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Contents

Word Count - 1132

Executive summary

This analysis examines sales data and focuses on profits from 2017 to 2020.

Profit

Profit has been steadily increasing year to year since 2017, with an average growth rate of approximately 24.7% per year.
Profit is typically lowest in Q1, with gradual growth from Q1 to Q4 each year.
The most profitable product categories are phones and copiers.
Tables are the only product category that generates a negative profit.

Geographical data

The most profitable countries are the USA, China, India, United Kingdom, Mexico, France, Germany and Australia.
The countries in which the sales experience the greatest loss in profits are Turkey, Nigeria, Netherlands, Pakistan, Sweden, Honduras and Argentina.
The most profitable states in the US are: California, New York, Washington.
The states with the biggest loss in profit are: Texas, Ohio, Pennsylvania.

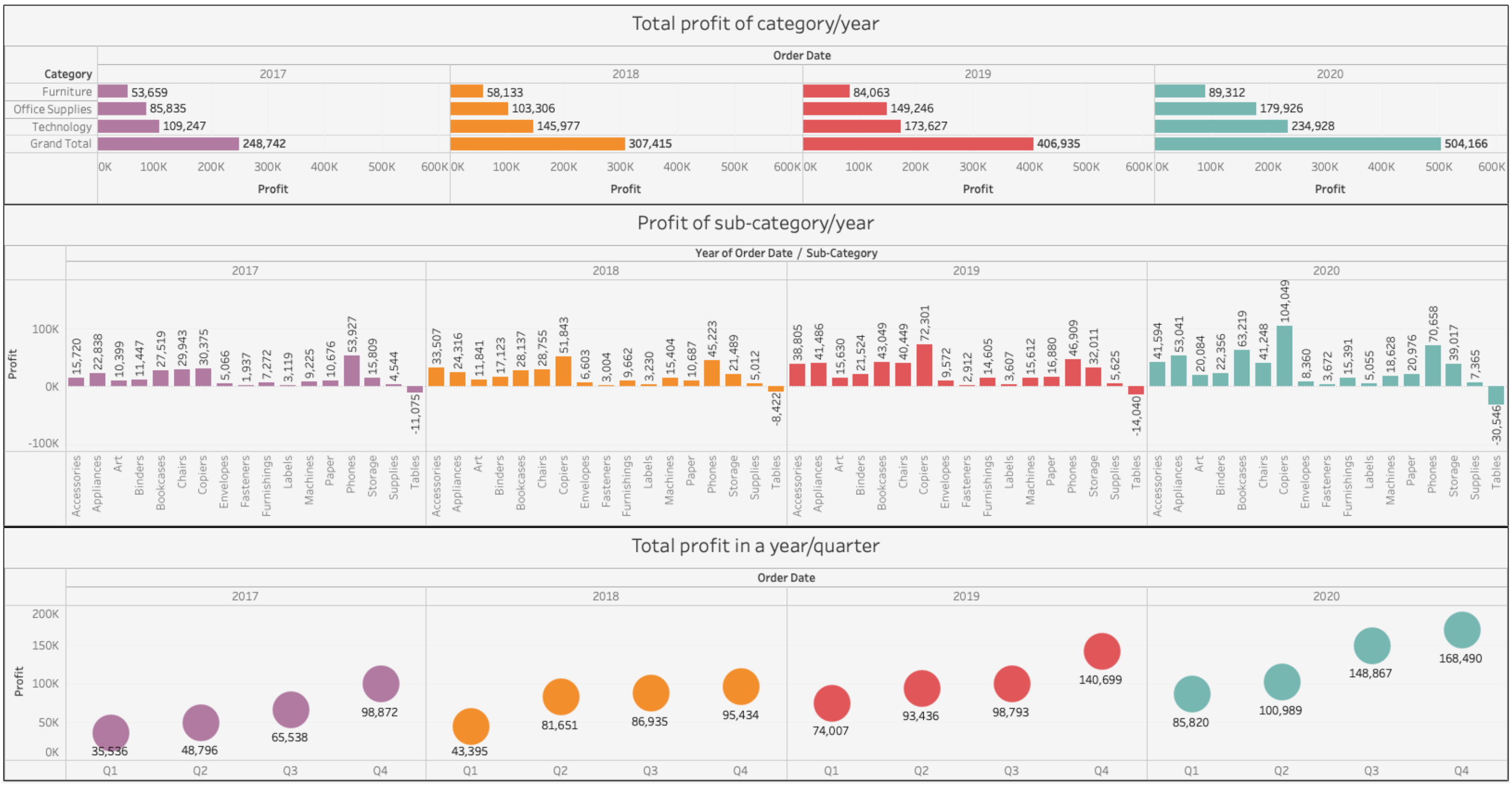
Customer performance

An analysis has been done to evaluate customers' performance. It shows that there are several customers who consistently experience negative profitability. Further analysis is required to ascertain the reason and possible solutions to the issue.

