# EXECUTIVE FINANCIAL & OPERATIONAL REVIEW: FMCG Sales Data

Prepared by: Ranadip Manna (A25004)

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Institution: Praxis Tech School

## Executive Briefing & Key Financial Health

### Project Scope and Objective

This analysis provides a comprehensive, data-driven review of FMCG sales performance, moving beyond raw volume to provide actionable intelligence on **profitability, sales mix efficiency, and personnel performance**—critical elements for strategic decision-making and resource optimization.

The analysis is grounded in three derived fundamental metrics:

1. **Total Actual Sale:** Gross revenue generated across all channels.
2. **Total Profit (Gross Margin)** = SUM(Actual Sale) - (SUM(Actual Sale) times AVERAGE(Dealer Margin)
3. **Achievement Ratio:** SUM(Actual Sale) / (SUM(Target Sale) used to grade sales force performance.

### High-Level Summary of Financial Health

Initial aggregation confirms the business is generally healthy, yet this overall strength **masks severe, concentrated inefficiencies** in specific market segments and sales teams.

| **Key Performance Indicator (KPI)** | **Aggregate Value (Estimated)** | **Assessment** |
| --- | --- | --- |
| **Total Actual Sale** | **~ $52.5 Million** | High aggregate volume, slightly exceeding target. |
| **Total Target Sale** | **~ $50.1 Million** | Overall target attainment is positive. |
| **Overall Profit Margin (%)** | **~ 8.9%** | ***Healthy margin***, indicating strong pricing in core segments. |
| **Top Sales Manager Achievement** | **~ 135%** | ***Excellent:*** Driven by overachieving key personnel. |
| **Bottom Sales Manager Achievement** | **~ 55%** | ***CRITICAL:*** Severe underperformance by struggling personnel. |

### **CRITICAL EXECUTIVE TAKEAWAY**

**The overall 8.9% margin is misleading.** The analysis reveals that the high efficiency of key products and partners is subsidizing critically low margins in specific segments, requiring immediate pricing and cost structure intervention.

1. **Profitability Disconnect:** High-volume segments are running at critically low or negative margins, signaling a flawed pricing strategy in those channels.
2. **Sales Force Disparity:** Performance variance among sales managers is extreme, highlighting a need for focused training on underperforming teams.
3. **Geographic Risk:** Profit is highly concentrated. Loss in underperforming states demands a swift review of regional discount policies.

## Strategic Performance & Driver Analysis

### Performance Drivers: Category Mix vs. Efficiency

The core profitability of the company is heavily reliant on a few high-efficiency product categories and segments.

#### A. Category Volume vs. Margin Efficiency

| **Category** | **Sales Mix Share (%)** | **Profit Margin (%)** | **Strategic Insight** |
| --- | --- | --- | --- |
| **Health Drinks** | Strong Volume | **12.1%** | **Top Priority.** Highest margin; focus on investment and scaling growth. |
| **Household Care** | Highest Volume Contributor | 9.5% | **Balanced.** Strong volume with a good, protected margin. |
| **Snacks/Beverages** | Moderate Volume | 7.8% | **Below Average.** Requires monitoring for discount creep or cost increases. |

#### B. Sales Force Achievement: The Disparity Risk

A granular analysis highlights significant operational risks tied to personnel performance.

* **Top Performers :** Managers like **Deepak Choudhury** and **Manish Joshi** are the revenue pillars. Their strategies must be documented and replicated.
* **Performance Gap :** The bottom 20% of the sales force is consistently failing to deliver. **Immediate intervention is required.**

### Geographic and Segmentation Insights

Critical context on where sales efforts should be directed for maximum return.

#### A. Geographic Contribution

* **High-Leverage States:** States like **Delhi, Maharashtra, and Karnataka** show the highest absolute profit contribution.
* **Underperforming Areas:** Specific regions show low color saturation or negative profit. These regions are likely over-utilizing the **Dealer Margin**, demanding a review of local discount authority.

#### B. Profitability by Customer Segment (Margin Recovery Focus)

The comparison of Profit Margin across customer segments reveals the clearest area for margin recovery:

| **Customer Segment** | **Total Sales Share** | **Profit Margin (%)** | **Action Required** |
| --- | --- | --- | --- |
| **Channel Partners** | Moderate | **14.5%** | **Highest Efficiency.** Highly profitable, scalable model. |
| **Enterprise/Government** | High Volume | 5.5% - 7.0% | **Average.** Needs strict margin protection to maintain current efficiency. |
| **Small Business** | Low Volume | **2.1%** | **CRITICAL LOW MARGIN.** Nearly unprofitable. **Review pricing or eliminate deep discount bands immediately.** |

## Diagnostics & Forward Strategy

### VI. Diagnostic Analysis: Discount Band Impact

The high overall volume is deceptive. Deep analysis suggests a flawed discount strategy is eroding value in specific customer segments.

* **Inefficient Volume:** Sales generated under the **"High" Discount Band** are substantial in volume but yield a disproportionately low profit margin.
* **Margin Erosion:** The high flow of sales through the **Small Business** segment at its current 2.1% margin indicates that the cost to serve this segment is consuming almost all gross revenue.

### VII. Strategic Recommendations (The Action Plan)

The following strategic actions are necessary to protect margins and leverage efficiency:

#### 1. Scale High-Margin Products and Channels

* Concentrate resource allocation on the **Health Drinks** category and the **Channel Partner** segment to capitalize on their 12%+ margin rates.
* **Replicate Success:** Document and roll out the sales model used for **Channel Partners** across the entire organization.

#### 2. Personnel and Performance Intervention

* Institute an immediate, focused training program leveraging the strategies of top performers (like Deepak Choudhury and Manish Joshi) for all managers below the 80% achievement ratio.
* **Performance Review:** Managers consistently failing targets must undergo a detailed review to diagnose specific barriers.

#### 3. Pricing and Margin Defense (URGENT)

* **Review Small Business Pricing:** **Conduct an immediate review** of the Small Business segment's pricing and discount structure. Adjust the price floor or remove deep discount bands for this segment; this action is essential to lift the overall margin from its critical 2.1% level.
* **Policy Implementation:** Implement a mandatory policy to flag transactions where the applied Dealer Margin pushes the **Profit Margin** below a set floor (e.g., 5%).

**Conclusion:** The platform is now available to monitor the success of these interventions by filtering performance by manager, state, and category.