

Optimizing Northwind: Recovering \$88.8K in At-Risk Revenue

Strategic insights to improve profitability
for a global wholesale food distributor



Project Scope

Mission

Analyze **Northwind's digital store** data to generate actionable insights for the board

Focus Areas

Product pricing, customer segmentation, and logistics performance

Goal

Drive **strategic decisions** to **boost profitability** and operational efficiency

Three Research Questions

01

Product Portfolio & Pricing

Which categories drive profit vs. drain margins through excessive discounting?



02

Customer Segmentation

Who are our most valuable customers and which regions show declining sales?



03

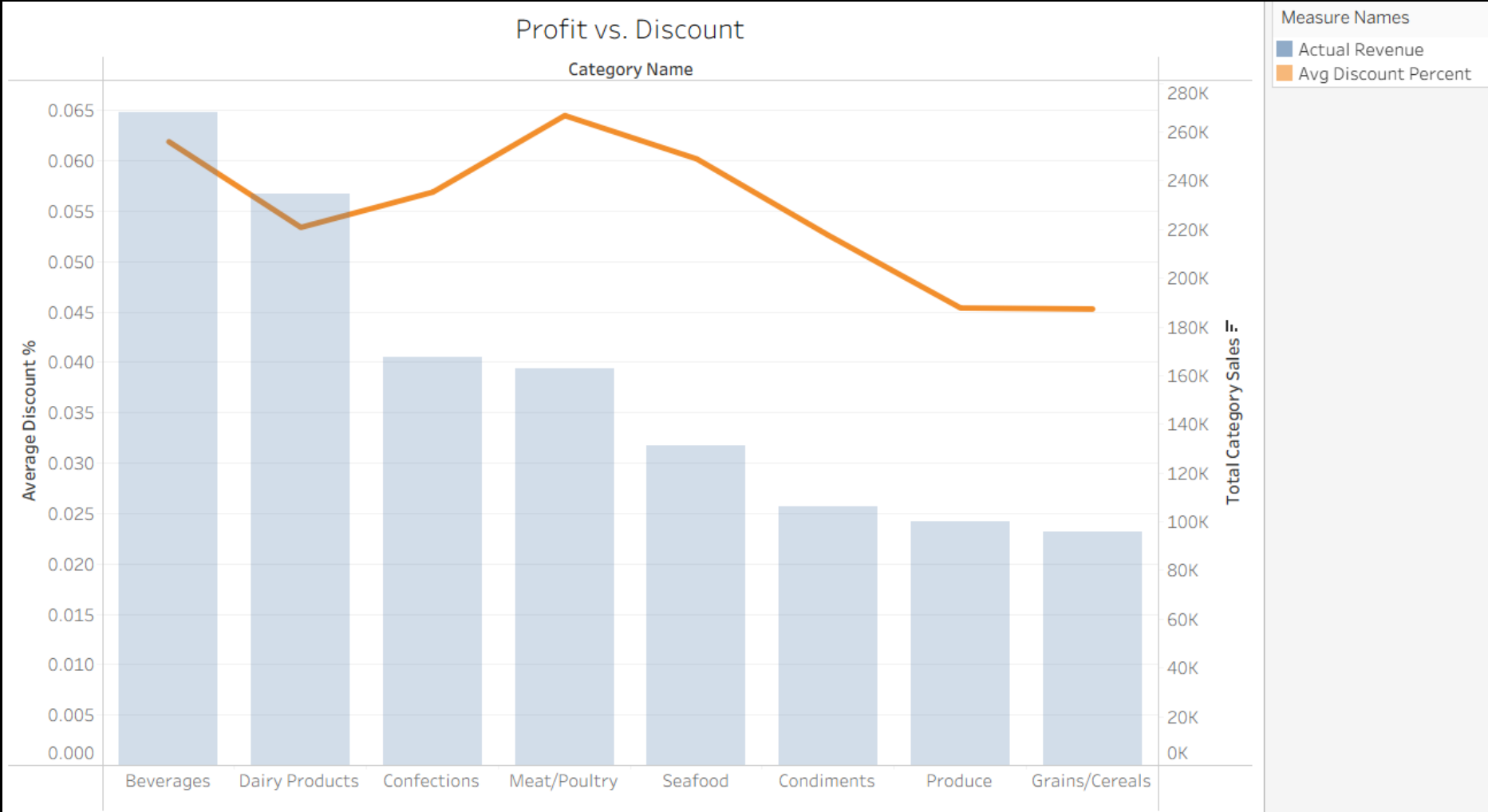
Logistics & Talent



Where are fulfillment bottlenecks and who are our top sales performers?