Forecast

The sales forecast shows a further growth in profit if the current trend persists.
Tables to continue to operate with a loss.
Unless an unexpected global issue that affects the whole world occurs, a continuous increase could be experienced.

Overview of sales



Insights

The total profit increased by approximately 102.69% over the period from 2017 to 2020, representing a substantial increase in profits over the four-year period, with an average annual growth rate of approximately 24.7%.

We have profit data about three main categories: Furniture, Office supplies, and Technology.

From 2017 to 2020, Furniture consistently yielded the lowest profit, while Technology consistently yielded the highest.

The profit growth rate for each category from 2017 to 2020 was approximately:

- Furniture: 66%
- Office supplies: 101%
- Technology: 115%

Within each product category, we distinguish different Sub-categories. By analysing the profit of these sub-categories, we can gain further insight into the profitability of the products.

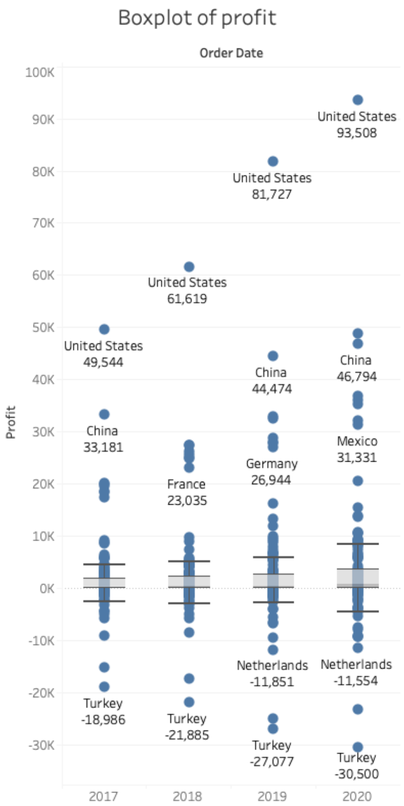
It is clear that phones and copiers are the most profitable products, while tables consistently yield a negative net profit, meaning that selling them results in a loss for the company.

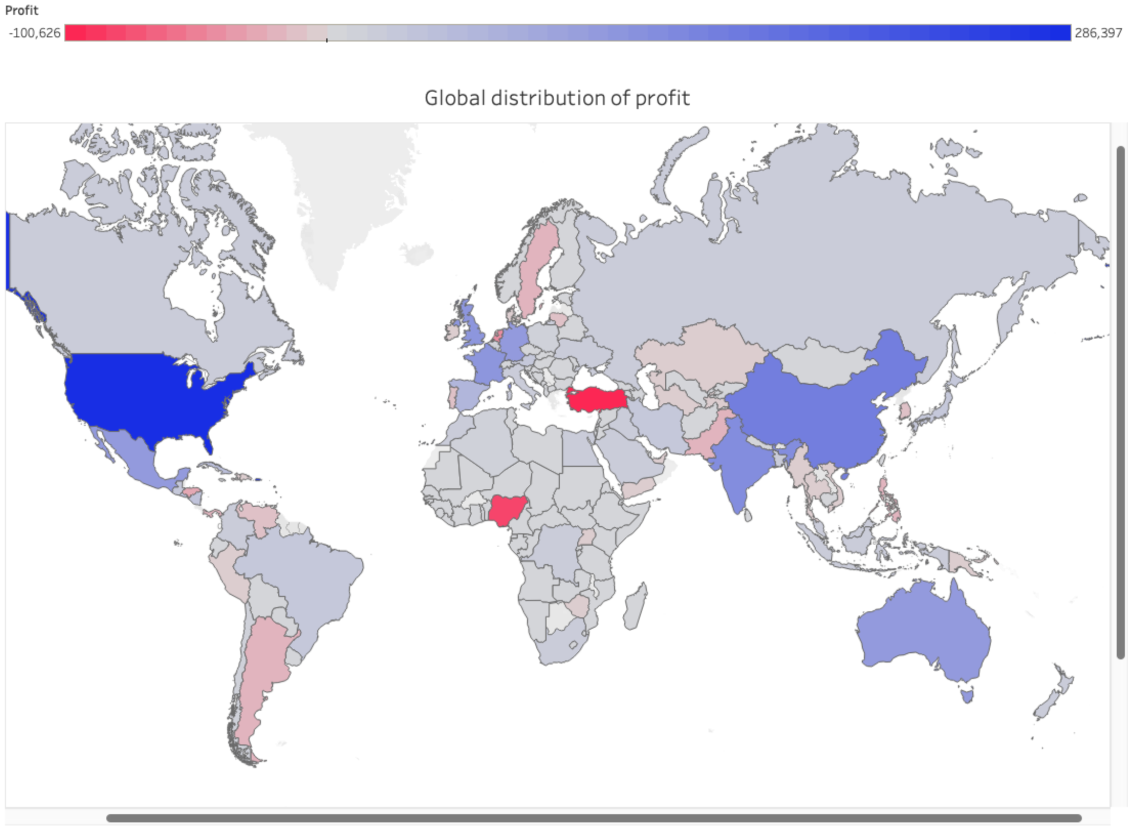
Looking at the quarterly profit each year from 2017 to 2020, it is apparent that the profit increases gradually each quarter. Q1 consistently yields the lowest profit, Q2 and Q3 produce profits that are comparatively close to each other, and Q4 is the most financially successful quarter every year.

