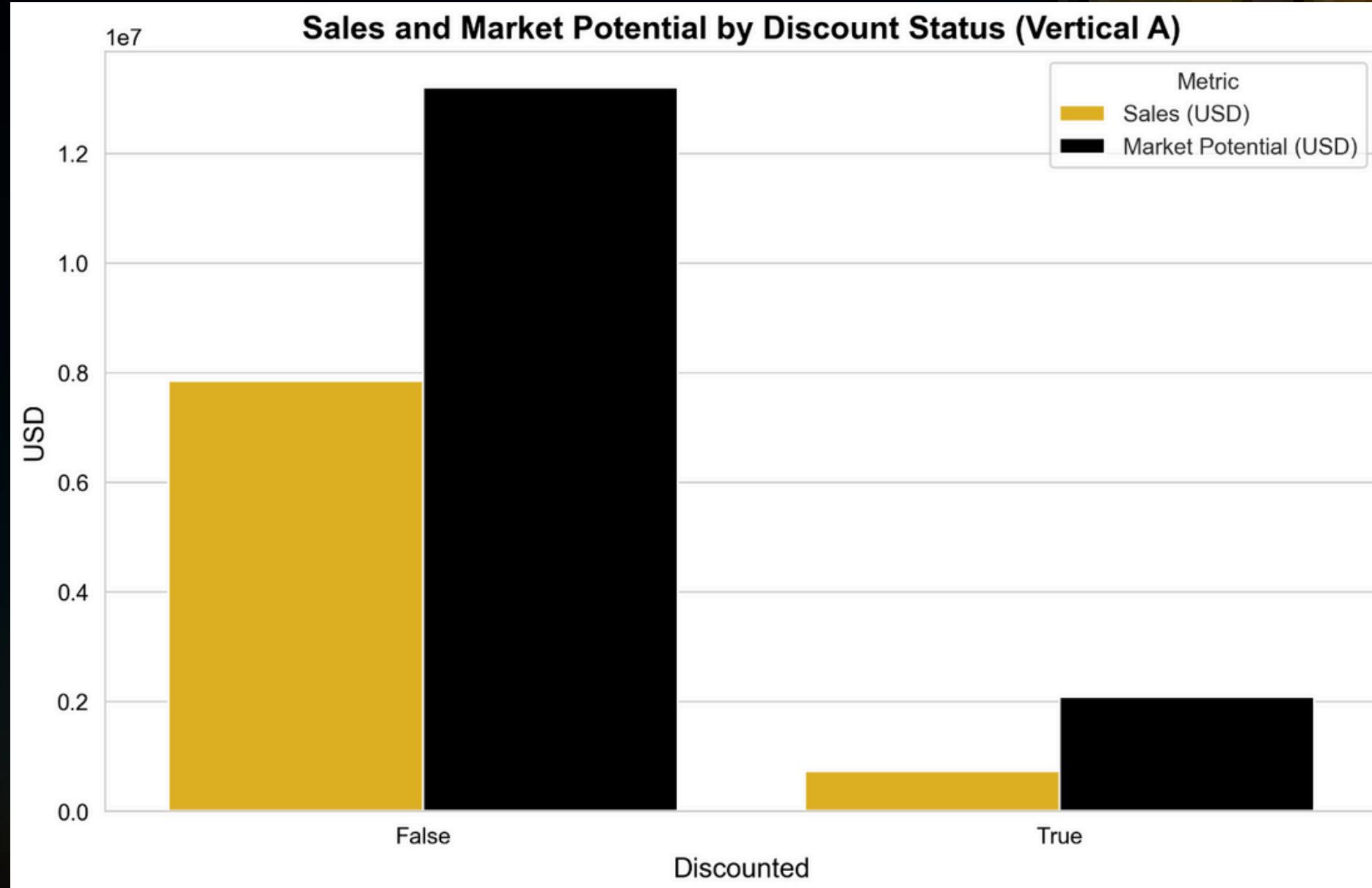
## Agenda:

- Slide 2: Vertical A Market Opportunities (Discount Impact)**
- Slide 3: Canadian Market Insights (Parts Availability)**
- Slide 4: Strategic Recommendations**
- Slide 5: Thank You & Questions**



# Maximizing Revenue Through Targeted Discounts

Objective: Evaluate market opportunities for parts in Vertical A, focusing on the impact of discounts.



## Key Insights:

- **Discounts Boost Sales:**

Discounted parts achieve higher average sales (\$48,987 vs. \$33,535 for non-discounted), but statistical analysis ( $p\text{-value} = 0.5008$ ) confirms significant sales impact.

