Getto Report

Operational Efficiency Report

Business Context: Rapid Delivery (Q-Commerce) Platform

Scope: Multi-city dashboard-based analysis to identify and resolve key operational inefficiencies using Power BI

Executive Summary

Our dashboard-driven review of Q-commerce operations across five metro cities has revealed four major issues affecting profitability and scalability:

1. **Overstocking and Inventory Holding Cost**
2. **Return Spike Mismanagement**
3. **SKU-Level Stockouts**
4. **Sales Stagnation Amid Rising Costs**

Each issue is accompanied by visual insights and supported by city- and SKU-level data. Strategic recommendations are outlined to address operational leakages and optimize resource allocation.

Problem 1: Overstocking & High Inventory Holding Cost

Findings:

- Average inventory held: **374.89 units** across all cities
- Holding cost: **₹1.03 - ₹1.04 per unit**
- Turnover ratio per city: **8.74 to 8.87**, showing sluggish inventory movement

Business Impact:

- Excess capital is locked in unsold goods
- Increased warehousing and spoilage risk

Dashboard Insight: Despite revenue uniformity (~₹85M/city), surplus inventory is leading to avoidable costs.

Recommendation:

- Integrate predictive demand forecasting using historical data
- Set SKU-specific reorder thresholds and turnover ratio benchmarks

Problem 2: Return Spike Mismanagement

Findings:

- Return rate averaged **10.1%** across all cities

- Highest returns in **fresh produce (10.2%)**
- Top return reasons: **"Other" and "Wrong Item" (25.1%)**
- Return spike in **Q1 (24.5k)** and **Q2 (24.8k)** units

Business Impact:

- High operational costs due to reverse logistics and restocking
- Customer dissatisfaction and potential churn

Dashboard Insight: The volume of returns is front-loaded throughout the year, primarily due to concerns over quality and delivery accuracy.

Recommendation:

- Analyze root causes of top-return SKUs
- Improve packaging, labeling, and delivery validation
- Introduce return-prevention prompts at checkout (e.g., item confirmation)

Problem 3: SKU-Level Stockouts

Findings:

- Top 4 high-demand SKUs showed significant stockouts:
  - SKU023: **25%**
  - SKU004: **21%**
  - SKU038: **21%**
  - SKU046: **19%**

Business Impact:

- Loss of revenue due to missed orders
- Customer attrition due to unavailability

Dashboard Insight: Despite overall overstock, poor SKU-level allocation led to critical shortages.

Recommendation:

- Enable city-specific dynamic inventory allocation
- Auto-trigger replenishment based on stockout history and sales velocity
- Incorporate lead time buffers for top-performing SKUs

Problem 4: Sales Stagnation Amid Rising Costs

Findings:

- Revenue per city: ₹84.5M to ₹85.7M
- Gross margin stagnation: ~**28.3%** across cities

- Highest COGS category: **Packaged Snacks (₹84.36M)**

Business Impact:

- No margin improvement despite consistent sales
- Rising operational and supply chain costs

Dashboard Insight: Revenue is flat, but COGS is increasing, especially in FMCG items.

Recommendation:

- Renegotiate vendor contracts for high-COGS categories
- Boost promotions on high-margin SKUs
- Conduct pricing analysis and explore dynamic pricing models

City-Wise KPI Summary

City	Revenue	Gross Margin	Holding Cost	Turnover Ratio	Return Rate
Bangalore	₹84.87M	28.29%	₹1.04	8.77	9.9%
Chennai	₹85.32M	28.36%	₹1.04	8.81	10.1%
Delhi	₹85.75M	28.32%	₹1.04	8.87	10.1%
Hyderabad	₹84.71M	28.20%	₹1.04	8.76	10.1%
Mumbai	₹84.49M	28.30%	₹1.03	8.74	10.0%
Total	₹425.14M	29.01%	₹4.57 (avg)	43.95 (sum)	10.1% (avg)

Strategic Roadmap: Next Steps

1. **Inventory Optimization:** Prioritize fast-moving SKUs, reduce overall stock age.
2. **Return Analysis System:** Introduce deep-dive analytics on return types and reasons.
3. **SKU-Level Forecasting:** Use granular city-level demand prediction to prevent stockouts.
4. **Cost Rationalization:** Optimize procurement and pricing for profitability.
5. **Cross-Department Alignment:** Ensure ops, procurement, and sales teams act on unified metrics.

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Tools Used: Power BI, SQL, Python (Data Prep)

Note: All visuals and charts are available in the interactive Power BI dashboard.