Recommendations

Further analysis into the sale of Furniture and how they can be optimised for profitability. Currently available variables are insufficient to generate a hypothesis regarding what needs improvement to achieve this.

Global distribution of profit





Insights

The US is consistently the country with the highest profit, followed by China, India, United Kingdom, Mexico, France, Germany and Australia with some variability.

The country with consistently the lowest profit is Turkey, followed by Nigeria, Netherlands, Pakistan, Sweden, Honduras and Argentina.

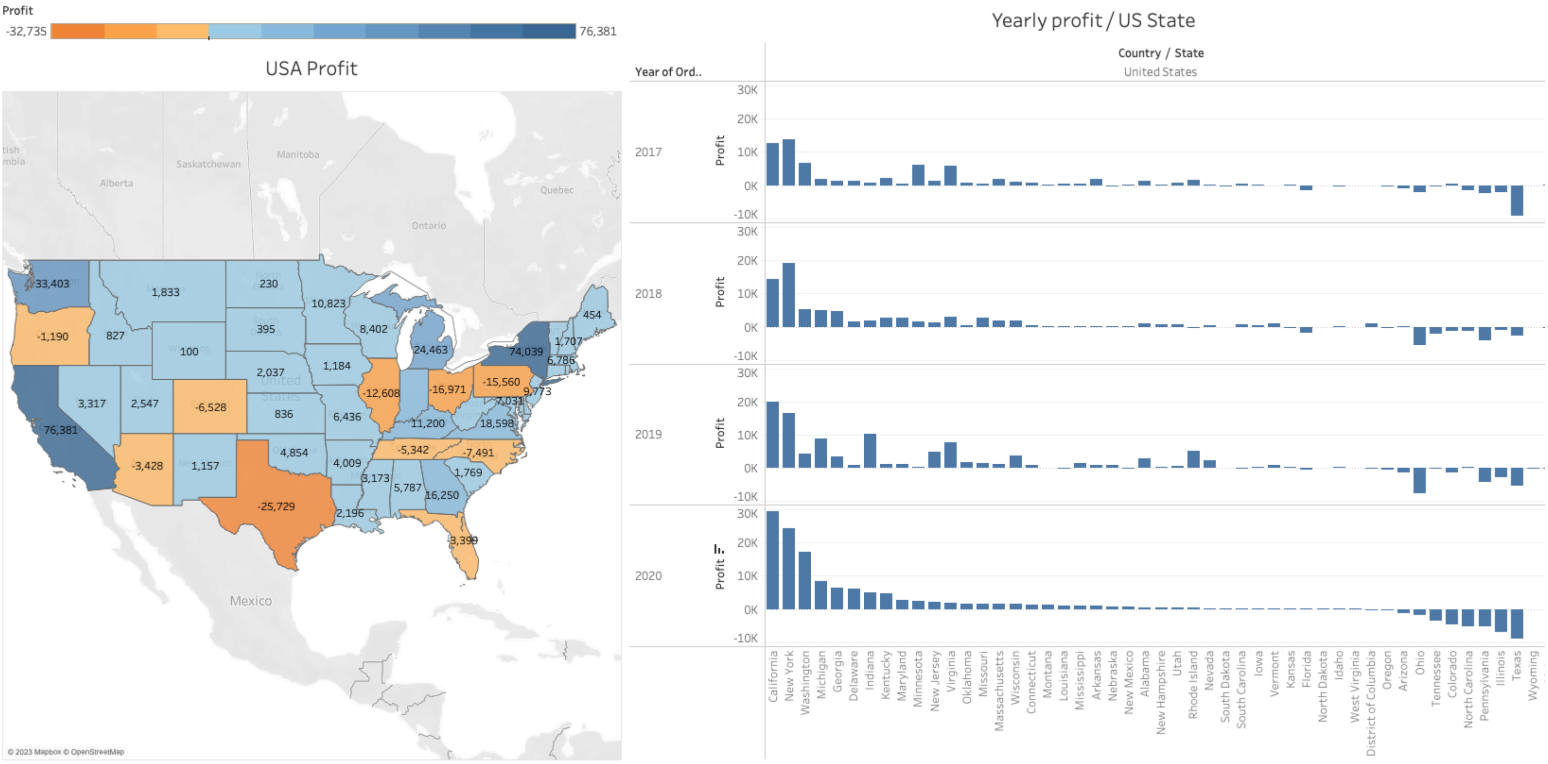
The median of profit of all the countries is close to zero, meaning that the overall profitability of countries is not significantly positive or negative, and profits are evenly distributed across countries. It also means that the highest and lowest yielding countries are significant outliers in terms of profitability.