The Discount Trap



Critical Finding

Meat/Poultry has the highest discount rate (6.45%) but \$45K less profit than Beverages. We're giving away margin on premium items.

📌 Beverages proves discounts can work: 6.19% discount drives volume while maintaining top profit position.

Meat Category Deep Dive (The "Good, Bad, & Ugly")

\$46

Thüringer
Rostbratwurst

Profit per unit—the
category anchor
generating \$34K total
with healthy margins

10%

Mishi Kobe Niku

Highest discount on
luxury item—
unnecessarily eroding
profit on premium
inventory

\$2

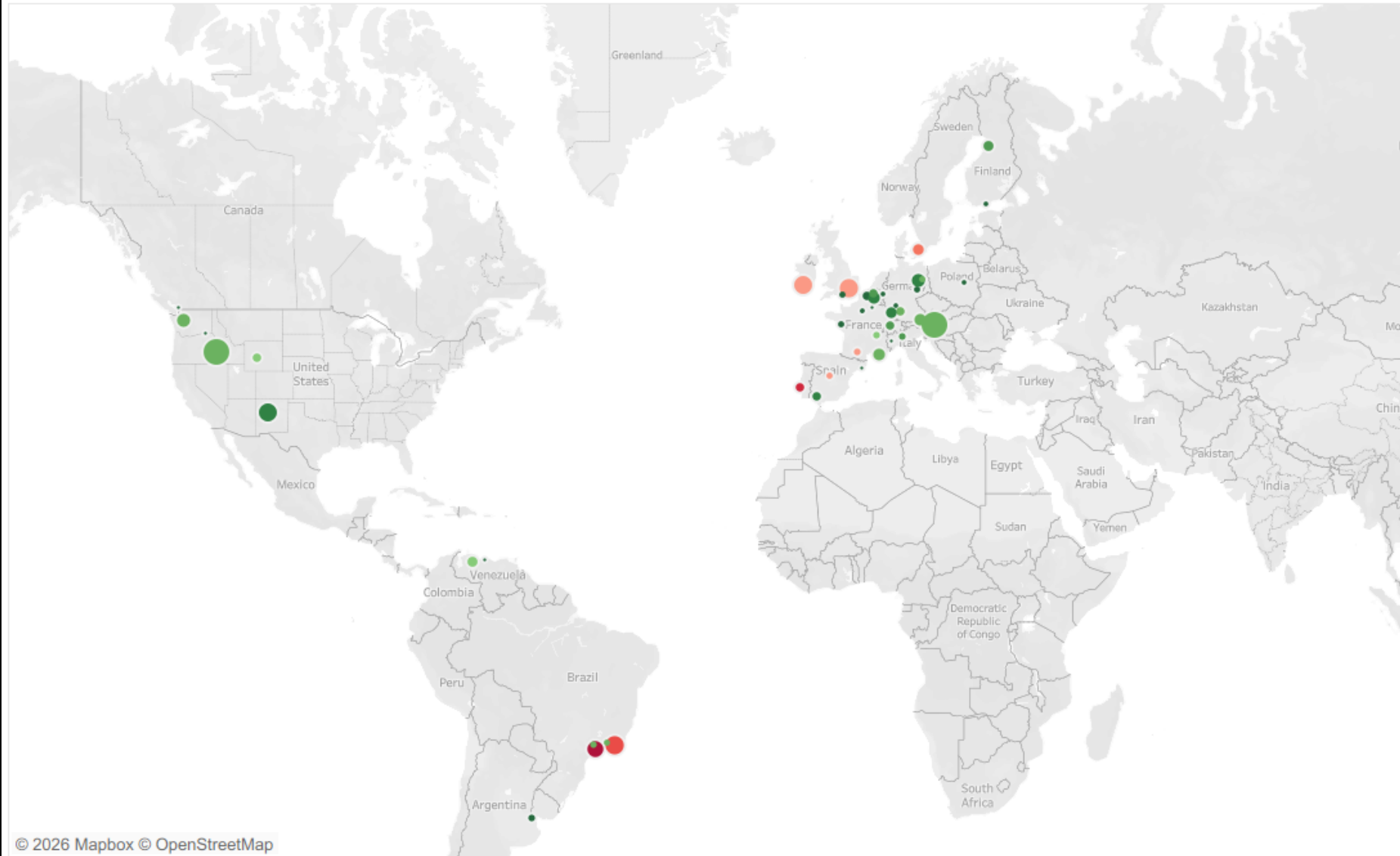
Tourtière

Profit per unit—
occupying valuable
warehouse space with
minimal return



Customer Value Concentration

Geographic Map



Top Revenue Drivers

Three customers generate over \$100K each in lifetime value:

- QUICK-Stop (Germany): \$110K, 6.92% discount
- Ernst Handel (Austria): \$105K, 6.81% discount
- Save-a-lot Markets (USA): \$104K, 8.28% discount

📌 Geographic strongholds: Western Europe, North America, and emerging Brazil market

