



Optimization of Inventory, Financial Conditions and Customer Retention of “G Mega Mart”

| Pushpak Ruhil |

| 21F2001180 |

| Business Data Management Project Proposal |

| September 2022 Term |

Executive Summary

G Mega Mart (a unit of OMPL) is a super-mart, that deals with FMCGs.

The super-mart has a single branch and is located in Sector - 12, pocket - A, Dwarka, New Delhi – 110075.

G Mega Mart is the first unit of Orient Merchants Pvt. Ltd. in the retail line. They currently have 19 employees working under them. Even after being successful, the business is tough to run smoothly. Like every other business, they also face specific issues due to the competition around them.

The three key challenges are inventory management, profit optimization and customer retention.

- Inventory management is a difficult task when you have so many SKUs present. Clearing out stock before they expire, SKUs with longer average days of inventory.
- Earning profits becomes a challenge when you have a large competition around.
- With the level of competition that G Mega Mart has, customers tend to slip away to the competitors. We want to increase the loyalty among our customers for us.

Their long-term goal is to establish digital footprints so that everyone in the locality knows about them and prefers them over their competitors.

The analysis would help the business get insights into the aforementioned challenges as well as some possible solutions.

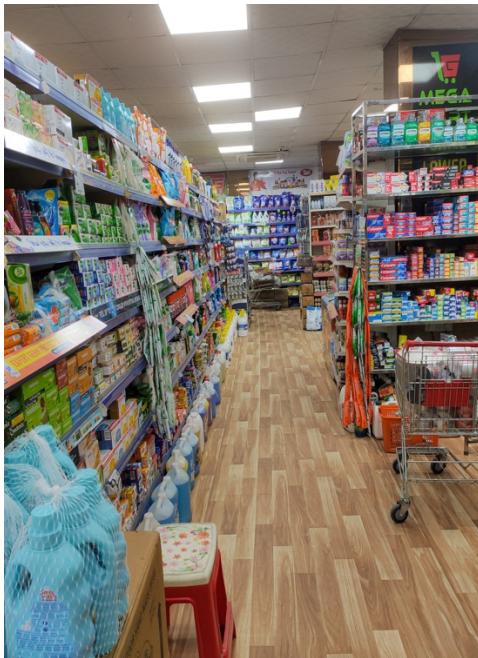
Organization Background

G Mega Mart (a unit of Orient Merchants Pvt. Ltd.) and is an FMCG super-mart.

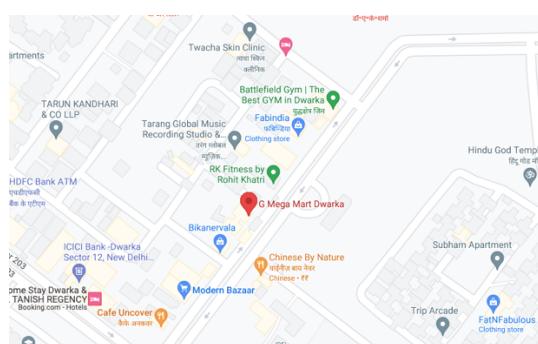
Below are the points that discuss the history and other facts about the firm.

- The trade name of the firm is **Orient Merchants Pvt. Ltd.** Their main business is real estate, rent and lease. “**G Mega Mart**” is their first unit in the retail line.
- The super-mart was previously owned by someone else, and the current owners acquired it in **July 2022**.
- They have a total of **19 employees** working under the key stakeholders.
- The key stakeholders for the business are:
 - The director of the firm is **Mr. Ashok Rajput**.
 - The active signing authority of the firm is **Mr. Dhruv Rajput**.
 - The legal aspects of the firm are handled by **Mr. Shourya Rajput**.
- They have **in-store purchases** as well as **home delivery** services available.
- Users can place orders via WhatsApp, calls and by visiting the super-mart, physically.
- They also have an app available on the play store by the same name as the super-mart. It is currently under development.
- They also have a website (<https://gmegamart.com>) which is also under development.

Below are a few of the super-mart's images.



Location: (Click on the image to open the link)



(<https://www.google.com/maps/place/G+Mega+Mart+Dwarka/@28.5969461,77.0409079,18z/data=!4m5!3m4!1soxo:oxied1604a45990a46!8m2!3d28.5966976!4d77.0418252>)

Problem Statements

Below are the problems statements listed by the business:

- Figuring out the issues with **inventory management**. To identify what all SKUs have less shell life, fewer margins, fewer sales, etc. What all SKUs stay in the store for longer before stock out? If there are any products facing stockouts.
- Managing high **profit/sales** while still giving a considerably high discount to customers. They want to focus on high-margin products while giving good competition among the competitors.
- Working on **customer retention**. Improving the overall percentage of customer loyalty.

Background of the Problems

- 1) Inventory management is a difficult task. The business has been facing issues to get rid of some inventory items like fruits and vegetables. These are the products which have the lowest shell life. So, finding insights for the same and identifying root causes and possible solutions to increase the sale smoothly for such products would be a key help for the business. Shoplifting is another issue faced by the business. According to them, they think that shoplifting can only be minimized and not stopped completely. The staff is also semi-skilled labour here. They need to be given appropriate minimum training to work in the with the business.
- 2) G Mega Mart has competition with 5 other competitors in the same market location. So, survival gets difficult. Survival depends on keeping a competitive price (sometimes the same, sometimes lower than the others) and also keeping the profit in mind. Survival isn't possible just by staying in the competition and not earning. When the competition is this high, earning profit becomes a difficult task.
- 3) Customers come and they purchase the goods that they want. Now how can you increase customer retention? How can we make the same customer loyal to our brand and not go to our competitors? Given the competition, there is an easy tendency for customers to slip away to the competitors.

