**Executive Summary**

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**About the Company**

Summit Medical Supplies (“Summit” or “the company”) is a rapidly growing medical supplies business serving the Denver Metropolitan area. The company was founded in 2015 and has rapidly gained market share through its use of targeted marketing and search engine optimization. Summit currently specializes in retail medical supply sales to individuals.

**Growth Goals and Challenges**

Summit plans to expand its retail operations into institutional sales. The company’s long-term goal is to provide medical supplies to large hospital networks, where one sale has the potential to generate significant revenues. In the short-term, Summit will focus on developing relationships with local, independent nursing homes that have more flexible purchasing power, not having to get corporate approval, and may be more open to switching suppliers.

The main challenge Summit faces is prioritizing its cashflow utilization. The company has succeeded in generating significant revenues, with over $1 million in sales in year 2, but growing the retail store continues to eat into the bulk of its cashflow. The largest expense Summit has is staff compensation, which continues to grow along with the company. In late 2016, the company leased the adjacent vacant space, doubling its retail space. As a result, Summit hired additional sales staff and a mechanic, and started its medical equipment repair operations.

In order to reach Summit’s institutional sales goals, while continuing to grow its retail operations, the company needs strong outside sales representatives to reach out to nursing homes, develop relationships, and convert those relationships into sales. However, the company also needs to maintain its retail store growth which currently has high cash demands.

**Solution**

In initial talks with Summit, the company noted that its peak times are during opening and closing hours with higher peaks around 6pm, after work. Many customers seem to come early to purchase medical supplies that fill an urgent need, while others come at the close. Currently, the company only has an observational analysis of the store’s traffic trends and employee sales. Summit doesn’t pay its employees a commission on retail sales, so it isn’t possible to easily determine who its top performers are. The system does track sales by employee ID, but analyzing it requires the user to manually group and calculate sales.

Pioneers Consulting Group (“PCG”) has been hired to develop a data mart that can pull sales data from the company’s existing OLTP to analyze its sales trends. The data will be used to implement a flexible scheduling system that will allow Summit’s top sales staff to begin pursuing outside sales relationships during low-volume times while maintaining their presence in the retail store during peak times.

**Business Requirements**

* ***What are the peak hourly, daily, weekly, and monthly sales times?***

Given the company’s flexible scheduling plan, it’s important to track sales times to a high degree of granularity. By tracking sales to the minute, the company can analyze its sales trends and schedule its inside/outside sales staff in 30-minute increments, maximizing their time spent on outside sales. Additionally, by analyzing sales trends by operating hours, days of the week, holidays, and days of the month, the scheduler can modify hours more efficiently. For example, the company may be able to operate the store with a lean staff, for the full day, around certain days of the week, or times of the month.

* ***Who are the top performing sales staff? What types of products are they most successful at selling, and at what price points?***

The company’s outside sales staff is extremely important in making a first impression with prospective clients, as a bad first meeting can permanently close a potentially profitable opportunity. Additionally, there is a limited number of local, independent nursing homes in the region and traveling outside of the Denver metro area would substantially increase the company’s prospecting costs. As such, it’s imperative that SUMMIT only send its top sales staff to represent the company. Finally, knowing what types of products SUMMIT’ top performers are most successful selling may uncover useful performance indicators. For example, are employees that generate high revenues by selling expensive products (motorized scooters or wheelchairs) better suited for outside sales than those that sell a high volume of low-cost items (adult diapers, braces) that generate lower revenues?

* ***Does this system incentivize the company’s staff to sell more?***Given that the company does not offer commissions to its retail staff, management often struggles to motivate employees to produce higher sales by offering complimentary products, or focusing on some of the company’s higher profit items. Outside sales staff will have the potential to earn significant commissions and SUMMIT would like to know if that opportunity incentivizes its retail staff. The company expects that their sales performance will naturally increase throughout the day, but an increase during peak hours with the top performers on the floor, may indicate that this system does incentive all of its staff.
* ***Where are Summit’s customers from?***The company offers a loyalty card that provides discounts based on total purchases and specific promotions, allowing SUMMIT to track specific customer spending and regional information. In pursuing outside sales, the company can use this data to determine if regional customer sales can be used to predict outside sales potential. Many of the company’s clients are making purchases for a relative that may live in a nursing home. The company would like to know if word-of-mouth and indirect advertising (carrying an SUMMIT bag or product) can familiarize a potential client with the company and improve potential business opportunities.

***Future Recommendations***

PCG and Summit have discussed the company’s future goals and how PCG can provide ongoing support. As the company implements its outside sales plan, it will be important to develop another data mart to track the needs of its potential clients. This will allow the company to negotiate better deals with its vendors and understand which nursing homes have the highest potential to convert from a prospect to a client. Additionally, the company will be able to assess which prospects may generate the highest revenues based on size and needs.

**Information Package**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Information Subject: Sales Analysis | | | | |  |
| Hierarchies | **Date** | **Employee** | **Product** | **Customer** | **Time** |
| Year | Role | Product Name | Zip Code | Hour |
| Month | Last Name | Product Category | Phone Number | Minute |
| Day of Week | First Name | Vendor Name |  |  |
| Holiday |  | Product Cost |  |  |
|  |  | Sale Price |  |  |
| Fact: Sales, Quantity, Discount Percent, Revenue\*, Profit\* | | | | | |

\*Derived Attributes

**Derived Attribute Calculations**

Revenue = Quantity \* Sale Price (1 – Discount Percent / 100)

Profit = Quantity \* [(Sale Price \* (1 – Discount Percent / 100) - Product Cost]