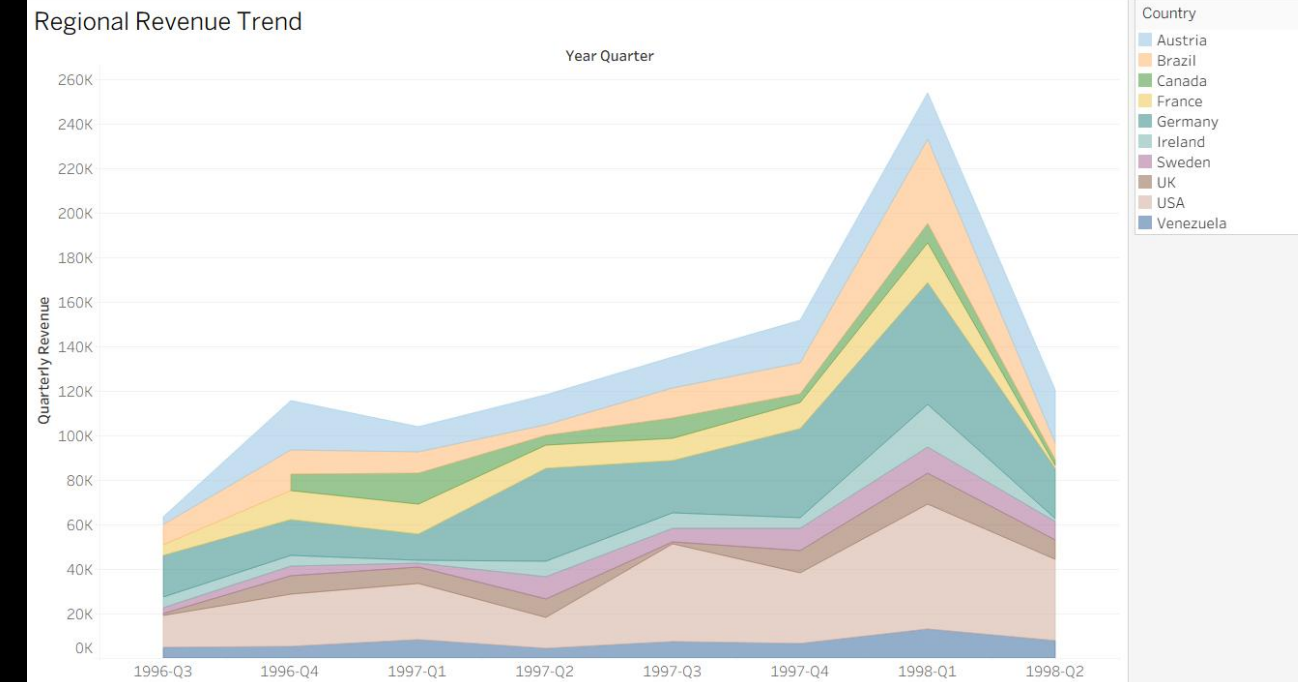
Revenue Trends & Warning Signs

1 1998-Q1 Peak

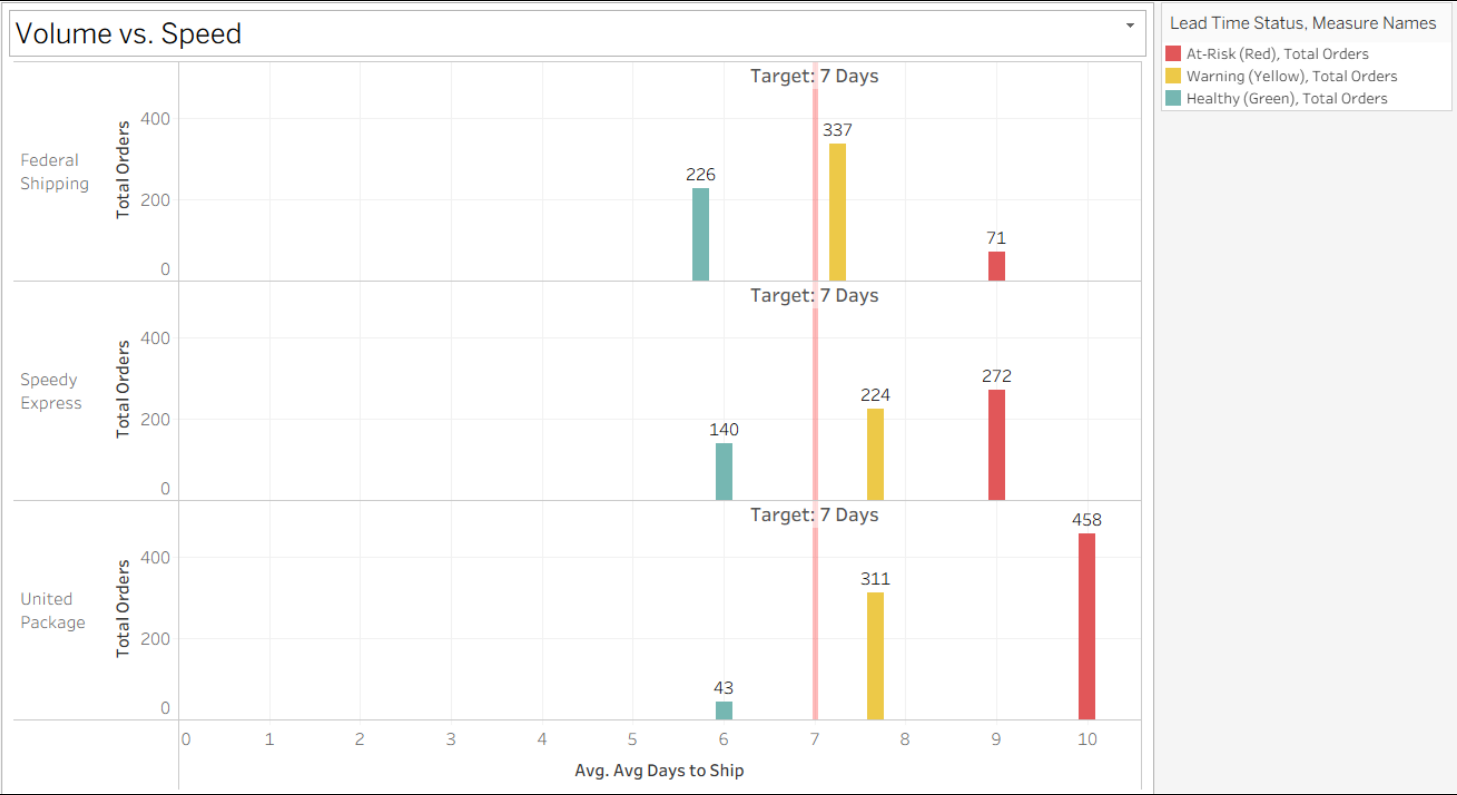