Possible Problem-Solving Approaches

I will be following Google's Data Analysis process which is a 6-step process. The different phases are **ASK, PREPARE, PROCESS, ANALYZE, SHARE and ACT**.

I am partially done with the **ASK** phase, where I have asked the key stakeholders about the business challenges they face and other subsequent questions to get into the details of these challenges, to get an idea of the whole situation. During this phase, I tried and will try to use structured thinking and also follow the SMART methodology to ask questions.

Specific

Measurable

Action-oriented

Relevant

Time-bound

Now, in the **prepare and process** phases, given the competition in the same location, I might also have to manually do data entry of SKUs and their corresponding prices from the pamphlet of different competitors. This will help me analyze the situation of prices among the different competitors. Apart from this, I will be provided with the key data needed for the analysis, by the stakeholders themselves. This data includes customers' data, suppliers' data and inventory data.

As I'll proceed with the analysis, I'll decide on the useful and relevant data for me.

This collected data might need to be cleaned and merged into one single excel sheet. Some attributes might need to be cleaned to be more consistent with the type of values allowed.

In the **analyze** and **share** phases, I work on the data that I would be having by now to find insights related to the business problems specified above. I will be analyzing the data using pivot tables, visual summaries, descriptive statistics, etc. In the end, I will be creating a presentation with visualizations that can help share the insights I found quickly and easily. Additionally, while sharing the insights with the stakeholders of the business, I would also try to give out possible solutions to them which might be helpful for the business.

The **act** phase solely depends on the business, where they will use my insights and possible solutions to act upon and bring in necessary changes to help them.

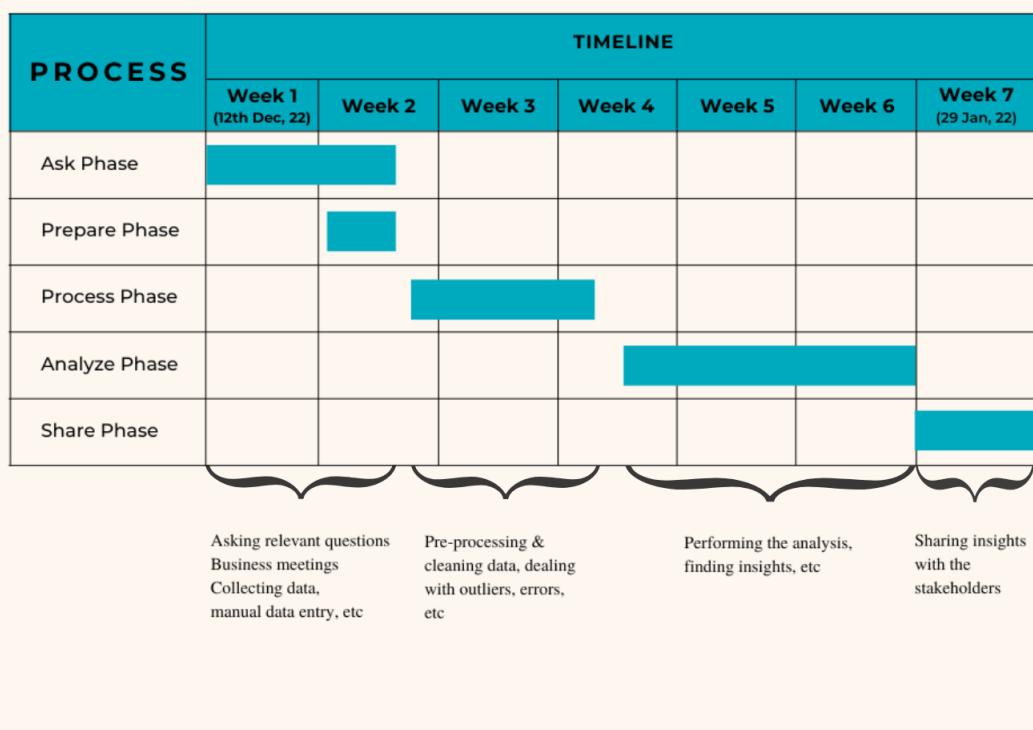
For the analysis, I am planning to use the following tools: -

- **Microsoft Excel** for pre-processing as well as analysis of the data.
- **Tableau Desktop** for creating visualizations and dashboards.

Expected Timeline

Expected Timeline

Gantt Chart



I am expecting to complete my analysis within 7 weeks.

Expected Outcomes

As I would proceed towards finishing my analysis, I am expecting to find several insights like: -

- SKUs with less shell life, causing a loss in the business and the loss caused.
- SKUs causing a cluster in the inventory due to high average days of inventory and therefore preventing earning potential profit from other SKUs.
- SKUs to focus more on to increase sales and profit.
- SKUs contributing to high profit in overall sales.
- Analyzing the competition with other competitors and insights for the same.
- Percentage of customers coming back to shop with us within a chosen period.
- Number of shoplifters, customers cancelling the order, etc. and the loss incurred due to such bad customers.

Apart from the insights that I would be drawing from the analysis, I would also be trying to come up with possible solutions for the business to act upon to help with the issues that are being faced.