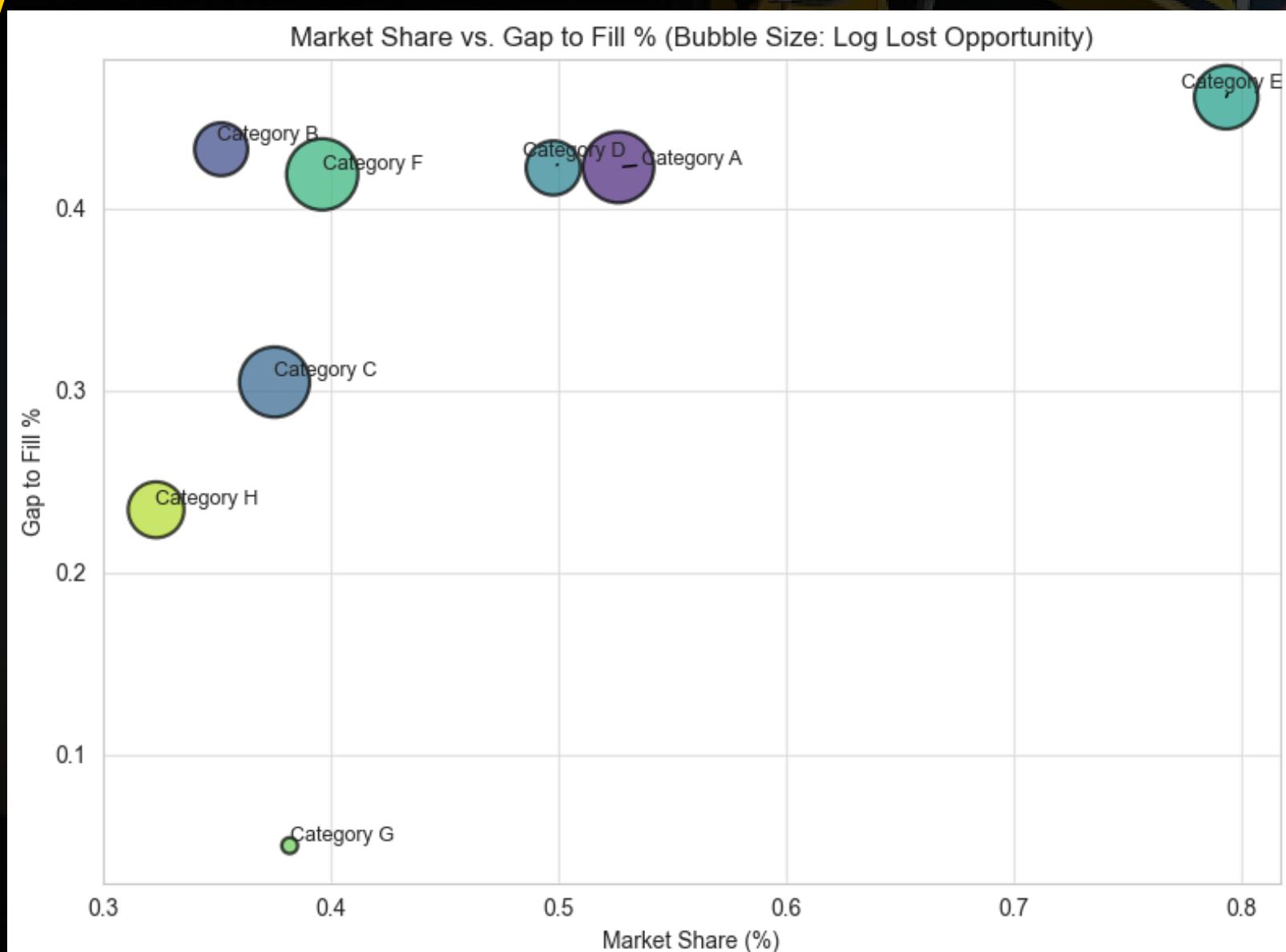
- **Market Share Gap:**

Discounted parts capture lower market share (53.61% vs. 116.20%), indicating potential for optimized discount strategies to close the gap.

- **Top Customers Drive Opportunity:**

The top 20% of customers (33) account for 78.95% of lost opportunity (\$5.75M), with only 18.18% (6 customers) receiving discounts.

# Canadian Market - Unlocking Parts Availability Opportunities



## Top 3 Prioritized Insights:

- **High Lost Opportunity in Key Categories:** Category F has the highest lost opportunity at \$103,461,742.473, driven by a low market share (39.60%) and a significant gap to fill % (41.89%)
  - Why Critical: This category represents the largest untapped revenue potential, indicating supply constraints that limit sales capture.
- **Availability Gaps Limit Market Share:** Categories with high Gap to Fill % (e.g., Category E: 46.13%) show a positive correlation with market share (correlation = 0.4892, p-value = 0.2186)
  - Why Critical: While not statistically significant ( $p > 0.05$ ), the positive correlation suggests that addressing availability gaps could enhance market penetration in high-opportunity categories.
- **Top 20% Categories Drive Significant Opportunity:** Category A alone accounts for 43.41% of total lost opportunity, highlighting a concentrated opportunity for targeted improvements
  - Why Critical: Focusing on a single high-impact category can yield substantial revenue gains with efficient resource allocation.



# Strategic Recommendations - Driving Growth at Caterpillar

## OPTIMIZE DISCOUNT STRATEGIES IN VERTICAL A:

- Target discounts to the top 20% of customers, who drive 80% of lost opportunity
- Focus on Large Fleets, which show high lost opportunity based on typical trends.
- Rationale: Concentrating discounts on high-value customers maximizes revenue impact.

## ADDRESS AVAILABILITY GAPS IN CANADA:

- Prioritize supply chain improvements for Category F, with a 41.89% gap to fill and \$103,461,742,473 in lost opportunity
- Strengthen the Sales Channel with the highest lost opportunity
- Rationale: Reducing availability gaps in Category F can unlock significant revenue.

## LEVERAGE PARTS CATEGORY SEGMENTATION:

- Target Category F, Category A, and Category C (representing high lost opportunity: \$103.5B, \$100.9B, \$95.2B) for tailored discount and supply chain strategies
- Rationale: These categories, identified through clustering, account for the majority of lost opportunity, offering a focused approach for maximum revenue impact.



# Thank You.

Questions or feedback?



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I hope these data-driven insights and strategic recommendations aim to unlock significant revenue potential and enhance parts availability across Vertical A and Canadian markets. I'm eager to contribute to Caterpillar's success by implementing these strategies with REAL DATA.

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