Recommendations

Review sales in countries that yield losses. If sales in those countries to continue, the following actions could be considered:

- Evaluate customer base, competition and market position to better understand the reasons for the low profitability and identify potential areas for improvement.
- Consider cutting costs by improving management strategies, and negotiating better deals with suppliers, and reducing unnecessary expenses
- Adopt lean management methods, which have proven to be effective in reducing costs and increasing efficiency. Hiring a lean management consultant who can observe, strategize, implement, and evaluate changes and improvements may be helpful

Profit in the USA



Insights

As the most profitable country, the USA should be analysed closer.

The most profitable states are: California, New York, Washington, and the states with the biggest loss in profit are: Texas, Ohio, Pennsylvania.

As the states with negative profit are spread throughout the country, we can safely say that the geographical location of states do not affect the profitability.

Recommendations

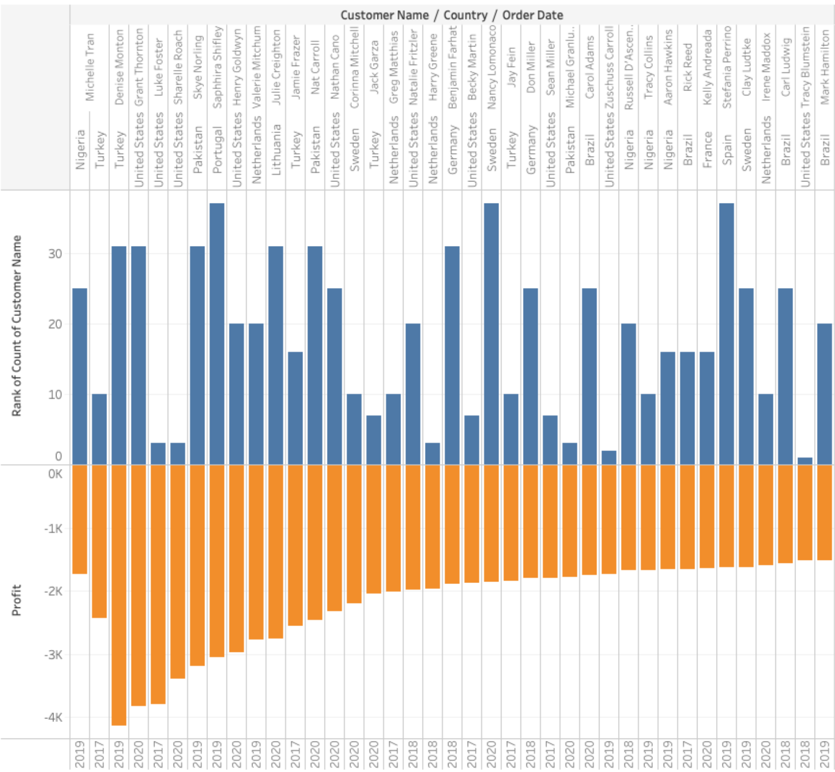
As the year-to-year analysis shows little variance in the profitability of the states, focus should be directed to the states where there is a loss in profit.