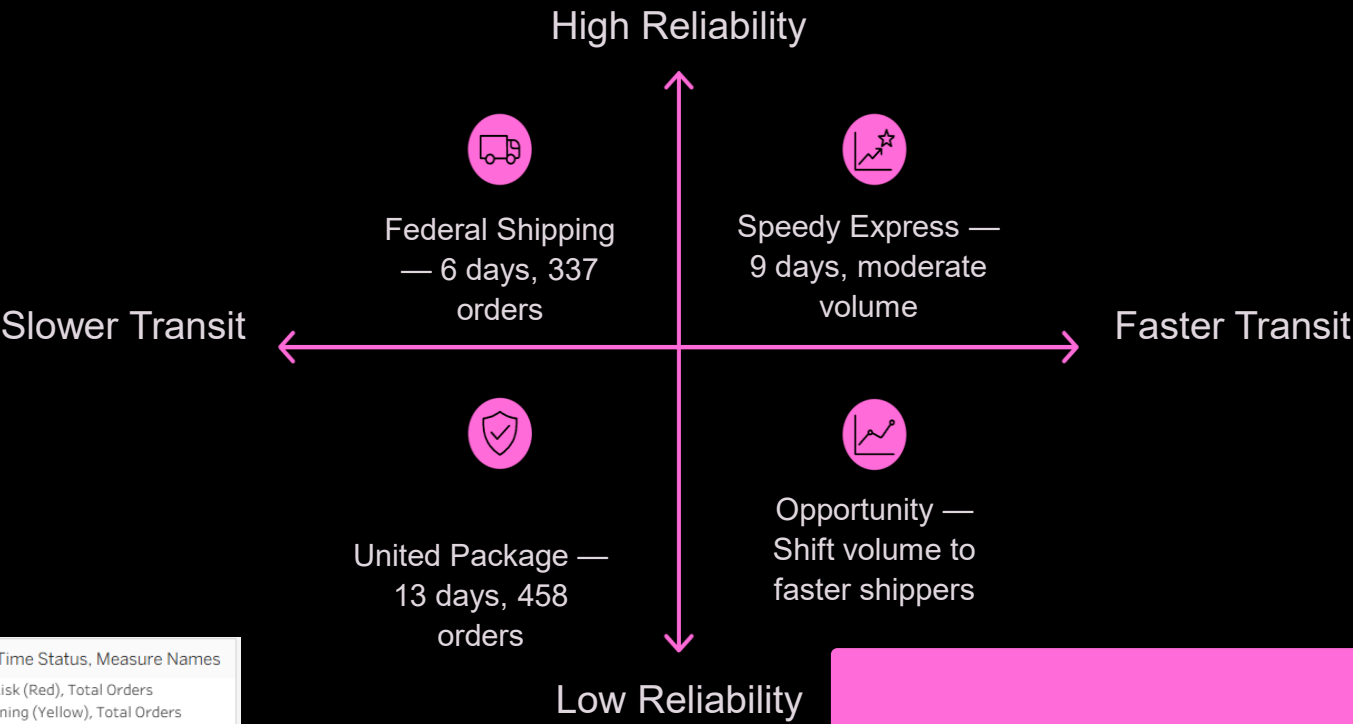
Massive revenue spike across all regions—investigate and replicate this success formula

