Reaching the Right Business Objective - Revenue vs Costs

Business Problem

Business Problem: High Business Losses

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Components for Business Losses

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Components for Business Losses

Profit/ Loss = Revenue - Cost

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Profit/ Loss = Revenue - Cost

Revenue = #products_sold * average_product_price

Components for Business Losses

Profit/ Loss = Revenue  - Cost 

Revenue = #products_sold * average_product_price

Revenue = #customers * average_products_bought * average_product_price

Components for Business Losses

Profit/ Loss = Revenue  - Cost 

Revenue = #products_sold * average_product_price

Revenue = #customers * average_products_bought * average_product_price

Revenue = (#old_customers + #new_customers) * average_products_bought * average_product_price

Components for Business Losses

Profit/ Loss = Revenue  - Cost 

Revenue	=	#products_sold * average_product_price
Revenue	=	#customers * average_products_bought * average_product_price
Revenue	=	(#old_customers + #new_customers) * average_products_bought * average_product_price
Revenue	=	(#high_val_customers + # low_val_customers + #new_customers) * average_products_bought * average_product_price

Components for Business Losses

Profit/ Loss = Revenue  - Cost 

Cost = #products_bought * average_buying_price + operation_cost

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Profit/ Loss = Revenue  - Cost 

Cost = #products_bought * average_buying_price + operation_cost

Cost = #products_bought * average_buying_price + inventory_cost + manpower_cost + promotional_Cost + other_operational_cost

Components for Business Losses

Profit/ Loss = Revenue  - Cost 

Cost	=	#products_bought * average_buying_price + operation_cost
Cost	=	#products_bought * average_buying_price + inventory_cost + manpower_cost + promotional_Cost + other_operational_cost
Cost	=	#manfacturer * average_products_bought * average_buying_price + inventory_cost + manpower_cost + promotional_Cost + other_operational_cost

Thank you

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