Various factors should be considered, like customer behaviour, market competition, shipping methods and discount distribution. Comparing the findings with that of the profitable states could result in obtaining more insight.

An outside consultancy is not warranted in this case, as the focus is on one country and the reasons for the losses can probably be found with further inside analysis. If solutions are not found in due course, the company may consider hiring a consultant.

Customer analysis

Negative Profit / customer 2017-2020



Profit -6,626 -1,674

Negative profit table

Customer Name	Turkey	United S..	Sweden	Portugal	Pakistan	Nigeria	Netherl..	Lithuania	Germany	Brazil
Ralph Arnett	-1,853									
Jack Garza	-2,117									
Jay Fein	-2,437									
Michelle Tran	-2,540					-1,730				
Jamie Frazer	-2,603									
Denise Monton	-5,382									
Valerie Mitchum							-2,768			
Skye Norling					-3,193					
Sharelle Roach		-3,334								
Sean Miller		-1,981								
Sean Braxton		-2,083								
Saphhira Shifley				-3,060						
Russell D'Ascenzo						-1,679				
Rick Reed										-1,674
Nathan Cano		-2,205								
Natalie Fritzler		-1,696								
Nat Carroll					-2,696					
Nancy Lomonaco			-1,864							
Michael Granlund					-1,780					
Luke Foster		-3,584								
Julie Creighton								-2,758		
Henry Goldwyn		-2,798								
Harry Greene							-2,035			
Greg Matthias							-2,008			
Grant Thornton		-4,109								
Don Miller									-1,803	
Corinna Mitchell			-2,193							
Cindy Stewart		-6,626								
Christine Phan		-1,850								
Carol Adams										-1,743
Benjamin Farhat									-1,766	

Insights

The company's goal should be to mitigate losses.

On this dashboard, we look at customer performance, focusing on negative profit below -$1600 for the four-year period. We see the years where they experienced the highest losses.

On the chart on the left, we compare customer profits with the number of orders per customer.

The table on the right shows in which countries the significant losses occur for the customers.

Most countries where these losses occur operate at a loss generally, while some of them, like the USA, are profitable overall, but have some areas where significant losses can be observed.

The countries where these customers operate vary, and background analysis showed that these customers did not, in general, apply higher discounts to their sales.

Another insight is that with the exception of one customer, they experienced these losses in one country each.

Recommendations

We can see a significant number of customers who produce a negative profit. This could have many reasons, and these reasons should be discovered.

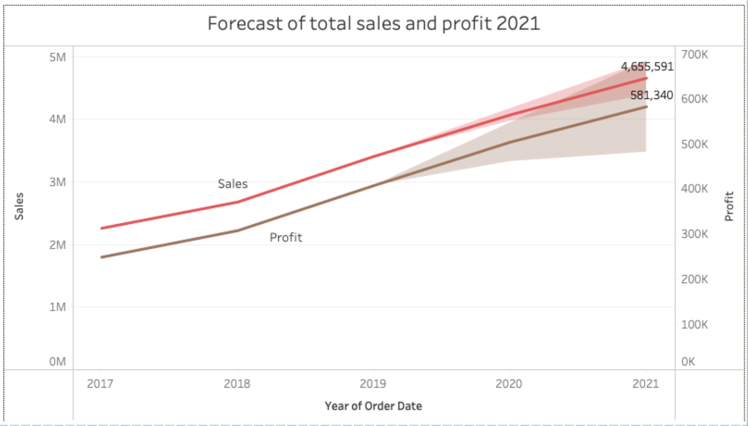
Although background analysis indicated that typically these customers rarely experience losses in multiple years, it is still an area that should be observed.