2 1998-Q2 Decline

Sharp downturn following peak—systemic slowdown requiring immediate VIP outreach



The Shipping Crisis



Critical Bottleneck

United Package delivers 458 orders at 10-day lead time -our largest volume through our slowest shipper.

Federal Shipping proves reliability: 337 orders in 7.25 days with another 226 in 5.75 days.

\$88.8K revenue at risk (7.2%) from delays exceeding 9 days.

Sales Talent Matrix



Revenue Stars

Janet Leverling & Nancy Davolio: High volume + high AOV. Use as training models.

Premium Closers

Anne Dodsworth & Robert King: \$1,800+ AOV. Assign to whale customers and star products.

Operational Engines

Laura Callahan: 250+ orders but lower AOV. Needs cross-selling and upselling training.

Strategic Recommendations



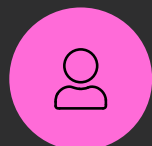
Protect Margins

Cap Meat/Poultry discounts at 5.5%. Freeze luxury item discounts (Mishi Kobe Niku).



Fix Logistics

Route orders over \$1,800 AOV to Federal Shipping. Renegotiate United Package contract.



Retain VIPs

Launch outreach program for top 10 customers. Address Q2 revenue decline immediately.



Replicate Success

Investigate 1998-Q1 spike factors. Apply learnings to upcoming quarters.