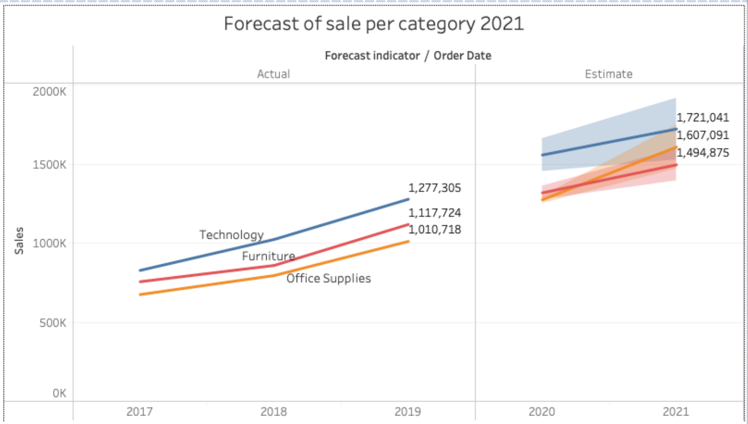
Another element of the analysis is the profit/number of orders ratio. An explanation for the losses may be found within this framework. Some customers produce losses with only a few transactions, which could indicate that they are specifically seeking discounted products. Other customers produce losses with a high number of transactions, which could indicate a certain strategic approach to entering a new market or a time-sensitive strategy in a particular market.

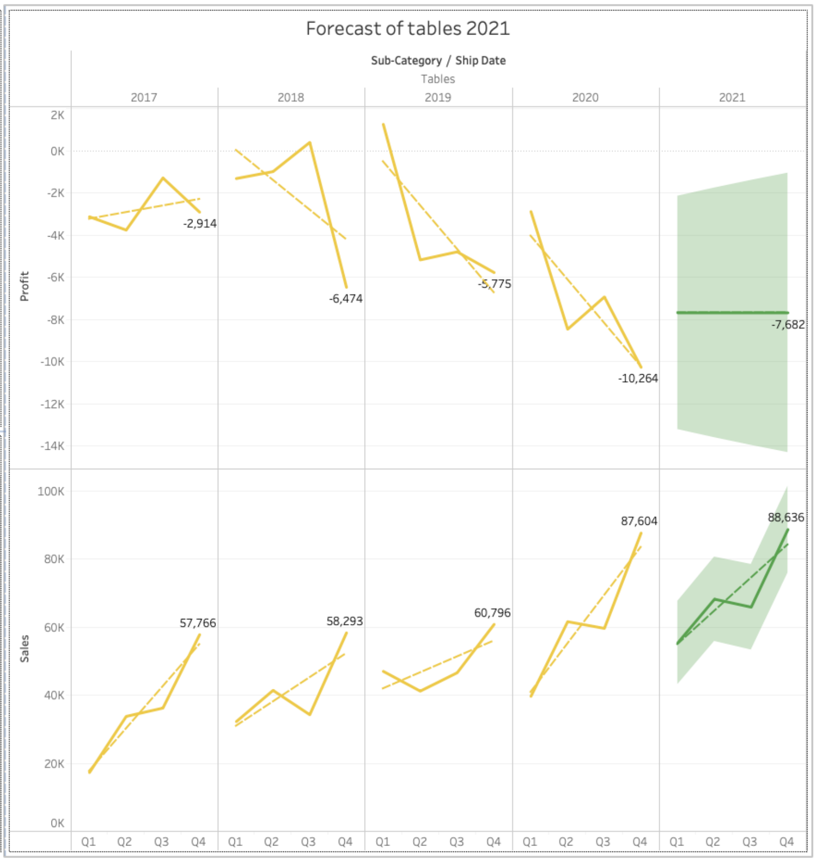
Overall, in addition to the above, the company should investigate the following factors:

- Length of time the customer has been in business with the company
- Discounts applied to customers
- Market, timeframe, and industry in which these customers primarily operate

Forecast







Insights

We can forecast an approximately 14% increase in total sales and a 15% increase in profits. Technology is expected to remain the most profitable product category. Profits from furniture are likely to be surpassed by profits from office supplies. This is mainly caused by the loss that table sales generate.

Looking at the sales forecast for tables, we can see a similar trend as before. It's also clear that higher sales don't necessarily yield higher profits in the table sales. The profit forecast is ambiguous at this point; nevertheless, further losses are likely to occur.

The sale of tables currently results in a loss for the company. If the decision is made to continue selling tables, some measures can be considered:

Firstly, the cost structure should be reviewed to find ways to reduce overhead expenses. Shipping costs are likely to be high due to the size and weight of the tables. More cost-efficient ways of transporting tables can be explored to reduce expenses.

Secondly, a discount can be added to the price of tables. Background analysis shows that the current discount rate for tables is low. Although discounts do not always yield the desired results, this option is worth exploring in this situation.

Lastly, resources should be reallocated to focus more on the sales of tables. By increasing marketing efforts and dedicating more sales personnel to this product category, sales can be boosted, and it can be turned into a profitable venture.